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1973

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CALIFORNIA-PACIFIC UTILITIES COMPANY  
to  
BANK OF AMERICA  
NATIONAL TRUST AND SAVINGS ASSOCIATION  
and  
M. J. BARRETT  
*Trustees*

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**Twenty-First Supplemental Indenture**

*Dated as of April 1, 1973*

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Supplementing and Modifying First Mortgage Indenture  
Dated as of July 1, 1944

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THIS IS A SECURITY AGREEMENT AND A CHATTEL MORTGAGE AS WELL AS A  
MORTGAGE UPON REAL ESTATE AND OTHER PROPERTY.

THIS IS A SECURITY AGREEMENT AND A CHATTEL MORTGAGE AS WELL AS A MORTGAGE UPON REAL ESTATE AND OTHER PROPERTY.

*THIS TWENTY-FIRST SUPPLEMENTAL INDENTURE*, dated for convenience as of April 1, 1973, although executed and delivered at a different date, between CALIFORNIA-PACIFIC UTILITIES COMPANY (formerly known as Southern Oregon Gas Corporation, successor by statutory merger to Needles Gas and Electric Company, a California corporation, Weaverville Electric Company, a California corporation, California Utilities Company, a California corporation, and Southern Utah Power Company, a Utah corporation), a corporation duly organized and existing under and by virtue of the laws of the State of California (hereinafter called the "Company"), party of the first part, and BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION, a national banking association duly organized and existing under and by virtue of the laws of the United States (hereinafter called the "Trustee" or the "Corporate Trustee"), and M. J. BARRETT, of Santa Clara County, California (hereinafter called "Co-Trustee" or "individual Trustee"—the Corporate Trustee and individual Trustee being hereinafter sometimes collectively called the "Trustees"), parties of the second part;

WHEREAS, the Company heretofore duly executed and delivered to Bank of America National Trust and Savings Association and William C. Koenig, as Trustees, its First Mortgage Indenture, dated as of July 1, 1944, covering all property then owned or thereafter acquired by the Company (other than certain property therein expressly excepted and excluded from the lien and operation thereof) for the purpose, among other things, of securing an authorized issue of bonds of the Company generally known as First Mortgage Bonds issuable thereunder in one or more series (said First Mortgage Indenture, dated as of July 1, 1944, being hereinafter called the "Original Indenture" and such bonds of the Company issued thereunder being hereinafter called the "Bonds");

WHEREAS, on May 1, 1970, William W. Bertram (successor to William C. Koenig as Co-Trustee under the Original Indenture), resigned, and the Company and Bank of America National Trust and Savings Association, Trustee, in accordance with the provisions of § 15.20 of the Original Indenture, accepted such resignation and ap-

pointed M. J. Barrett as successor Co-Trustee thereunder, and M. J. Barrett is now the qualified and acting Co-Trustee thereunder; and

WHEREAS, pursuant to and in conformity with the terms and conditions of the Original Indenture and with the consent of the holders of more than seventy-five (75%) of the principal amount of the Bonds then outstanding under the Original Indenture given by instruments in writing in a form approved by the Trustee and signed by such holders and filed with the Trustee, the Company and the Trustees heretofore executed a First Supplemental Indenture, dated as of June 15, 1946, a Second Supplemental Indenture, dated as of August 1, 1946, and a Fourth Supplemental Indenture, dated as of May 1, 1950, supplementing and modifying the Original Indenture; and pursuant to and in conformity with the terms and conditions of the Original Indenture, the Company and the Trustees heretofore executed a Third Supplemental Indenture, dated as of July 1, 1948, prescribing the form or forms of a new series of Bonds of the Company to be designated "First Mortgage Bonds, Series C, 3½%, due July 1, 1978", a Fifth Supplemental Indenture, dated as of July 1, 1950, prescribing the form or forms of a new series of Bonds of the Company to be designated "First Mortgage Bonds, Series D, 3¼%, due July 1, 1980", a Sixth Supplemental Indenture dated as of March 1, 1954, prescribing the form or forms of a new series of Bonds of the Company to be designated "First Mortgage Bonds, Series E, 4%, due January 1, 1984", a Seventh Supplemental Indenture, dated as of April 1, 1956, prescribing the form or forms of a new series of Bonds of the Company to be designated "First Mortgage Bonds, Series F, 3⅝%, due April 1, 1986", an Eighth Supplemental Indenture, dated as of May 1, 1958, prescribing the form or forms of a new series of Bonds of the Company to be designated "First Mortgage Bonds, Series G, 4%, due May 1, 1986", a Ninth Supplemental Indenture, also dated as of May 1, 1958, prescribing the form or forms of a new series of Bonds of the Company to be designated "First Mortgage Bonds, Series H, 4¾%, due May 1, 1986", a Tenth Supplemental Indenture, dated as of May 1, 1961, prescribing the form or forms of a new series of Bonds of the Company to be designated "First Mortgage Bonds, Series I, 5%, due May 1, 1991", an Eleventh Supplemental Indenture, dated as of

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September 1, 1962, prescribing the form or forms of a new series of Bonds of the Company to be designated "First Mortgage Bonds, Series J,  $4\frac{7}{8}\%$ , due September 1, 1992", a Twelfth Supplemental Indenture, dated as of April 1, 1964, prescribing the form or forms of a new series of Bonds of the Company to be designated "First Mortgage Bonds, Series K, 4.65%, due April 1, 1994", a Thirteenth Supplemental Indenture, dated as of March 1, 1966, prescribing the form or forms of a new series of Bonds of the Company to be designated "First Mortgage Bonds, Series L, 5.15%, due March 1, 1996", a Fourteenth Supplemental Indenture, dated as of March 1, 1967, prescribing the form or forms of a new series of Bonds of the Company to be designated "First Mortgage Bonds, Series M,  $6\frac{3}{8}\%$ , due March 1, 1997", a Fifteenth Supplemental Indenture, dated as of November 1, 1967, prescribing the form or forms of a new series of Bonds of the Company to be designated "First Mortgage Bonds, Series N,  $6\frac{1}{2}\%$ , due November 1, 1997", a Sixteenth Supplemental Indenture, dated as of March 1, 1969, prescribing the form or forms of a new series of Bonds of the Company to be designated "First Mortgage Bonds, Series O,  $7\frac{1}{2}\%$ , due March 1, 1999", a Seventeenth Supplemental Indenture, dated as of June 1, 1970, prescribing the form or forms of a new series of Bonds of the Company to be designated "First Mortgage Bonds, Series P,  $9\frac{3}{4}\%$ , due June 1, 2000", an Eighteenth Supplemental Indenture, dated as of January 1, 1971, prescribing the form or forms of a new series of Bonds of the Company to be designated "First Mortgage Bonds, Series Q,  $6\frac{1}{8}\%$ , due December 31, 1985", a Nineteenth Supplemental Indenture, dated as of September 1, 1971, prescribing the form or forms of a new series of Bonds of the Company to be designated "First Mortgage Bonds, Series R,  $8\frac{3}{4}\%$ , due September 1, 1995", and a Twentieth Supplemental Indenture, dated as of April 1, 1972, prescribing the form or forms of a new series of Bonds of the Company to be designated "First Mortgage Bonds, Series S, 8%, due April 1, 2002" (which Original Indenture, as supplemented and modified by the First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth, Tenth, Eleventh, Twelfth, Thirteenth, Fourteenth, Fifteenth, Sixteenth, Seventeenth, Eighteenth, Nineteenth and Twentieth Supplemental Indentures, is hereinafter called the "Mortgage"); and

WHEREAS, there are now issued and outstanding under the Original Indenture \$33,859,620 principal amount of First Mortgage Bonds of the Company, consisting of \$750,000 Series C Bonds, 3½%, due July 1, 1978, \$975,000 Series D Bonds, 3¼%, due July 1, 1980, \$2,000,000 Series E Bonds, 4%, due January 1, 1984, \$1,500,000 Series F Bonds, 3⅞%, due April 1, 1986, \$1,128,000 Series G Bonds, 4%, due May 1, 1986, \$1,305,000 Series H Bonds, 4¾%, due May 1, 1986, \$2,000,000 Series I Bonds, 5%, due May 1, 1991, \$2,000,000 Series J Bonds, 4⅞%, due September 1, 1992, \$2,000,000 Series K Bonds, 4.65%, due April 1, 1994, \$3,000,000 Series L Bonds, 5.15%, due March 1, 1996, \$3,000,000 Series M Bonds, 6⅞%, due March 1, 1997, \$3,000,000 Series N Bonds, 6½%, due November 1, 1997, \$1,500,000 Series O Bonds, 7½%, due March 1, 1999, \$3,000,000 Series P Bonds, 9¾%, due June 1, 2000, \$701,620 Series Q Bonds, 6⅛%, due December 31, 1985, \$3,000,000 Series R Bonds, 8¾%, due September 1, 1995 and \$3,000,000 Series S Bonds, 8%, due April 1, 2002; and

WHEREAS, Section 2.03 of the Original Indenture provides that any series of Bonds, other than Bonds of Series A, may be established by resolution of the Board of Directors of the Company, and that in the event of the establishment of any new series of Bonds there shall be executed by the Company and the Trustees and delivered to the Trustees a supplemental indenture prescribing the form or forms of the Bonds of the new series and other provisions made in respect thereof pursuant to the Original Indenture; and

WHEREAS, the Board of Directors of the Company, pursuant to the provisions of the Mortgage, by a resolution duly adopted by it, has established a new series of Bonds to be designated "First Mortgage Bonds, Series T, 7.95%, due April 1, 2003" (such new series of Bonds being hereinafter sometimes called "Bonds of Series T" or "Series T Bonds") and has authorized the execution and delivery of this Twenty-First Supplemental Indenture; and

WHEREAS, all acts and proceedings required by law and by the Articles of Incorporation and By-Laws of the Company, including all actions requisite on the part of the stockholders, directors and officers necessary to make the Series T Bonds, when executed by the Company, authenticated and delivered by the Corporate



Trustee and duly issued, the valid, binding and legal obligations of the Company, and to constitute this Twenty-First Supplemental Indenture a valid, binding and legal instrument for the security of the Bonds in accordance with their, and its, terms, have been done and performed; and the execution and delivery of this Twenty-First Supplemental Indenture has been duly authorized by all requisite governmental authorities having jurisdiction in the premises and in all other respects;

Now, THEREFORE, THIS TWENTY-FIRST SUPPLEMENTAL INDENTURE WITNESSETH:

That, in order to secure the payment of the principal of, and interest on, all Bonds at any time issued and outstanding under the Mortgage according to their tenor, purport and effect, including specifically but without limitation the Bonds of Series T to be issued pursuant to the Mortgage, and to secure the performance and observance of all the covenants and conditions in the Mortgage contained, and to determine the terms and conditions upon and subject to which the Bonds of Series T are, and are to be, issued, secured and held, and for and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the holders thereof and of the sum of One Dollar (\$1.00), lawful money of the United States of America, duly paid to the Company by the Trustees at or before the encasing and delivery hereof, and for other valuable consideration, the receipt whereof is hereby acknowledged, the Company has executed and delivered this Twenty-First Supplemental Indenture and has granted, bargained, sold, aliened, remised, released, conveyed, assigned, transferred, mortgaged, pledged, set over and confirmed, and by these presents does grant, bargain, sell, alien, remise, release, convey, assign, transfer, mortgage, pledge, grant a security interest in, and set over and confirm unto Bank of America National Trust and Savings Association and M. J. Barrett, as Trustees, and to their successors in said trust and to their assigns forever, with power of sale, all property, real, personal or mixed, tangible or intangible, of every kind, character and description and wheresoever situate, including all proceeds and products thereof, which is now owned or held by the Company, including, without limiting the generality of the foregoing, the following described property:

PART I  
CLAUSE FIRST

All hydro, steam and diesel electric generating plants and all electrical transmission and distributing systems, and all gas manufacturing plants and distributing systems, and all water collecting and distributing systems, and all telephone systems now owned or held by the Company, and all interest therein now held or hereafter acquired by the Company and all accessions and future additions to, and extensions to, any such plants and systems, together with all property, real, personal or mixed, now owned or held, or hereafter acquired, and all interest therein now held or hereafter acquired by the Company and which now comprises or appertains to, or may hereafter comprise or appertain to, or is now, or may hereafter be, used in connection with any such plant or system hereinabove described, mentioned or referred to.

CLAUSE SECOND

All lands, water rights and all other real property acquired by the Company since the execution and delivery of the Twentieth Supplemental Indenture and now owned or held by it, and all interest therein held or hereafter acquired by the Company, including:

REAL PROPERTY IN THE STATE OF CALIFORNIA

That certain piece, parcel or tract of land situate, lying and being in the County of Lassen, State of California, described as follows:

A portion of the SE $\frac{1}{4}$  of Section 12, T. 29 N., R. 12 E., M.D.B.&M., Lassen County, California, more particularly described as follows:

Commencing at the Southeast corner of Section 12, T. 29 N., R. 12 E., M.D.B.&M., as shown on that certain Record of Survey Map filed in Book 3 of Maps at page 58 in the office of the Recorder of Lassen County, California, and running thence S. 89° 47' W. 1313.00 feet; thence N. 0° 11' E. 808.81 feet to the Southerly line of State Highway No. 395; thence following the Southerly line of said Highway 395, along a curve to the right, tangent to a line drawn N. 77° 36' W. having a radius of 12,050 feet and a central angle of 0° 32', a distance of 111.99 feet; thence N. 77° 04' W. 257.40 to the Northwest

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corner of Parcel No. 4 as shown on said Record of Survey Map and being the actual point of beginning of this description; thence along the Southerly line of said Highway 395, N. 77° 04' W. 100.00 feet; thence S. 12° 56' W. 100.00 feet; thence S. 77° 04' E. 122.72 feet to the Westerly line of said Parcel No. 4; thence N. 0° 08' E. 102.55 feet to the actual point of beginning.

Containing 0.26 acres, more or less.

#### REAL PROPERTY IN THE STATE OF OREGON

1. That certain piece, parcel or tract of land situate, lying and being in the County of Jackson, State of Oregon, described as follows:

Commencing at the Northeast corner of Donation Land Claim No. 73, Township 37 South, Range 2 West, Willamette Meridian, Jackson County, Oregon; thence North 89° 55' 20" West (record North 89° 55' West), 738.97 feet to a ¾" iron pipe; thence North 00° 04' 20" East (record North 00° 04' East), 375.00 feet along the Easterly line of the tract described in Volume 431, Page 278, Deed Records of Jackson County, Oregon, to a ⅝" iron pin at the true point of beginning; thence continue North 00° 04' 20" East (record North 00° 04' East), 383.85 feet to a ⅝" iron pin; thence North 89° 54' 40" West, 567.42 feet to a ⅝" iron pin on the Westerly line of said tract described in said Volume 431, Page 278 of said Deed Records; thence along said Westerly line, South 00° 04' 10" West (record South 00° 04' West), 383.85 feet to a ⅝" iron pin; thence South 89° 54' 40" East, 567.40 feet to the true point of beginning.

EXCEPTING AND RESERVING unto Grantors and their successors an easement and right-of-way ten feet in width along the Westerly side of the within-described premises for the use and maintenance of the existing irrigation ditch or lateral at said location. Grantors also reserve the right to install a pipe or tile system along said canal, together with such manholes, turnouts or like facilities as may be reasonably necessary and would not unreasonably interfere with Grantee's use of the said premises.

2. That certain piece, parcel or tract of land situate, lying and being in the County of Klamath, State of Oregon, described as follows:



That certain well having a diameter of approximately eight inches inside its casing at the top and a depth of approximately 651 feet, situated at a point near the section line between Sections 32 and 33, Township 38 South, Range 9 East, Willamette Meridian, Oregon, and being 210 feet North of the North line of the intersection of 11th and Commercial Streets, Klamath Falls, Oregon, and 38 feet West of the centerline of Commercial Street and being 153 feet along the alley from the centerline of 11th Street, all being in Block 5, Canal Addition to Klamath Falls, Oregon, according to the official plat thereof now of record.

Records indicate that the alley between Lots 2 to 6 inclusive and Lot 7, Block 5 has been abandoned, but ownership thereto has been claimed by Drew, and Vlahos and Drew covenant that he has good title to said well and will defend the same against all lawful claims whatsoever.

Also, all rights of ingress and egress to said well for the purposes of placing and operating therein a deep well cathodic protection anode bed, and such other devices and uses as Cal-Pac may lawfully employ.

#### REAL PROPERTY IN THE STATE OF UTAH

That certain piece, parcel or tract of land situate, lying and being in the County of Iron, State of Utah, described as follows:

Beginning South 89° 18' West 150.0 feet and South 00° 27' East 13.20 feet from the Northeast corner of the Southwest quarter of the Northwest quarter of Section 11, Township 36 South, Range 11 West, Salt Lake Base and Meridian, and running thence South 89° 18' West 100.0 feet; thence South 00° 27' West 100.0 feet; thence North 89° 18' East 100.0 feet; thence North 00° 27' East 100.0 feet, to the point of beginning.

#### REAL PROPERTY IN THE STATE OF NEVADA

1. That certain piece, parcel or tract of land situate, lying and being in the County of Clark, State of Nevada, described as follows:

PARCEL I: That portion of the South Half (S $\frac{1}{2}$ ) of the Northwest Quarter (NW $\frac{1}{4}$ ) of Section 13, Township 22 South, Range 62 East, M.D.B.&M., described as follows:

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Section 2

COMMENCING at the Northwest corner of said Section 13; thence South  $38^{\circ} 31' 42''$  East 2769.97 feet to a point on the Easterly right of way line of 4th Street as indicated on the map of B.M.I. Project, said point also being the Northwesterly corner of that certain parcel of land as conveyed to the California-Pacific Utilities Company by Deed recorded January 18, 1954 as Document No. 1287; thence South  $8^{\circ} 51' 37''$  East along the Westerly line of said parcel, 100 feet to the Southwesterly corner of said parcel, the TRUE POINT OF BEGINNING; thence continuing South  $8^{\circ} 51' 37''$  East 282.00 feet thence North  $81^{\circ} 08' 23''$  East 195.00 feet; thence North  $8^{\circ} 51' 37''$  West 282.00 feet to the Southeasterly corner of said Parcel; thence South  $81^{\circ} 08' 23''$  West along the Southerly line of said Parcel to the TRUE POINT OF BEGINNING.

PARCEL II: That portion of the South Half ( $S\frac{1}{2}$ ) of the Northwest Quarter ( $NW\frac{1}{4}$ ) of Section 13, Township 22 South, Range 62 East, M.D.B.&M., described as follows:

COMMENCING AT THE Northwest corner of said Section 13; thence South  $38^{\circ} 31' 42''$  East 2769.97 feet to a point on the Easterly right of way line of 4th Street as indicated on the map of B.M.I. Project, said point also being the Northwesterly corner of that certain parcel of land as conveyed to the California-Pacific Utilities Company by Deed recorded January 18, 1954 as Document No. 1287; thence North  $81^{\circ} 08' 23''$  East along the Northerly line of said Parcel, 195.00 feet to the Northeasterly corner of said Parcel, the TRUE POINT OF BEGINNING; thence continuing North  $81^{\circ} 08' 23''$  East 220.00 feet; thence South  $8^{\circ} 51' 37''$  East 200.00 feet; thence South  $81^{\circ} 08' 23''$  West 220.00 feet; thence North  $8^{\circ} 51' 37''$  West, 200.00 feet to the TRUE POINT OF BEGINNING.

2. That certain piece, parcel or tract of land situate, lying and being in the County of Humboldt, State of Nevada, described as follows:

That certain parcel of land lying within the North one-half ( $N\frac{1}{2}$ ) of Section 24, T. 38 North, Range 38 East, M.D.B.&M., and more particularly described as follows:

Beginning at an iron pin marking the NE corner of said Section 24, Township 38 North, Range 38 East, M.D.B.&M. and

thence South 84° 49' 20" West 3,024.64 feet to an iron pin which is the real point of beginning; thence North 1° 16' 50" East 200.00 feet to an iron pin; thence North 88° 43' 10" West 200.84 feet to an iron pin; thence South 1° 16' 50" West 200.00 feet to an iron pin; thence South 88° 43' 10" East 200.84 feet to the real point of beginning. Said described parcel contains an area of approximately 0.92 acres, more or less.

#### CLAUSE THIRD

All federal, state, municipal and other franchises (including, without in any respect limiting the generality of the foregoing, all franchises acquired under the Constitution of the State of California), permits, consents, licenses, grants, privileges and immunities, leases and contracts of every kind and description acquired by the Company subsequent to the execution and delivery of the Twentieth Supplemental Indenture and now owned or held by it, and all renewals, extensions, enlargements and modifications of any of them.

#### CLAUSE FOURTH

Also, subject to the rights reserved to the Company in and by the other provisions of the Mortgage, all other property, real, personal or mixed, tangible or intangible (other than excepted property as hereinafter defined) of every kind, character and description and wheresoever situate, and all proceeds and products thereof, acquired by the Company subsequent to the execution and delivery of the Twentieth Supplemental Indenture and now owned or held by it.

#### CLAUSE FIFTH

All and singular the lands, real estate, chattels real and interests in land, ways, rights-of-way, alleys, passages, easements, permits and licenses, waters, water courses, water powers, water power rights, water power sites, rights of flowage and overflowage and riparian rights, factories, plants, buildings, structures, power houses, shops, dams, dam sites, canals, locks, aqueducts, gates, valves, fittings, hydrants, flumes, ditches, pipes, conduits, sluices, raceways, tailraces, receivers, abutments, reservoirs, water works and water wheels, machinery and appurtenances, dynamos, generators, turbines, en-

gines, boilers, fixtures, appurtenances, stores, mission lines, plants, holder, tanks, all connected power or electrical appertaining of the Company, delivery of the and held by it.

Together with all other rights, interests, claims, demands, and other things in equity or in part and part of that no word shall in any limit, qualify or in trust as acquired by Twentieth Supplemental Indenture.

There is, and operation of the Company, to as "excepted property."

gines, boilers, meters, transformers, condensers, pumps and tanks, fixtures, apparatus, equipment, furniture, appliances, tools, implements, stores and supplies, cables, wires, towers, poles, posts, transmission lines, distributing systems, stations and sub-stations, all gas plants, holders, washers, purifiers, mains, pipes, services, meters and tanks, all contracts, leases and agreements for gas, water or water power or electric light, heat or power and all property of any nature appertaining to any of the plants, systems, business or operations of the Company acquired by the Company since the execution and delivery of the Twentieth Supplemental Indenture and now owned and held by it.

#### CLAUSE SIXTH

Together with all and singular the plants, buildings, improvements, additions, tenements, hereditaments, easements, rights, privileges, licenses and franchises and all other appurtenances whatsoever belonging or in anywise appertaining to the property hereby granted and conveyed, or intended so to be, or any part thereof, and the reversion and reversions, remainder and remainders, and the income, rents, revenues, issues, earnings and profits thereof, and every part and parcel thereof, and all the estate, right, title, interest, property, claim and demand of every nature whatsoever of the Company at law, in equity or otherwise, howsoever in, on and to the same and every part and parcel thereof, it being the intention of the parties hereto that no words of particular description of property contained herein shall in any manner limit, qualify or detract from, or be deemed to limit, qualify or detract from, the effect of the general words describing the properties which the Company hereby mortgages and conveys in trust as including all property of every kind and description acquired by the Company since the execution and delivery of the Twentieth Supplemental Indenture and now owned or held by it.

#### PART II EXCEPTED PROPERTY

*There is, however, expressly excepted and excluded from the lien and operation of the Mortgage the following described property of the Company (herein sometimes for convenience collectively referred to as "excepted property") viz.:*

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1. All property of the following character (herein sometimes for convenience referred to as "reserved property"), whether now owned or hereafter acquired by the Company:

A. Cash on hand and in bank; bills and accounts receivable; customers' service and extension deposits; bonds (including Bonds issued under the Mortgage), notes and other evidences of indebtedness; shares of stock, certificates of interest, documents, instruments, chattel paper, general intangibles, contract rights, contracts and other choses in action now owned or hereafter acquired by the Company, and the proceeds thereof;—other than those which by express provisions of the Mortgage are or may be subjected or required to be subjected to the lien hereof;

B. Materials, supplies, appliances, goods, merchandise and equipment purchased or acquired for the purpose of sale or resale in the ordinary course of business or for the purpose of consumption in the operation or repair of any of the properties of the Company, and the proceeds thereof; and

C. All motor cars and vehicles;

*provided, however*, and it is hereby expressly agreed, that upon the happening of a default, as defined in Section 10.01 of the Original Indenture, as amended, all reserved property then held, owned and possessed by the Company shall forthwith become and be, to the extent permitted by law, subject to the lien of the Mortgage and shall continue to be subject thereto so long as any such default shall subsist and until such default shall be cured or waived; and upon the happening of any such default, each item of reserved property then owned by the Company, or the evidences thereof, shall forthwith be delivered by the Company to the Trustee or to the Co-Trustee.

2. All property expressly wholly excepted by the provisions of the Mortgage.

3. All property released or otherwise disposed of pursuant to the provisions of Article VI of the Original Indenture.

The Company may, however, pursuant to the provisions of Clause Sixth of Part I of the granting clauses of the Original Indenture, subject to the lien and operation of the Mortgage all or any part of the excepted property described in this Part II.

TO HAVE AND TO HOLD the premises and all and singular the lands, properties, estates, rights, securities, franchises, privileges and appurtenances hereby mortgaged, transferred in trust, conveyed,

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SECTION 1.  
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pledged or assigned, or intended so to be, together with all the appurtenances thereunto belonging or in anywise appertaining, unto the Trustees, and their respective successors and assigns in trust forever;

SUBJECT, HOWEVER, to the exceptions and reservations and matters hereinabove recited, any permitted liens as defined in Section 1.01(y) of the Original Indenture, and as to any property hereafter acquired by the Company, to any liens thereon existing at the time of such acquisition.

BUT IN TRUST, NEVERTHELESS, for the equal and proportionate use, benefit, security and protection of those who from time to time shall hold the Bonds and coupons authenticated and delivered under the Mortgage and duly issued by the Company, without any preference, priority or distinction of any one Bond or coupon over any other by reason of the priority in time of issue, sale or negotiation thereof or otherwise, except insofar as a sinking fund established in accordance with the provisions of the Mortgage may afford additional security for the Bonds of any specific series, and except as provided in Section 10.29 of the Original Indenture, so that, subject to said provisions, each and all of the Bonds and coupons shall have the same right, lien, security interest and privilege under the Mortgage and shall be equally secured thereby with the same effect as if all of said Bonds and coupons had been made, issued and negotiated simultaneously on the date of the delivery of the Original Indenture; and in trust for enforcing payment of the principal of the Bonds and of the interest thereon according to the tenor, purport and effect of the Bonds and coupons and of the Mortgage, and for enforcing the terms, provisions, covenants and stipulations in the Mortgage and the Bonds set forth, and upon the trusts, uses and purposes, and subject to the covenants, agreements and conditions in the Mortgage set forth and declared; that is to say:

#### ARTICLE I.

##### THE BONDS OF SERIES T

SECTION 1.01. (A) *Terms of Bonds of Series T.* The Bonds of Series T shall be designated as "First Mortgage Bonds, Series T, 7.95%, due April 1, 2003" of the Company. The Bonds of Series T shall be registered Bonds without coupons in substantially the form hereinafter set forth.

The Bonds of Series T shall be dated as of the date of authentication thereof and shall bear interest from April 1, 1973 or from the interest payment date next preceding the date of authentication of such Bonds, whichever is the later, or from the date thereof if it be an interest payment date. All Bonds of Series T shall be due on April 1, 2003, and shall bear interest at the rate of seven and ninety-five one hundredths percent (7.95%) per annum, to be paid semi-annually on the first day of October and the first day of April in each year until the payment of the principal thereof, payable until maturity; principal and interest being payable in lawful money of the United States of America at the principal office of Bank of America National Trust and Savings Association, in San Francisco, California, or of its successor in trust under the Mortgage.

The Company may, by resolution of its Board of Directors, establish an additional office or agency in any other city or cities for the payment of interest on the Bonds of Series T and if any such paying agency shall be so established, the Company shall maintain the same so long as any Bonds of Series T shall remain outstanding, and in such event interest on the Bonds of Series T shall be payable at said office of the Trustee or, at the option of the registered owners of Bonds of Series T, at such other paying agency so established.

Definitive Bonds of Series T may be issued in the denomination of One Thousand Dollars (\$1,000) or any multiple of One Thousand Dollars (\$1,000), bearing appropriate serial numbers.

Upon compliance with the provisions of Section 2.06 of the Original Indenture and upon payment, at the option of the Company, of the charges therein provided, Bonds of Series T may be exchanged for a new Bond or Bonds of like aggregate principal amount.

The Trustee hereunder shall, by virtue of its office as such Trustee, be the Registrar and Transfer Agent of the Company for the purpose of registering and transferring Bonds of Series T.

(B) *Redemption Provisions for Bonds of Series T.* Bonds of Series T shall be subject to redemption prior to maturity at the option of the Company, as a whole at any time, or in part from time to time, upon prior notice (unless such notice is waived as provided in Article IV of the Original Indenture) given by publication at least once each week for three (3) successive calendar weeks (the first publication to

be not less than this to the redemption County of San Fr provided in Article such redemption sh to be redeemed no days before the r given by publicati the Series T Bond upon the payment sion (B)) of the f the Series T Bond

If redeemed d day of March of t

Year	Perce
1974	108.
1975	107.
1976	107.
1977	107.
1978	106.
1979	106.
1980	106.
1981	106.
1982	105.
1983	105.

together in any c

Notwithstan (B), the Compan Bonds of Series refunding, or an directly or indire cost to the Com accordance with 7.95% per annu

The Bonds sinking fund at defined in Subdi

be not less than thirty (30) days nor more than ninety (90) days prior to the redemption date) in an authorized newspaper in the City and County of San Francisco, State of California, and/or otherwise as provided in Article IV of the Original Indenture, and notice of any such redemption shall be mailed to the registered owners of the Bonds to be redeemed not less than thirty (30) nor more than sixty (60) days before the redemption date, in addition to such notice being given by publication (unless such notice is waived by all holders of the Series T Bonds to be redeemed); such redemption to be made upon the payment (except as hereinbelow set forth in this Subdivision (B)) of the following percentages of the principal amounts of the Series T Bonds to be redeemed:

If redeemed during the twelve-month period ending with the last day of March of the year:

Year	Percent	Year	Percent	Year	Percent
1974	108.00	1984	105.24	1994	102.48
1975	107.72	1985	104.97	1995	102.21
1976	107.45	1986	104.69	1996	101.93
1977	107.17	1987	104.41	1997	101.65
1978	106.90	1988	104.14	1998	101.38
1979	106.62	1989	103.86	1999	101.10
1980	106.34	1990	103.59	2000	100.83
1981	106.07	1991	103.31	2001	100.55
1982	105.79	1992	103.03	2002	100.27
1983	105.52	1993	102.76	2003	100.00

together in any case with accrued interest to the redemption date.

Notwithstanding the foregoing provisions of this Subdivision (B), the Company shall not have the right to redeem any of the Bonds of Series T at its option prior to April 1, 1983, as a part of a refunding, or anticipated refunding, operation by the application, directly or indirectly, of money borrowed which shall have an interest cost to the Company (expressed as a percentage and calculated in accordance with generally accepted financial practice) of less than 7.95% per annum.

The Bonds of Series T are also subject to redemption for the sinking fund at the sinking fund redemption price, as hereinafter defined in Subdivision (C) of this Section 1.01, and upon the terms

and conditions set forth in said Subdivision (C), and also, at said sinking fund redemption price, through the operation of the Maintenance and Replacement Fund provided for in Section 5.12 (B) of the Original Indenture, as more particularly set forth in Section 1.02 hereof, and also, at said sinking fund redemption price through the application of certain money as provided in Section 1.03 hereof.

Upon presentation of any Bond of Series T, which is to be redeemed in part only, the Company shall execute, and the Trustee, upon cancellation of such Bond, shall authenticate and deliver to the registered holder thereof, without cost to such holder, a new Bond or Bonds of the same series and of any authorized denomination or denominations, for the unredeemed portion of the Bond so presented, or, at the option of such registered holder, there may be noted thereon at the direction of the Trustee the payment of the portion of the principal amount of such Bond so called for redemption; provided, however, that payment of the redemption price of a portion of any such Bond may be made directly to the registered holder thereof, without presentation or surrender thereof, if there shall have been filed with the Trustee a signed copy, or a copy certified by the Secretary or an Assistant Secretary of the Company to be a true copy, of an agreement between the Company and such registered holder that payment shall be so made at the address specified therein and that such registered holder will not sell, transfer or otherwise dispose of such Bond unless, prior to delivery thereof, such Bond shall have been presented to the Trustee for appropriate notation thereon of the portion of the principal amount thereof redeemed, or surrendered in exchange for a new Bond or Bonds in the principal amount of the unredeemed balance thereof.

(C) *Sinking Fund for Bonds of Series T.* The Company shall maintain a sinking fund for the benefit of the holders of the Bonds of Series T (herein sometimes referred to as the "sinking fund for Bonds of Series T") to be used or applied as hereinafter provided, and for such purpose covenants that it will, subject to the credits hereinafter provided, pay to the Trustee on or before April 1, 1974, and on or before April 1 of each year thereafter so long as any Bonds of Series T shall remain outstanding (said dates being hereinafter

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sometimes referred to as "sinking fund payment dates"), an amount in cash equal to one and one-half percent ( $1\frac{1}{2}\%$ ) of the greatest principal amount of all Bonds of Series T theretofore issued, whether or not then outstanding. For the purposes of this Subdivision (C) the term "issued" shall mean and include all Bonds of Series T authenticated and delivered to the Company, whether or not issued by the Company for value, but not including Bonds of Series T authenticated and delivered in lieu of other Bonds of Series T pursuant to Article I hereof or Section 4.01 or Section 12.02 of the Original Indenture.

The Company shall have the right at its option, in lieu of the payment of cash, to satisfy all or any part of any such sinking fund obligation (i) by delivering or certifying to the Trustee Series T Bonds theretofore issued (including Series T Bonds reacquired by the Company) and not theretofore funded, subject to the conditions hereinafter set forth, and in every such case there shall be credited against such sinking fund obligation an amount equal to the principal amount of Bonds so delivered, or certified, and/or (ii) by funding in the manner and subject to the conditions hereinafter set forth a stated net amount of additional property not theretofore funded, and in every such case there shall be credited against such sinking fund obligation an amount equal to sixty percent (60%) of the stated net amount of additional property so funded.

On or before each such sinking fund payment date, so long as any Bonds of Series T shall remain outstanding, the Company shall, with respect to the sinking fund obligation due on such date, furnish and deliver to the Trustee, and the Trustee (subject to Sections 15.02 and 15.03 of the Original Indenture) may accept as full compliance with this Subdivision (C), the following:

I. A certificate of the Company stating

(1) (a) the greatest principal amount of all Bonds of Series T theretofore issued, whether or not then outstanding, and (b) the amount of the sinking fund obligation due on such date, which amount shall equal one and one-half percent ( $1\frac{1}{2}\%$ ) of the amount set forth pursuant to (a) of this paragraph (1);

(2) the extent, if any, to which the Company desires to satisfy all or any part of such sinking fund obligation (a) by the



delivery or certification of Bonds of Series T, as aforesaid, and/or (b) by funding a net amount of additional property, as aforesaid, and (c) the total amount of the credits to be applied against such sinking fund obligation pursuant to (a) and (b) of this paragraph (2);

(3) the amount of the balance, if any, of such sinking fund obligation remaining after deducting the credits set forth in the foregoing paragraph (2).

II. Cash in the amount of the balance, if any, set forth in paragraph (3) of the foregoing subsection I.

III. A resolution or resolutions of the Board of Directors of the Company authorizing the delivery or certification of Bonds of Series T and the funding of a net amount of additional property as set forth in the certificate required by the foregoing subsection I.

IV. If the Company includes in the certificate required by subsection I any credit against the delivery or certification of Bonds of Series T, it shall also furnish and deliver to the Trustee the following:

(i) A certificate of the Company specifying the aggregate principal amount of Bonds of Series T (stating the distinctive numbers thereof) so to be delivered or certified to the Trustee; stating that said Bonds have not theretofore been funded; and stating that the Company has theretofore delivered or is simultaneously delivering such Bonds of Series T, or as to Bonds of Series T not so delivered, that the retirement or provision for the retirement thereof has previously been evidenced to the Trustee pursuant to Section 3.04 of the Original Indenture;

(ii) The Bonds of Series T thus stated as being simultaneously delivered to the Trustee accompanied by proper instruments of assignment and transfer; and

(iii) An opinion of counsel to the effect that the Bonds of Series T thus delivered and certified to the Trustee and the certificate of the Company delivered to the Trustee pursuant to this subsection IV conform to the requirements hereof and constitute compliance by the Company, to the extent of the principal amount of Bonds of Series T thus certified and delivered, with such sinking fund obligation.

V. If the Company includes in the certificate required by the foregoing subsection I any credit against the funding of a net amount

of additional property, it shall also furnish and deliver to the Trustee the following:

(i) A certificate of the Company: (a) stating that it desires to fund as a credit of a stated amount against its sinking fund obligation a net amount of additional property, not theretofore funded, equal to one hundred sixty-six and two-thirds percent ( $166\frac{2}{3}\%$ ) of the stated amount of such credit, and established by an additional property certificate or certificates then or theretofore filed with the Trustee pursuant to Section 3.03 (B) of the Original Indenture, as amended, and an accountant's certificate pursuant to Section 3.03 (C) thereof, with appropriate changes in language to show that the purpose is the funding of a stated net amount of additional property pursuant to this Subdivision (C) in lieu of authentication of Bonds; and (b) stating that the Company is not in default in the payment of interest on any of the Bonds nor does a default exist; and

(ii) An opinion of counsel to the effect that the documents delivered to the Trustee pursuant to this subsection V conform to the requirements hereof and constitute compliance by the Company, to the extent of sixty percent (60%) of the net amount of additional property so stated to be funded, with such sinking fund obligation.

VI. A certificate of the Company and an opinion of counsel as to compliance with conditions precedent.

Any certificate or opinion given pursuant to this Subdivision (C) may be combined with the corresponding certificate or opinion given pursuant to Subdivision (C) of Section 2.02 of the Original Indenture, Subdivision (C) of Section 1.01 of the Second, Third, Fifth, Sixth, Seventh, Eighth, Ninth, Tenth, Eleventh, Twelfth, Thirteenth, Fourteenth, Fifteenth, Sixteenth, Seventeenth, Eighteenth, Nineteenth and Twentieth Supplemental Indentures and any corresponding provision of any other supplemental indenture to the Original Indenture heretofore or hereafter executed.

All cash received by the Trustee for the sinking fund shall be applied, at such time and in such manner as shall be determined by the Board of Directors of the Company (as evidenced by a resolution

of the Board of Directors filed with the Trustee) within one year from the date of the receipt of such cash by the Trustee for either or both of the following purposes:

(i) to the purchase of outstanding Bonds of Series T in the manner provided by Section 4.04 of the Original Indenture at not exceeding the sinking fund redemption price; and/or

(ii) to the redemption of Bonds of Series T at the sinking fund redemption price and in the manner provided in Subdivision (B) of this Section 1.01, and in Article IV of the Original Indenture.

The term "sinking fund redemption price" of Bonds of Series T, as used in this Twenty-First Supplemental Indenture, shall mean the principal amount thereof, together in any case with interest accrued thereon to the date of redemption.

The Company covenants and agrees that it will provide from sources other than the sinking fund for Bonds of Series T, the accrued interest on all Bonds of Series T purchased or redeemed pursuant to this Subdivision (C), and that it will pay the same to the Trustee prior to the date fixed for the redemption of such Bonds. Notwithstanding any other provision of this Twenty-First Supplemental Indenture, the Trustee shall not be required to apply cash in the sinking fund for the Bonds of Series T to the redemption of such Bonds unless the amount of such cash available for such redemption is at least equal to Ten Thousand Dollars (\$10,000).

The Company may within twelve months preceding any sinking fund payment date anticipate in whole at any time or in part from time to time the sinking fund obligation due on such date (i) by delivering to the Trustee Bonds of Series T, not theretofore funded and/or (ii) by causing to be redeemed at the sinking fund redemption price Bonds of Series T of an aggregate principal amount not exceeding the amount of such sinking fund obligation, in the manner provided in Subdivision (B) of this Section 1.01 and Article IV of the Original Indenture, and in either case delivering to the Trustee a certificate of the Company (and an opinion of counsel as to compliance with conditions precedent) that such Bonds are being delivered or redeemed for the account of the sinking fund and have not theretofore been funded and that all conditions precedent have been complied

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with; and the aggregate principal amount of Bonds of Series T so delivered or redeemed shall be treated as a credit on account of such sinking fund obligation.

All Bonds of Series T so delivered to, purchased or redeemed by the Trustee pursuant to the provisions of this Subdivision (C) shall thereupon, and so long as any Bonds of Series T shall remain outstanding, become funded for all purposes of the Mortgage, and all such Bonds shall be cancelled and the Bonds of any series shall be authenticated and delivered in lieu thereof or to refund the same so long as any of the Bonds of Series T shall remain outstanding.

Any net amount of additional property credited against any sinking fund obligation pursuant to the provisions of this Subdivision (C) shall thereupon, and so long as any Bonds of Series T remain outstanding, become funded for all purposes of the Mortgage, provided that when no Bonds of Series T shall be outstanding hereunder, and the Mortgage shall be closed as to said Series, all such net amount of additional property so funded shall cease to be funded and shall be deemed to be not theretofore funded for any other use under the Mortgage.

SECTION 1.02. *Application of Maintenance Fund.* In the event that any cash paid over to the Trustee pursuant to the provisions of Subdivision (B) of Section 5.12 of the Original Indenture, as amended, is not applied or paid over to the Company pursuant to the provisions of Section 7.02 of the Original Indenture, as amended, within two years of the date of such payment to the Trustee, and such cash, after the expiration of such two-year period, is applied by the Trustee to the payment or redemption of Bonds of Series T, then such Series T Bonds shall be (a) purchased in the manner provided by Section 4.04 of the Original Indenture at not exceeding the sinking fund redemption price of the Bonds of Series T and/or (b) redeemed at the sinking fund redemption price and in the manner provided in Subdivision (B) of Section 1.01 hereof and in Article IV of the Original Indenture.

SECTION 1.03. *Application of Deposited Moneys.* In the event that any Deposited Moneys (as defined in Section 7.02 of the Original Indenture) are applied to the redemption of Bonds of Series

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T under the provisions of Subdivision (IV) of Section 7.02 of the Original Indenture, the Bonds of Series T so redeemed shall be redeemed at the optional redemption price specified in Subdivision (B) of Section 1.01 hereof then in effect, except that anything contained in said Subdivision (B) to the contrary notwithstanding, in case of the redemption of Bonds of Series T under the provisions of said Subdivision (IV) with money constituting the proceeds of the public utility properties of the Company subject to the lien of the Mortgage as a first mortgage, released pursuant to Section 6.02 of the Original Indenture in connection with the sale thereof to any governmental body or agency or taken by the power of eminent domain or sold upon the exercise by any governmental body or agency of any right which it may have to purchase or designate a purchaser of, or order the sale of, such property or in connection with the sale as a result of the threat or imminence of any of the foregoing, the Company at its option may redeem at the principal amount thereof (together with accrued interest to the redemption date) an aggregate principal amount of Bonds of Series T which is equal to the ratio that the proceeds of such sale bear to the aggregate principal amount of Bonds of all series outstanding on the date of such sale.

SECTION 1.04. *Form of Series T Bonds.* The Bonds of Series T and the authentication certificate to be attached on said Bonds are to be substantially in the following forms, respectively:

FORM OF BOND OF SERIES T

No. TR.....

CALIFORNIA-PACIFIC UTILITIES COMPANY  
(INCORPORATED UNDER THE LAWS OF THE STATE OF CALIFORNIA)

FIRST MORTGAGE BOND  
Series T, 7.95%, due April 1, 2003

CALIFORNIA-PACIFIC UTILITIES COMPANY (hereinafter called the "Company", which term shall include any successor corporation as defined in the Indenture hereinafter mentioned), a corporation of the State of California, for value received, hereby

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promises to pay to ....., or registered assigns, on the first day of April 2003, the sum of ..... Dollars (\$.....) in lawful money of the United States of America, and to pay interest thereon from ..... at the rate of seven and ninety-five one hundredths percent (7.95%) per annum, in like money, semi-annually on the first days of April and October in each year until the payment of said principal sum.

Both the principal of, and interest on, this Bond will be paid at the principal office of the Bank of America National Trust and Savings Association, in San Francisco, California, or of its successor Trustee, or, at the option of the registered owner hereof, said interest will be paid at such other paying agency as may be maintained for the purpose pursuant to the provisions of the Twenty-First Supplemental Indenture dated as of April 1, 1973, hereinafter referred to.

This Bond is one of an authorized issue of Bonds of the Company, generally known as its First Mortgage Bonds (unlimited in aggregate principal amount except as otherwise provided in the Mortgage) of the series and designation indicated on the face hereof, which issue of Bonds consists, or may consist, of one or more series of varying denominations, dates, maturities, interest rates and other provisions (as in the Mortgage provided), all issued under and all equally and ratably secured (except insofar as a sinking fund established in accordance with the provisions of the Mortgage may afford additional security for the Bonds of any specified series) by an Indenture dated as of July 1, 1944, duly executed and delivered by the Company to Bank of America National Trust and Savings Association and M. J. Barrett, as Trustees (herein called the "Indenture"), as supplemented by twenty-one Supplemental Indentures dated, respectively, June 15, 1946, August 1, 1946, July 1, 1948, May 1, 1950, July 1, 1950, March 1, 1954, April 1, 1956, May 1, 1958, May 1, 1958, May 1, 1961, September 1, 1962, April 1, 1964, March 1, 1966, March 1, 1967, November 1, 1967, March 1, 1969, June 1, 1970, January 1, 1971, September 1, 1971, April 1, 1972 and April 1, 1973 (the Indenture as so supplemented being herein called the "Mortgage"), to which Mortgage reference is hereby

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made for a description of the property mortgaged, transferred in trust and pledged and in which a security interest is granted; the nature and extent of the security; the rights and limitations upon such rights of the bearers or registered owners of said Bonds and coupons, and of the Trustees and of the Company in respect to such security; the terms and conditions upon which said Bonds and the coupons appurtenant thereto are issued and secured, and the terms and conditions upon which additional Bonds may be issued and secured, to all of which provisions of the Mortgage the registered owner of this Bond by his acceptance hereof consents and agrees, but neither the foregoing reference to the Mortgage nor any provisions of this Bond or of the Mortgage shall affect or impair the obligation of the Company, which is absolute, unconditional and unalterable, to pay, at the stated or accelerated maturities herein provided, the principal of and interest on this Bond as herein provided.

The Bonds of Series T are subject to redemption prior to maturity at the option of the Company, as a whole at any time or in part from time to time, upon prior notice (unless such notice is waived by all Bondholders) given by publication at least once each week for three (3) successive calendar weeks (the first publication to be not less than thirty (30) days nor more than ninety (90) days prior to the redemption date) in a daily newspaper printed in the English language and published and of general circulation in the City and County of San Francisco, State of California, and notice of any such redemption shall be mailed to the registered owners of the Bonds to be redeemed not less than thirty (30) nor more than sixty (60) days before the redemption date, in addition to such notice being given by publication (unless such notice is waived by the holders of all Bonds to be redeemed), all subject to the conditions and as more fully set forth in the Mortgage; such redemption to be made upon the payment (except as hereinbelow set forth) of the following percentages of the principal amounts of the Series T Bonds to be redeemed:

If redeemed during the twelve-month period ending with the last day of March of the year:

Year	Percent	Year	Percent	Year	Percent
1974	108.00	1984	105.24	1994	102.48
1975	107.72	1985	104.97	1995	102.21
1976	107.45	1986	104.69	1996	101.93
1977	107.17	1987	104.41	1997	101.65
1978	106.90	1988	104.14	1998	101.38
1979	106.62	1989	103.86	1999	101.10
1980	106.34	1990	103.59	2000	100.83
1981	106.07	1991	103.31	2001	100.55
1982	105.79	1992	103.03	2002	100.27
1983	105.52	1993	102.76	2003	100.00

together in any case with accrued interest to the redemption date.

Notwithstanding the foregoing, the Company shall not have the right to redeem any of the Bonds of Series T at its option prior to April 1, 1983, as a part of a refunding, or anticipated refunding, operation by the application, directly or indirectly, of money borrowed which shall have an interest cost to the Company (expressed as a percentage and calculated in accordance with generally accepted financial practice) of less than 7.95% per annum.

If this Bond is called for redemption and payment duly provided for as specified in the Mortgage, this Bond shall cease to be entitled to the lien of the Mortgage from and after the date payment is so provided and shall cease to bear interest from and after the date fixed for redemption.

The Bonds of Series T are entitled to the benefits of the sinking fund provided therefor in the Twenty-First Supplemental Indenture dated as of April 1, 1973, and any one or more of the Bonds of Series T may be redeemed through the operation of the sinking fund as provided in said Supplemental Indenture and, to the extent provided in said Supplemental Indenture, are severally subject to redemption for the sinking fund prior to maturity at the principal amount thereof, together in any case with interest accrued thereon to the date of redemption and upon notice given in the manner above provided.

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The Bonds of Series T, upon the conditions specified in said Supplemental Indenture, are also severally subject to redemption through the operation of the Maintenance and Replacement Fund provided for in the Mortgage at the price at which Bonds of Series T may be redeemed for the sinking fund. As provided in said Supplemental Indenture, the Company at its option may use money deposited with the Trustee in connection with the taking, by the exercise of the power of eminent domain, of properties of the Company subject to the lien of the Mortgage as a first mortgage, or the sale of such properties to any governmental body or agency, or the sale of such properties upon the exercise by any governmental body or agency of any right which it may have to designate a purchaser for, or order the sale of said properties, or in connection with any threat or imminence of the foregoing, for the redemption at the principal amount thereof (together with accrued interest to the redemption date) of an aggregate principal amount of Bonds of Series T which is equal to the ratio that such deposited money bears to the aggregate principal amount of Bonds of all series outstanding on the date of taking or sale.

The principal of all Bonds at any time outstanding under the Mortgage may be declared, or may become, due and payable in case of defaults or otherwise, upon the conditions and in the manner and with the effect provided for in the Mortgage. The holders, however, of certain specified percentages of the Bonds at the time outstanding, including in certain cases specified percentages of Bonds of a particular series, may in the cases, to the extent, and under the conditions provided for by the Mortgage, waive past defaults thereunder and the consequences of such defaults.

To the extent permitted and as provided in the Mortgage, modifications or alterations of the Mortgage, or of any indenture supplemental thereto and of the Bonds issued thereunder and of the rights and obligations of the Company and the rights of the bearers or registered owners of the Bonds and coupons, may be made with the consent of the Company and with the written approvals or consents of the bearers or registered

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owners of not less than seventy-five percent (75%) in principal amount of the Bonds outstanding, and unless all of the Bonds then outstanding under the Mortgage are affected in the same manner and to the same extent by such modification, with the written approvals or consents of the bearers or registered owners of not less than seventy-five percent (75%) in principal amount of the Bonds of each series outstanding, provided, however, that no such alteration or modification shall, without the written approval or consent of the bearer or registered owner of any Bond affected thereby (a) impair or affect the right of such bearer or registered owner to receive payment of the principal of and premium, if any, and interest on such Bond, on or after the respective due dates expressed in such Bond, or to institute suit for the enforcement of any such payment on or after such respective dates, (b) permit the creation of any lien prior to, or on a parity with, the lien of the Mortgage, or (c) reduce the percentage of the principal amount of the Bonds upon the consent of the bearers or registered owners of which modifications or alterations may be effected as aforesaid.

The registered owner of any registered Bond or Bonds of Series T, at his option, may surrender the same at the principal office of the Trustee in San Francisco, California, for cancellation, in exchange for other registered Bonds of Series T of higher or lower authorized denominations of the same aggregate principal amount, subject to the terms and conditions set forth in the Twenty-First Supplemental Indenture dated as of April 1, 1973.

The Company and the Trustees may deem and treat the person in whose name this Bond is registered as the absolute owner hereof, for the purpose of receiving payment hereof, and for all other purposes, and shall not be affected by any notice to the contrary.

No recourse shall be had for the payment of the principal of, or the interest on, this Bond, or for any claim based hereon or otherwise in respect hereof or of the Mortgage against any promoter, stockholder, director or officer, past, present or future, of the Company, as such, or of any predecessor or suc-



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cessor corporation either directly or through the Company or any such predecessor or successor corporation, whether for amounts unpaid on stock subscriptions or by virtue of any constitution, statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability, whether at common law, in equity, by any constitution, statute or otherwise, being hereby expressly waived and released by every registered owner hereof by the acceptance of this Bond and as part of the consideration for the issue hereof, and being likewise waived and released by the terms of the Mortgage.

This Bond shall not be valid or become obligatory for any purpose until the certificate endorsed hereon shall have been signed by the Bank of America National Trust and Savings Association, the corporate Trustee under the Mortgage, or by a successor corporate Trustee thereunder.

IN WITNESS WHEREOF, CALIFORNIA-PACIFIC UTILITIES COMPANY has caused this Bond to be signed in its name by its President or one of its Vice Presidents, and its corporate seal to be hereunto affixed by its Secretary or one of its Assistant Secretaries.

Dated: .....

CALIFORNIA-PACIFIC UTILITIES COMPANY

By .....  
*President*

Attest:

.....  
*Secretary*

FORM OF CORPORATE TRUSTEE'S CERTIFICATE

This is one of the Bonds, of the series therein designated, described in the within mentioned Mortgage.

BANK OF AMERICA NATIONAL TRUST  
AND SAVINGS ASSOCIATION,

*Trustee,*

By .....  
*Authorized Officer.*

SECTION  
shall be executed in accordance with the provisions of the conditions and terms provided that the Series T Bonds shall be executed by the California Pacific Utilities Company and as provided in the First Supplement to the Mortgage upon compliance with the provisions of Article III of the Mortgage. The principal amount of the Bonds of the Company shall be secured by the

The Company shall be secured by the benefit of the Bonds of the Company

SECTION  
will, and does, execute all Bonds of the Mortgage in exchange for the terms, conditions and the Bonds of the Company

SECTION  
Bonds of the Series T or pay any dividend of its class of its Bonds of the Company a consideration

SECTION 1.05. *Issue of Series T Bonds.* The Bonds of Series T shall be executed, authenticated and delivered in accordance with the provisions of, and shall in all respects be subject to all of the terms, conditions and covenants and limitations of, the Mortgage; provided that Three Million Dollars (\$3,000,000) principal amount of Series T Bonds, constituting the initial issue of such series, shall be executed by the Company and delivered to the Trustee for authentication and as soon as may be after the execution of this Twenty-First Supplemental Indenture, either before or after the filing and recording hereof, shall be authenticated and delivered by the Trustee upon compliance by the Company with the applicable provisions of Article III of the Original Indenture, as amended. The aggregate principal amount of Bonds of Series T which may be executed by the Company and authenticated and delivered by the Trustee and secured by the Mortgage as from time to time in effect, is unlimited.

## ARTICLE II.

### ADDITIONAL COVENANTS OF THE COMPANY

The Company covenants and agrees with the Trustees, for the benefit of the Trustees and the several holders for the time being of the Bonds of Series T, as follows:

SECTION 2.01. *Payment of Series T Bonds.* That the Company will, and does hereby, agree to pay the principal of and interest on all Bonds of Series T issued or to be issued under and secured by the Mortgage, as well as all Bonds which may be hereafter issued in exchange or substitution therefor, and to perform and fulfill all the terms, covenants and conditions of the Mortgage in respect to the Bonds of Series T to be issued under the Mortgage.

SECTION 2.02. *Dividend Restrictions.* That, so long as any Bonds of Series T shall remain outstanding, it will not (a) declare or pay any dividends or make any distribution on any shares of any class of its capital stock (other than dividends payable in shares of the Company), or (b) purchase, acquire or otherwise retire for a consideration (other than in exchange for or from the proceeds of

other shares of capital stock of the Company) any shares of any class of its capital stock (other than as required to comply with any conversion or sinking or purchase fund or obligation now existing or hereafter established for any class of preferred stock of the Company), except out of (i) net income of the Company available for such dividends, distribution or retirement accumulated after December 31, 1970, plus (ii) \$3,000,000 of surplus accumulated prior to January 1, 1971.

Net income of the Company for the purpose of this Section 2.02 shall mean the gross earnings of the Company less all proper deductions for operating expenses, taxes (including income, excess profits and other taxes, based on or measured by income), interest charges, current amortization, and other appropriate items, including charges for current repairs and maintenance and charges or provisions for retirement and/or depreciation as recorded on the books of the Company, plus the amount of the excess, if any, of an amount equal to twelve and one-half per cent (12½%) of the total gross operating revenues of the Company from public utility property (exclusive of revenue from construction and/or the sale of and/or financing in connection with the sale of gas or other appliances) from January 1, 1944 up to and including the end of the month next preceding the month in which a dividend on shares is to be declared over the sum of (i) charges for current repairs and maintenance and (ii) the actual charges or provisions for retirement and/or depreciation as aforesaid, for such period, and otherwise determined in accordance with such system of accounts as may be prescribed by governmental authorities having jurisdiction in the premises or in the absence thereof in accordance with standard accounting practice; provided that in determining the amount of such net income for the purpose of this Section 2.02 no deduction or adjustment shall be made for or on account of (a) unamortized debt or stock discount and expense and premiums, redemption premiums and double interest and financing expenses arising from the issuance of Bonds and other securities of the Company; (b) profits or losses from sales or other dispositions of capital assets, or taxes on or in respect of any such profits, or any change or adjustment in the book value of, or depreciation or appreciation of the value of, any assets owned by the Company on December 31, 1943; (c) any earned surplus adjustment

applicable to a  
(d) amortization  
counts or other

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That, so long as  
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applicable to any period or periods prior to January 1, 1944; and/or (d) amortization of utility plant and/or acquisition adjustment accounts or other intangibles.

SECTION 2.03. *Restriction on Sinking Fund for Future Bonds.* That, so long as any of the Bonds of Series T remain outstanding no Bonds of any future series will be issued which will be entitled to the benefit of any sinking fund in respect thereof which will provide for the retirement in any year prior to 2003 of more than one and one-half percent (1½%) of the aggregate principal amount of the Bonds of such other series (excluding the principal amount of any Bonds delivered pursuant to any provisions of the Mortgage in exchange or substitution for, or on the transfer of, the whole or any part, as the case may be, of any one or more Bonds of the same series).

SECTION 2.04. *Closing of Series S Bonds.* The Company covenants and agrees that it will not provide for the authentication and delivery of any additional Series S Bonds under the Mortgage, and the Mortgage is hereby closed to the issuance of any additional Series S Bonds, provided, however, that nothing herein shall preclude the authentication or delivery of Series S Bonds in lieu of other Series S Bonds pursuant to Section 12.02 of the Original Indenture or Article I of the Twentieth Supplemental Indenture.

### ARTICLE III.

#### MISCELLANEOUS PROVISIONS

SECTION 3.01. *Execution, Terms, etc.* This instrument is executed and shall be construed as an indenture supplemental to the Original Indenture and shall form a part thereof and, except as modified and altered by the First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth, Tenth, Eleventh, Twelfth, Thirteenth, Fourteenth, Fifteenth, Sixteenth, Seventeenth, Eighteenth, Nineteenth and Twentieth Supplemental Indentures and this Twenty-First Supplemental Indenture, the Original Indenture is hereby confirmed.

All terms used in this Twenty-First Supplemental Indenture shall be taken to have the same meaning as in the Original Indenture, as amended, except terms which may be otherwise expressly defined herein and in cases where the context clearly indicates otherwise.

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In order to facilitate the filing of this Twenty-First Supplemental Indenture, the same may be executed in several counterparts, each of which shall be deemed to be an original, and such counterparts together shall be deemed to be one and the same instrument.

SECTION 3.02. *Application of General Provisions of Original Indenture.* The provisions of general application in the Original Indenture, as amended, shall, subject only to any express provision of this Twenty-First Supplemental Indenture of a contrary effect, be applicable hereto.

SECTION 3.03. *Trust Indenture Act of 1939.* Nothing herein contained shall be deemed or construed to authorize or permit any hindrance or delay in the exercise of any right or rights conferred upon or reserved to the Trustees, to the Company, or to the Bondholders under any provision of the Mortgage or of the Bonds issued thereunder which would be in conflict with the Trust Indenture Act of 1939 as now in effect. If and to the extent any provision of this Twenty-First Supplemental Indenture limits, qualifies or conflicts with any provision of the Mortgage required to be included therein by any of Sections 310 to 317, inclusive, of the Trust Indenture Act of 1939, such required provision shall control.

SECTION 3.04. *Recitals.* All recitals herein are made by the Company only and not by the Trustees and none of the provisions hereof shall be so construed as to change or modify any of the rights, immunities or obligations of the Trustees without their written assent thereto.

SECTION 3.05. *Dating.* Although this Twenty-First Supplemental Indenture is dated for convenience and for the purpose of reference as of April 1, 1973, the actual date or dates of execution by the Company and by the Trustees are as indicated by their respective acknowledgments hereto attached.

IN WITNESS WHEREOF, CALIFORNIA-PACIFIC UTILITIES COMPANY has caused this Twenty-First Supplemental Indenture to be signed in its corporate name, by its President, or a Vice President, and its corporate seal to be hereunto affixed, and attested by its Secretary or an Assistant Secretary, and BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION, in token of its acceptance of the trusts hereby

created, by its President, or a Vice President, and its corporate seal to be hereunto affixed, and attested by its Secretary or an Assistant Secretary, and BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION, in token of its acceptance of the trusts hereby

Attest:

(Corporation)

Attest:

(Corporation)

Signature



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created, has caused this Indenture to be signed in its corporate name by its President or a Vice President or a Trust Officer and an Assistant Trust Officer and its corporate seal to be hereunto affixed and attested by its Secretary or an Assistant Secretary, and M. J. BARRETT, in token of his acceptance of the trusts herein created has hereunto set his hand and seal, all as of the day and year first hereinabove written.

CALIFORNIA-PACIFIC UTILITIES COMPANY

By

*Donald J. Cameron*  
President

Attest:

*Donald J. Cameron*  
Secretary

(Corporate Seal)

BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION

By

*James L. ...*  
Trust Officer

By

*...*  
Assistant Trust Officer

Attest:

*...*  
Assistant Secretary

(Corporate Seal)

*M. J. Barrett*  
M. J. Barrett

Signed, sealed and delivered in the presence of:

*E. V. Osborne*  
E. V. OSBORNE

*L. J. ...*  
L. J. ...

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State of California,  
City and County of San Francisco—ss.

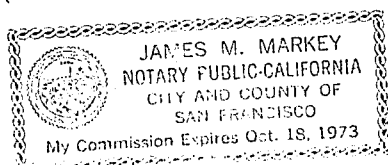
On this 5th day of April, in the year 1973, before me, JAMES M. MARKEY, a Notary Public in and for said State of California, residing therein, duly commissioned and sworn, personally appeared DONALD J. CARMAN, known to me to be the President of CALIFORNIA-PACIFIC UTILITIES COMPANY, one of the corporations that executed the within instrument, and D. M. PRITCHETT, known to me to be the Secretary of said corporation, and known to me to be the persons who executed the within instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal at my office in said City and County of San Francisco, the day and year in this certificate first above written.

*James M. Markey*  
Notary Public  
in and for the State of California

My commission expires OCT 18 1973

(Notarial Seal)

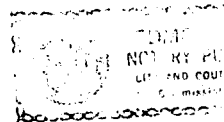


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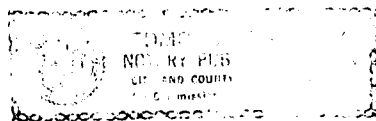
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State of California,  
City and County of San Francisco—ss.

On this 6<sup>th</sup> day of April, in the year 1973, before me, Edmund K. Kelly, a Notary Public in and for the State of California, residing therein, duly commissioned and sworn, personally appeared J. H. HOLM, known to me to be a Trust Officer and L. FARRIS, known to me to be an Assistant Trust Officer of BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION, one of the corporations that executed the within instrument, and HOWARD W. [unclear] known to me to be an Assistant Secretary of said corporation, and known to me to be the persons who executed the within instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal at my office in said City and County of San Francisco, the day and year in this certificate first above written.



(Notarial Seal)

Edmund K. Kelly  
Notary Public  
in and for the State of California  
My commission expires 1/23/76

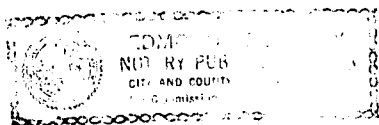
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State of California,  
City and County of San Francisco—ss.

On this 6<sup>th</sup> day of April, in the year 1973, before me, John A. Kelly, a Notary Public in and for the State of California, residing therein, duly commissioned and sworn, personally appeared M. J. BARRETT, known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal at my office in said City and County of San Francisco, the day and year in this certificate first above written.



(Notarial Seal)

John A. Kelly  
Notary Public  
in and for the State of California  
My commission expires 1/22/76

STATE OF OREGON, }  
County of Klamath } ss.

Filed for record at request of:  
BANK OF AMERICA NAT'L TRUST & SAV. ASSN.,  
on this 12th day of April A. D., 1973  
at 10:59 o'clock A M. and duly  
recorded in Vol. M 73 of MORTGAGES  
Page 4273

WM. D. MILNE, County Clerk

By Harold L. [Signature]  
Fee \$ 30.00 Deputy.