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

Twenty-Third Supplemental Indenture

Dated as of March 1, 1976

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

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

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THIS TWENTY-THIRD SUPPLEMENTAL INDENTURE,
dated for convenience as of March 1, 1976, 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 Com-
pany, a California corporation, Weaverville Electric Company, a
California corporation, California Utilities Company, a California
corporation, and Southern Utah Power Company, a Utah corpora-
tion), a corporation duly organized and existing under and by vir-
tue 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 Trust-
tee"), and M. J. BARRETT, of Santa Clara County, California (here-
inafter called "Co-Trustee" or "individual Trustee"—the Corporate
Trustee and individual Trustee being hereinafter sometimes collec-
tively 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 ex-
pressly excepted and excluded from the lien and operation thereof)
for the purpose, among other things, of securing an authorized is-
sue of bonds of the Company generally known as First Mortgage
Bonds issuable thereunder in one or more series (said First Mort-
gage 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

appointed 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 percent (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, a Fourth Supplemental Indenture, dated as of May 1, 1950, and a Twenty-Second Supplemental Indenture dated as of January 1, 1975, 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, 3½%, 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 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, 4¾%, due September 1, 1991", a Twelfth Supplemental Indenture, dated as of April 1, 1966, prescribing the form or forms of a new series of Bonds of the Company to be designated "First Mortgage Bonds, Series K, 4¾%, due April 1, 1994", a Thirteenth Supplemental Indenture, dated as of November 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, 6¾%, due March 1, 1997", a Fifteenth Supplemental Indenture, dated as of November 1, 1969, prescribing the form or forms of a new series of Bonds of the Company to be designated "First Mortgage Bonds, Series N, 6½%, due March 1, 1999", a Sixteenth 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 O, 9¾%, 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 P, 6½%, due December 1, 1995", a Nineteenth Supplemental Indenture, dated as of September 1, 1972, prescribing the form or forms of a new series of Bonds of the Company to be designated "First Mortgage Bonds, Series Q, 8%, due April 1, 2002" and a Twentieth Supplemental Indenture, dated as of April 1, 1973, prescribing the form or forms of a new series of Bonds of the Company to be designated "First Mortgage Bonds, Series R, 8%, due April 1, 2002".

Bonds of the Company to be designated "First Mortgage Bonds, Series I, 5%, due May 1, 1991", an Eleventh Supplemental Indenture, dated as of 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", 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" and a Twenty-First Supplemental Indenture, dated as of April 1, 1973, prescribing the form or forms of a new series of Bonds of the Company to be designated "First

Mortgage Bonds, Series T, 7.95%, due April 1, 2003" (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, Twentieth, Twenty-First and Twenty-Second Supplemental Indentures, is hereinafter called the "Mortgage"); and

WHEREAS, there are now issued and outstanding under the Original Indenture \$36,793,700 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, 3½%, 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, 4¾%, 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, 6¾%, 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, \$635,700 Series Q Bonds, 6½%, due December 31, 1985, \$3,000,000 Series R Bonds, 8¾%, due September 1, 1995, \$3,000,000 Series S Bonds, 8%, due April 1, 2002 and \$3,000,000 Series T Bonds, 7.95%, due April 1, 2003; 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 three new series of Bonds to be designated, respectively, "First Mortgage Bonds, Series U, 4.85%, due April 1, 1989," "First Mortgage Bonds, Series V, 7¾%, due March 1, 1994", and "First Mortgage Bonds, Series W, 9¾%, due January 1, 1996" (such

new series of Bonds being hereinafter sometimes referred to as the "New Series of Bonds" or "Bonds of the New Series" and the respective new series of Bonds being hereinafter referred to as "Bonds of Series U, V or W" or "Series U, V or W"; and has authorized the execution and delivery of the Supplemental Indenture; and

WHEREAS, all acts and proceedings required by the Articles of Incorporation and By-Laws of the Company and all actions requisite on the part of the stockholders and officers necessary to make the New Series of Bonds of the Company, authenticated and delivered by the Company, authenticated and delivered by the Trustee and duly issued, the valid, binding and enforceable of the Company, and to constitute this Twenty-Third Supplemental Indenture a valid, binding and legal instrument in accordance with their, and its, terms and conditions; and the execution and delivery of the Supplemental Indenture has been duly authorized by the governmental authorities having jurisdiction in all other respects;

NOW, THEREFORE, THIS TWENTY-THIRD SUPPLEMENTAL INDENTURE WITNESSETH:

That, in order to secure the payment of the principal and interest on, all Bonds at any time issued and outstanding under the Mortgage according to their tenor, purport and effect, and specifically but without limitation the New Series of Bonds, pursuant to the Mortgage, and to secure the performance and observance of all the covenants and conditions contained therein, and to determine the terms and conditions to which the New Series of Bonds are, and are to be, subject, and held, and for and in consideration of the performance of the mutual covenants herein contained and of the payment of the Bonds by the holders thereof and the Company, and the Dollar (\$1.00), lawful money of the United States, and the payment of the Bonds by the holders thereof and the Company, and the delivery hereof, and for other valuable consideration, the Company hereby acknowledges, the Company has delivered this Twenty-Third Supplemental Indenture

new series of Bonds being hereinafter sometimes collectively called "New Series of Bonds" or "Bonds of the New Series", and the respective new series of Bonds being hereinafter sometimes called "Bonds of Series U, V or W" or "Series U, V or W Bonds") and has authorized the execution and delivery of this Twenty-Third 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 New Series of 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-Third 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-Third 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-THIRD 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 New Series of Bonds 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 New Series of Bonds 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 sealing and delivery hereof, and for other valuable consideration, the receipt whereof is hereby acknowledged, the Company has executed and delivered this Twenty-Third 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 Twenty-First 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

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

Lot 1, Block 3, as said lot and block are shown on the map of Tamarack Subdivision filed in the office of the County Clerk of said County on February 11, 1944, Map No. 35.

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

Lots 13, 14, 15, 16 and 17, Block 6, McWilliam's Addition, Town of Needles, in the City of Needles, County of San Bernardino, State of California, as recorded in the records of said County on page 17, records of San Bernardino County.

Excepting therefrom the Northeast 60 feet of the Northwest 1/4 and the Northeast 60 feet of the Northwest 1/4.

Also excepting the Southeasterly 5 feet of the Northwest 1/4.

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:

That portion of the Northeast Quarter (NE 1/4) of Section 17, Township 22 South, Range 63 East, M.D. Henderson, County of Clark, State of Nevada, described as follows:

Commencing at the Northeast (NE) corner of Section 17;

Thence South 00°06'30" West 1,320.25 feet to the (SE) corner of the Northeast Quarter (NE 1/4) of Section 17;

Thence South 89°49'30" West 150.00 feet to the Northwest corner of beginning;

Thence continuing South 89°49'30" West 330.05 feet to the Northwest corner of beginning;

Thence North 00°06'21" East 330.05 feet;

Thence North 89°49'23" East 180.16 feet;

Thence South 00°06'26" West 330.06 feet to the Northwest corner of beginning.

Lot 1, Block 3, as said lot and block are shown on the Official Map of Tamarack Subdivision filed in the office of the County Recorder of said County on February 11, 1946, in Map Book A, Map No. 35.

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

Lots 13, 14, 15, 16 and 17, Block 6, McWilliams Survey of the Town of Needles, in the City of Needles, County of San Bernardino, State of California, as recorded in Book 13 of Maps, page 17, records of San Bernardino County, California.

Excepting therefrom the Northeast 60 feet of Lots 13 and 14 and the Northeast 60 feet of the Northwest 20 feet of Lot 15.

Also excepting the Southeasterly 5 feet of Lot 17.

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:

That portion of the Northeast Quarter (NE $\frac{1}{4}$) of Section 17, Township 22 South, Range 63 East, M.D.M., in the City of Henderson, County of Clark, State of Nevada, described as follows:

Commencing at the Northeast (NE) corner of said Section 17;

Thence South $00^{\circ}06'30''$ West 1,320.25 feet to the Southeast (SE) corner of the Northeast Quarter (NE $\frac{1}{4}$), Northeast Quarter (NE $\frac{1}{4}$) of Section 17;

Thence South $89^{\circ}49'30''$ West 150.00 feet to the true point of beginning;

Thence continuing South $89^{\circ}49'30''$ West 180.15 feet;

Thence North $00^{\circ}06'21''$ East 330.05 feet;

Thence North $89^{\circ}49'23''$ East 180.16 feet;

Thence South $00^{\circ}06'26''$ West 330.06 feet to the true point of beginning.

Diablo Base and Meridian, more particularly follows:

Commencing at Southeast corner of said
North 68°04' West, a distance of 1,185.2
point of beginning of the parcel of land
thence South 53°04' West, a distance of 2
South 36°56' East, a distance of 208.71 f
53°04' East, a distance of 208.71 feet; t
West, a distance of 208.71 feet to the p

REAL PROPERTY IN THE STATE OF OREGON

1. That certain piece, parcel or tract of land being in the County of Douglas, State of Oregon follows:

Lots 1 and 2, Block 2, Plat of Myrtle Creek,
Myrtle Creek, Douglas County, Oregon. Except
following:

Beginning at the most easterly corner of Town of Myrtle Creek, thence southwest to the southeasterly line of said Lot 1 and the right of way line of Second Street; thence 100 feet parallel to the northeasterly line of Lot 1, Block 2, to the northwesterly line of said Lot 1, Block 2, thence northeasterly 40 feet along said northwesterly line to the most northerly corner of said Lot 1, Block 2, thence easterly 100 feet along the northeasterly line of said Lot 1, Block 2, to the point of beginning.

2. That certain piece, parcel or tract of land s
being in the County of Douglas, State of Oregon, desc

Beginning at a point on the easterly right of Pacific Highway U. S. 99, said point marked by and bears South 732.60 feet and N. 51°25' W. the ¼ corner between Sections 11 and 14 of Township 36 North, Range 5 West, Willamette Meridian, Douglas County, Oregon, thence running S.38°35' W. 78.70 feet along said

Diablo Base and Meridian, more particularly described as follows:

Commencing at Southeast corner of said Section 29; thence North $68^{\circ}04'$ West, a distance of 1,185.26 feet to the true point of beginning of the parcel of land to be described; thence South $53^{\circ}04'$ West, a distance of 208.71 feet; thence South $36^{\circ}56'$ East, a distance of 208.71 feet; thence North $53^{\circ}04'$ East, a distance of 208.71 feet; thence North $36^{\circ}56'$ West, a distance of 208.71 feet to the point of beginning.

REAL PROPERTY IN THE STATE OF OREGON

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

Lots 1 and 2, Block 2, Plat of Myrtle Creek, in the Town of Myrtle Creek, Douglas County, Oregon. Excepting therefrom the following:

Beginning at the most easterly corner of Lot 1, Block 2, Town of Myrtle Creek, thence southwesterly 40 feet along the southeasterly line of said Lot 1 and the northwesterly right of way line of Second Street; thence northwesterly 100 feet parallel to the northeasterly line of Lots 1 and 2, said Block 2, to the northwesterly line of said Lot 2; thence northeasterly 40 feet along said northwesterly line of Lot 2 to the most northerly corner of said Lot 2; thence southeasterly 100 feet along the northeasterly line of said Lots 2 and 1, Block 2, to the point of beginning.

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

Beginning at a point on the easterly right of way line of Old Pacific Highway U. S. 99, said point marked by a $\frac{1}{2}$ " iron pipe and bears South 732.60 feet and N. $51^{\circ}25'$ W. 239.40 feet from the $\frac{1}{4}$ corner between Sections 11 and 14 of Township 32 South, Range 5 West, Willamette Meridian, Douglas County, Oregon; thence running S. $38^{\circ}35'$ W. 78.70 feet along said Highway, thence

leaving said Highway and running S. 51° 25' E. 100.0 feet, thence N. 38° 35' E. 78.70 feet, thence N. 51° 25' W. 100.0 feet to the point of beginning, all being situated in the Northwest ¼ of said Section 14, Township 32 South, Range 5 West, Willamette Meridian, Douglas County, Oregon.

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

Beginning at a ½ inch iron pipe on the south line of the Tiller School property which is North 55° 13' West 75.3 feet from the southeast corner of that portion of said property acquired in 1957, said beginning point being also 768.0 feet south and 61.8 feet west of the northeast corner of the northwest quarter of the northwest quarter of Section 33, Township 30 South, Range 2 West, Willamette Meridian, Douglas County, Oregon; said northeast corner being South 89° 56' East 1327.4 feet from the northwest corner of said Section 33; thence running from said beginning point South 16° 38' West 179.0 feet to a ¾ inch iron pipe on the north line of the Canyonville to Tiller Highway; thence running North 73° 24' West 175.0 feet along the north line of said highway to a 1 inch iron pipe being the southeast corner conveyed to Clark & Linder by Recorder's No. 287567, Deed Records of Douglas County, Oregon; thence North 16° 38' East 200.0 feet to a 1 inch iron pipe; thence continuing North 16° 38' East 36.3 feet to a ½ inch iron pipe on the south line of said school property; thence South 55° 13' East 184.0 feet along said school property line to the place of beginning, situated in Section 33, Township 30 South, Range 2 West, Willamette Meridian, Douglas County, Oregon.

4. 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 quarter corner common to Sections 19 and 20, Township 36 South, Range 1 West, Willamette Meridian, Jackson County, Oregon; thence North 0° 17' 40" West, along the East boundary of said Section 19, a distance of 639.36 feet; thence North 89° 48' West, along the center line of Antelope Road, 1954.02 feet, to a point (from which a bronze disk in the

concrete pavement marking the center line of Antelope Road with the center line of Ninth Street, as surveyed by the Army Engineers for the Camp Williams, Oregon, bears North 89° 48' West, 30.00 feet East, parallel with said Ninth Street center line to a point 40.00 feet Northerly at right angles to the true point of beginning; thence North 89° 48' West, 100.00 feet, to a point 40.00 feet Northerly from said monumented center line of Avenue "F", 60.00 feet, to the true point of beginning.

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

A parcel of land in the west half of Section 9, Township 3 South, Range 1 West, Willamette Meridian, Union County, Oregon, particularly described as follows:

Beginning at the point of intersection of the southwest quarter of southwest quarter of said Section 9, said road known as the Canyonville to Tiller Highway, North 0° 11' East along the east line of said southwest quarter a distance of 1437.0 feet to the southwest corner of tract of land conveyed to United States by Deed Book 104, page 555, Union County, Oregon, 750.3 feet to the most westerly corner of said tract, South 0° 11' West a distance of 1437.0 feet to the north line of said county road, Lane; thence South 89° 51' East along said county road a distance of 564.4 feet to the point of beginning; EXCEPTING the south 462.0 feet;

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concrete pavement marking the center line intersection of Antelope Road with the center line of Ninth Street, as monumented by the Army Engineers for the Camp White Military Reservation, bears North 89°48' West, 30.00 feet); thence North 0°12' East, parallel with said Ninth Street center line, 2700.24 feet, to a point 40.00 feet Northerly at right angles from the said Army Engineer's monumented center line of Avenue "F", for the true point of beginning; thence North 0°12' East, 100.00 feet; thence South 89°48' East, 60.00 feet; thence South 0°12' West, 100.00 feet, to a point 40.00 feet Northerly at right angles from said monumented center line of Avenue "F"; thence North 89°48' West, parallel with the said monumented center line of Avenue "F", 60.00 feet, to the true point of beginning.

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

A parcel of land in the west half of southwest quarter (W $\frac{1}{2}$ SW $\frac{1}{4}$) of Section 9, Township 3 South, Range 38 East of the Willamette Meridian, Union County, Oregon, more particularly described as follows:

Beginning at the point of intersection of the east line of the southwest quarter of southwest quarter of said Section 9, and the north line of the county road along the south line of said Section 9, said road known as Gekeler Lane; thence North 0°11' East along the east line of said southwest quarter of southwest quarter a distance of 942.8 feet; thence North 48°36' West along the southwesterly boundary line of tract of land conveyed to United States of America (Deed Book 104, page 555, Union County), a distance of 750.3 feet to the most westerly corner of said tract; thence South 0°11' West a distance of 1437.5 feet, more or less, to the north line of said county road known as Gekeler Lane; thence South 89°51' East along the north line of said county road a distance of 564.4 feet to the point of beginning; EXCEPTING the south 455.0 feet of the east 462.0 feet;

ALSO, that portion of the west half of southwest quarter of Section 9, Township 3 South, Range 38 East of the Willamette Meridian, Union County, Oregon, described as follows:

Beginning at survey station 1420+32.7 on the Pendleton-LaGrande transmission line in the southwest quarter of southwest quarter of said Section 9, said point being 1057.3 feet north and 1240.9 feet east of the southwest corner of said Section 9; thence North 48°36' West a distance of 617.4 feet; thence North 41°24' East a distance of 400.0 feet to a point on the southwesterly right of way line of the Old Oregon Trail Highway; thence South 48°36' East along the southwesterly right of way line of said highway a distance of 400.0 feet to the east line of the west half of southwest quarter of said Section 9; thence South 0°11' West along said east line a distance of 531.7 feet; thence North 48°36' West a distance of 132.9 feet to the point of beginning.

REAL PROPERTY IN THE STATE OF UTAH

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

All of Lot 11, Block "A", MOUNTAIN EVERGREEN ESTATES, UNIT "A", a Subdivision, according to the Official Plat thereof on file and of record in the Office of the County Recorder of said County.

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

Beginning at a point on the North right of way line of a County Road which is North 25 feet, more or less, and West 330 feet, more or less, from the Southeast corner of the Southwest quarter of the Southeast quarter of Section 31, Township 33 South, Range 9 West, Salt Lake Base and Meridian, and running thence West along County Road right of way 330 feet; thence North 660 feet; thence East 660 feet; thence South along occupied and possessed 1/16 line 330 feet; thence West 330 feet; thence South 330 feet to the point of beginning.

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

All of Lot 11, Block 9, of VALLEY VIEW Subdivision, according to the Official Plat thereof, recorded in the Office of the County Recorder of said County.

CLAUSE THIRD

All federal, state, municipal and other franchises acquired under the Constitution of the United States (including patents, copyrights, trademarks, etc.), permits, consents, licenses, grants, privileges, leases and contracts of every kind and description, made by the Company subsequent to the execution and delivery of the First Supplemental Indenture and now owned by the Company, together with all renewals, extensions, enlargements and amendments thereof.

CLAUSE FOURTH

Also, subject to the rights reserved to the Company by the other provisions of the Mortgage, all other real and personal property (whether tangible or intangible (other than as hereinafter defined) of every kind, character and wheresoever situate, and all proceeds and income therefrom, and all other property, rights and interests, in and to the property, acquired by the Company subsequent to the execution and delivery of the Twenty-First Supplemental Indenture and now owned by the Company, together with all renewals, extensions, enlargements and amendments thereof.

CLAUSE FIFTH

All and singular the lands, real estate, chattels, interests in land, ways, rights-of-way, alleys, passages, easements, permits and licenses, waters, water courses, water rights, water power sites, rights of flowage and riparian rights, factories, plants, buildings, structures, shops, dams, dam sites, canals, locks, aqueducts, conduits, flumes, ditches, pipes, conduits, tailraces, receivers, abutments, reservoirs, water wheels, machinery and appurtenances, dynamos, engines, boilers, meters, transformers, and tanks, fixtures, apparatus, equipment, furniture, and all other property, rights and interests, in and to the property, acquired by the Company subsequent to the execution and delivery of the Twenty-First Supplemental Indenture and now owned by the Company, together with all renewals, extensions, enlargements and amendments thereof.

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

All of Lot 11, Block 9, of VALLEY VIEW SUBDIVISION, according to the Official Plat thereof, recorded in the Office of the County Recorder of said County.

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 Twenty-First 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 Twenty-First 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, engines, 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 substations, 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 Twenty-First 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 Twenty-First 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:

1. All property of the following character for convenience referred to as "reserved property" owned or hereafter acquired by the Company:

A. Cash on hand and in bank; bills receivable; customers' service and extension discounting Bonds issued under the Mortgage); evidences of indebtedness; shares of stock, documents, instruments, chattel paper, contract rights, contracts and other choses in action or hereafter acquired by the Company, and all other property of any kind or character, except as otherwise provided;—other than those which by express agreement of the Company and the Mortgage are or may be subjected or related to the lien hereof;

B. Materials, supplies, appliances, and equipment purchased or acquired for the resale in the ordinary course of business of supplying liquefied petroleum gas through or about customers' premises in such manner as to constitute public utility gas distribution service or for the purpose of consumption in the operation of any of the properties of the Company;

C. All motor cars and vehicles;

provided, however, and it is hereby expressly provided that in the event of the happening of a default, as defined in Section 1 of the Mortgage Indenture, as amended, all reserved property possessed by the Company shall forthwith to the extent permitted by law, subject to the lien hereof, shall continue to be subject thereto so long as such default shall subsist and until such default shall be cured. In the event of the happening of any such default, each item of such reserved property then owned by the Company, or the evidence thereof, shall be delivered by the Company to the Trustee.

2. All property expressly wholly excepted from the Mortgage.

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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 supplying liquefied petroleum gas through tanks located on or about customers' premises in such manner as not to constitute public utility gas distribution service under applicable law or for the purpose of consumption in the operation or repair of any of the properties of the Company; 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 evidence 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, 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, conditions, and restrictions of the Mortgage and the Bonds set forth, and for all other purposes, and subject to the covenants, conditions, and restrictions set forth in the Mortgage set forth and declared; that

ARTICLE I.

THE NEW SERIES OF BONDS.

SECTION 1.01. (A) *General Provision*
New Series of Bonds. The New Series of Bonds shall be issued without coupons in substantial conformity with the terms set forth.

The Bonds of New Series shall be dated on the first day of the month next preceding the date of authentication thereof and shall bear interest from the date next preceding the date of authentication thereof or from the date thereof if it be an interest-free Bond. The Bonds of the New Series shall be due on the date of maturity set forth in the forms of the New Series of Bonds. The Bonds shall bear interest at the respective rates set forth in the forms of the New Series of Bonds, to be paid semi-annually on the dates set forth in the forms of the New Series of Bonds. The payment of the principal thereof, payable in full at maturity, shall be in lawful money of the United States of America, and shall be payable at the office of Bank of America National Trust and Savings Association in San Francisco, California, or of its successor.

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

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 NEW SERIES OF BONDS

SECTION 1.01. (A) *General Provisions as to the Terms of the New Series of Bonds.* The New Series of Bonds shall all be registered Bonds without coupons in substantially the forms hereinafter set forth.

The Bonds of New Series shall be dated as of the date of authentication thereof and shall bear interest from the interest payment date next preceding the date of authentication of such Bonds or from the date thereof if it be an interest payment date. The Bonds of the New Series shall be due on the respective dates of maturity set forth in the forms of the New Series of Bonds and shall bear interest at the respective rates set forth in the forms of the New Series of Bonds, to be paid semiannually on the respective dates set forth in the forms of the New Series of Bonds, until the payment of the principal thereof, payable until maturity. The principal of and interest on the New Series of Bonds shall be 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 and principal on the Bonds of the New Series and if any such paying agency shall be so established, the Company shall maintain the same so long as any Bonds of the New Series shall remain outstanding, and in such event interest and principal on the Bonds of the New Series shall be payable at said office of the Trustee or, at the option of the registered owners of Bonds of the New Series, at such other paying agency so established.

Definitive Bonds of the New Series 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 the New Series may be exchanged for a new Bond or Bonds of the same series 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 the New Series.

(B) *Redemption Provisions for Bonds of the New Series.*
Bonds of the New Series 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, except as hereinafter set forth, 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 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 Bonds to be redeemed). Such redemption shall be made upon the payment (except as hereinbelow set forth in this Subdivision (B)) of the following percentages of the principal amounts of the Bonds of the New Series to be redeemed (together in every case with accrued interest to the date of redemption):

(I) If the Series U Bonds are redeemed at any time on or before March 31, 1979, 103%; if redeemed thereafter, and on or before March 31, 1984, 102%; and if redeemed thereafter, and on or before March 31, 1989, 101%.

(II) If the Series V Bonds are redeemed during the month period ending with the last day of February

1977	105.49%	1986
1978	105.17%	1987
1979	104.84%	1988
1980	104.52%	1989
1981	104.20%	1990
1982	103.88%	1991
1983	103.55%	1992
1984	103.23%	1993
1985	102.91%	1994

(III) If Series W Bonds are redeemed during the period ending with the last day of December,

1976	107.818%	1986
1977	107.406%	1987
1978	106.995%	1988
1979	106.583%	1989
1980	106.172%	1990
1981	105.760%	1991
1982	105.349%	1992
1983	104.937%	1993
1984	104.526%	1994
1985	104.115%	1995

Notwithstanding the foregoing provision (B), the Company shall not have the right to redeem the Bonds of Series V at its option prior to the maturity of the Bonds of Series W at its option prior to the maturity of the Bonds of Series W as part of a refunding, or anticipated refunding, or for the purpose of obtaining a new application, directly or indirectly, of money borrowed by the Company, or an interest cost to the Company (expressed as a percentage of the principal amount) calculated in accordance with generally accepted industry practice, of less than 7¾% or 9¾% per annum, respec-

The Bonds of the New Series are also for the sinking fund at the sinking fund rate thereafter defined in Subdivision (C) of this Section, subject to the terms and conditions set forth in said Subdivision (C), and shall be paid at said sinking fund redemption price, through the Maintenance and Replacement Fund provided for in Article II, Section 5.12 (B) of the Original Indenture, as more fully set forth in Section 1.02 hereof, and also, at said sinking

(II) If the Series V Bonds are redeemed during the twelve-month period ending with the last day of February,

1977	105.49%	1986	102.58%
1978	105.17%	1987	102.26%
1979	104.84%	1988	101.94%
1980	104.52%	1989	101.61%
1981	104.20%	1990	101.29%
1982	103.88%	1991	100.97%
1983	103.55%	1992	100.65%
1984	103.23%	1993	100.32%
1985	102.91%	1994	100.00%

(III) If Series W Bonds are redeemed during the twelve-month period ending with the last day of December,

1976	107.818%	1986	103.703%
1977	107.406%	1987	103.292%
1978	106.995%	1988	102.880%
1979	106.583%	1989	102.469%
1980	106.172%	1990	102.057%
1981	105.760%	1991	101.646%
1982	105.349%	1992	101.234%
1983	104.937%	1993	100.823%
1984	104.526%	1994	100.411%
1985	104.115%	1995	100.000%

Notwithstanding the foregoing provisions of this Subdivision (B), the Company shall not have the right to redeem any of the Bonds of Series V at its option prior to March 1, 1979 or any of the Bonds of Series W at its option prior to January 1, 1981, 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 $7\frac{3}{4}\%$ or $9\frac{7}{8}\%$ per annum, respectively.

The Bonds of the New Series 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 one of the New Series of Bonds, 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 Funds for Bonds of the New Series.* As sinking funds for the benefit of the holders of the Bonds of the New Series to be used or applied as hereinafter provided, the Company covenants that it will, subject to the credits hereinafter provided, pay to the Trustee or to a paying agent on or before the business day next preceding April 1, 1976 for the Series U Bonds, March 1, 1977 for the Series V Bonds and January 1, 1977 for the Series W Bonds, and on or before the business day next preceding said dates in each year thereafter so long as any Bonds of the series with respect to which the sinking fund payment is made shall remain outstanding (said dates being hereinafter sometimes referred to as "sinking fund payment date"), an amount in cash equal to one and one-half

percent ($1\frac{1}{2}\%$) of the greatest principal of the series with respect to which the sinking fund payment is made, whether or not then outstanding pursuant to this Subdivision (C) the term "sinking fund payment" shall include all Bonds of the series with respect to which such fund payment is made, authenticated and delivered in like manner whether or not issued by the Company for the purpose of such sinking fund payment. Bonds of the series with respect to which this sinking fund payment is made, authenticated and delivered in like manner pursuant to Article I hereof or Section 4.01 of the Original Indenture.

All cash received by the Trustee or any other person for sinking funds shall be applied, on the next sinking fund payment date relating to the sinking fund payment of Bonds of the series with respect to which such payment was made at the sinking fund redemption price provided in Subdivision (B) of the Article IV of the Original Indenture. The sinking fund redemption price of Bonds of the New Series Twenty-Third Supplemental Indenture, shall be the amount thereof, together in any case with interest thereon to the date of redemption.

The Company covenants and agrees that it will, from sources other than the sinking funds for Bonds of the New Series, the accrued interest on all Bonds of the New Series redeemed pursuant to this Subdivision (C) shall be paid to the Trustee or paying agent prior to the redemption of such Bonds. Notwithstanding to the contrary of this Twenty-Third Supplemental Indenture, the sinking fund payment with respect to which the sinking fund payment is required to be redeemed unless the amount of such redemption is at least equal to One Thousand Dollars.

Except to the extent that the Company covenants with a holder of a series of Bonds provided in the Twenty-Third Supplemental Indenture, the Company shall, to satisfy, in whole or in part, the sinking

percent (1½%) of the greatest principal amount of all Bonds of the series with respect to which the sinking fund payment is made, theretofore issued whether or not then outstanding. For the purposes of this Subdivision (C) the term "issued" shall mean and include all Bonds of the series with respect to which the sinking fund payment is made, authenticated and delivered to the Company, whether or not issued by the Company for value, but not including Bonds of the series with respect to which the sinking fund payment is made, authenticated and delivered in lieu of other such Bonds pursuant to Article I hereof or Section 4.01 or Section 12.02 of the Original Indenture.

All cash received by the Trustee or any paying agent for the sinking funds shall be applied, on the next succeeding sinking fund payment date relating to the sinking fund payment, to the redemption of Bonds of the series with respect to which the sinking fund payment was made 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 the New Series, as used in this Twenty-Third 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 funds for Bonds of the New Series, the accrued interest on all Bonds of the New Series purchased or redeemed pursuant to this Subdivision (C), and that it will pay the same to the Trustee or paying agent prior to the date fixed for the redemption of such Bonds. Notwithstanding any other provision of this Twenty-Third Supplemental Indenture, Bonds of the series with respect to which the sinking fund payment was made shall not be required to be redeemed unless the amount of cash available for such redemption is at least equal to One Thousand Dollars (\$1,000).

Except to the extent that the Company has otherwise agreed with a holder of a series of Bonds provided for in this Twenty-Third Supplemental Indenture, the Company shall have the right to satisfy, in whole or in part, the sinking fund obligation with

All Bonds redeemed through the sinking funds or used as a credit against the sinking funds pursuant to the provisions of this Subdivision (C) shall, so long as any Bonds of the series with respect to which such redemption was made or credit taken shall remain outstanding, become funded for all purposes of the Mortgage, and all such Bonds shall be cancelled and no 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 such series shall remain outstanding.

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SECTION 1.03. *Application of Deposited* that any Deposited Moneys (as defined in Sectional Indenture) are applied to the redemption Series under the provisions of Subdivision (I) of the Original Indenture, the Bonds of the New shall be redeemed at the optional redemption Subdivision (B) of Section 1.01 hereof then anything contained in said Subdivision (B) to standing, in case of the redemption of Bonds under the provisions of said Subdivision (IV) tuting the proceeds of the public utility property subject to the lien of the Mortgage as a first pursuant to Section 6.02 of the Original Indenture with the sale thereof to any governmental body by the power of eminent domain or sold upon government body or agency of any right without purchase or designate a purchaser of, or order property or in connection with the sale as a or imminence of any of the foregoing, the Company may redeem at the principal amount thereof (to interest to the redemption date) an aggregate of each of the series of the Bonds of the New Series to the ratio that the proceeds of such sale be principal amount of Bonds of all series outstanding of such sale.

SECTION 1.04. *Forms of the New Series of*
of the New Series and the authentication certifi
on said Bonds are to be substantially in the f
spectively:

provided by Section 4.04 of the Original Indenture at not exceeding the sinking fund redemption prices of the Bonds of the New Series and/or (b) redeemed at the sinking fund redemption prices 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 the New Series under the provisions of Subdivision (IV) of Section 7.02 of the Original Indenture, the Bonds of the New Series so redeemed shall be redeemed at the optional redemption prices 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 the New Series 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 each of the series of the Bonds of the New Series 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. *Forms of the New Series of Bonds.* The Bonds of the New Series and the authentication certificate to be attached on said Bonds are to be substantially in the following forms, respectively:

(FORMS OF THE FACE OF THE BONDS)

No. ①R.....

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

FIRST MORTGAGE BOND
Series ①, ②%, due ③

(Footnotes appear at end of Form of Bond)

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 promises to pay to, the registered holder thereof, or registered assigns, on ④, the sum of Dollars (\$.....) in lawful money of the United States of America, and to pay interest thereon from at the rate of ⑤ percent (⑥%) per annum, in like money, semi-annually on the first days of ⑦ 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-Third Supplemental Indenture dated as of March 1, 1976, hereinafter referred to.

The provisions of this Bond are continued on the reverse herein and each continued provision shall for all purposes have the same effect as though fully set forth at this place.

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

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

Dated:

CALIFORNIA-PACIFIC UTILITIES COMPANY

By

President

Attest:

Secretary

(FORMS OF THE REVERSE OF THE BONDS)

This Bond is one of an authorized issue of the Company, generally known as its First Mortgage Bonds, limited in aggregate principal amount except as provided in the Mortgage) of the series and designated on the face hereof, which issue of Bonds consists, of one or more series of varying denominations, maturities, interest rates and other provisions (as provided), all issued under and all secured (except insofar as a sinking fund is provided) in accordance with the provisions of the Mortgage Indenture and security for the Bonds of any specified series as provided in the Mortgage Indenture, as amended and dated as of July 1, 1944, duly executed and attested by the Company to Bank of America National Trust and Savings Association and M. J. Barrett, as Trustees (hereinafter referred to as "Trustees"), as supplemented by twenty-three Supplemental Indentures dated, respectively, June 15, 1946, August 1, 1948, May 1, 1950, July 1, 1950, March 1, 1951, May 1, 1958, May 1, 1958, May 1, 1961, and

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

(FORMS OF THE REVERSE OF THE BONDS)

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-three 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, April 1, 1973, January 1, 1975, and March 1, 1976 (the Indenture as so supplemented being herein called the "Mortgage"), to which Mortgage reference is hereby 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 ① 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 redemp-

tion to be made upon the payment (except forth) of the following percentages of the of the Series ① Bonds to be redeemed (together with accrued interest to the redemption date)

①
②

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

The Bonds of Series ① are entitled to the benefit of the sinking fund provided therefor in the Twentieth Supplemental Indenture dated as of March 1, 1976. The Bonds of Series ① may be redeemed 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 redemp-

tion to be made upon the payment (except as hereinbelow set forth) of the following percentages of the principal amounts of the Series ① Bonds to be redeemed (together in every case with accrued interest to the redemption date).

①

①

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 ① are entitled to the benefits of the sinking fund provided therefor in the Twenty-Third Supplemental Indenture dated as of March 1, 1976, and any one or more of the Bonds of Series ① 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. The Bonds of Series ①, 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 ① 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 ① 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 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 mortgage, or (c) reduce the percentage of the principal of the Bonds upon the consent of the bearers or owners of which modifications or alterations may be made as aforesaid.

The registered owner of any registered Bond of Series ①, at his option, may surrender the same to the office of the Trustee in San Francisco, California, in exchange for other registered Bonds of higher or lower authorized denominations of the same aggregate principal amount, subject to the terms and conditions set forth in the Twenty-Third Supplemental Indenture of March 1, 1976.

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

No recourse shall be had for the payment of principal of, or the interest on, this Bond, or for any claim or otherwise in respect hereof or of the Mortgage, by the promoter, stockholder, director or officer, past, present or future, of the Company, as such, or of any predecessor corporation either directly or through any such predecessor or successor corporation, for any amounts unpaid on stock subscriptions or by virtue of any assessment or penalty or otherwise, all such liabilities being hereby expressly waived and released by the registered owner hereof by the acceptance of this Bond as part of the consideration for the issue hereof, and shall be waived and released by the terms of the Mortgage.

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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 ①, 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 ① of higher or lower authorized denominations of the same aggregate principal amount, subject to the terms and conditions set forth in the Twenty-Third Supplemental Indenture dated as of March 1, 1976.

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 successor 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.

(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.

(FOOTNOTES TO THE FORMS OF BONDS)

The following information shall be inserted in the spaces in the forms of the Bonds as indicated by the footnotes appearing therein:

Footnote	Series U Bonds	Series V Bonds	Series W Bonds
①	U	V	W
②	4.85%	7¾%	9¾%
③	April 1, 1989	March 1, 1994	January 1, 1996
④	four and eighty-five one hundredths	seven and three-quarters	nine and seven-eighths
⑤	April and October	March and September	January and July

Footnote ⑥

Series U Bonds: If redeemed at any time on or before March 31, 1979, 103%; if redeemed thereafter, and on or before March 31, 1984, 102%; and if redeemed thereafter, and on or before March 31, 1989, 101%.

Series V Bonds: If redeemed during the twelve-month period ending with the last day of February,

1977	105.49%	1986	102.58%
1978	105.17%	1987	102.26%
1979	104.84%	1988	101.94%
1980	104.52%	1989	101.61%
1981	104.20%	1990	101.29%
1982	103.88%	1991	100.97%
1983	103.55%	1992	100.65%
1984	103.23%	1993	100.32%
1985	102.91%	1994	100.00%

Series W Bonds: If redeemed during the twelve-month period ending with the last day of December,

1976	107.818%	1986
1977	107.406%	1987
1978	106.995%	1988
1979	106.583%	1989
1980	106.172%	1990
1981	105.760%	1991
1982	105.349%	1992
1983	104.937%	1993
1984	104.526%	1994
1985	104.115%	1995

Footnote ⑦

Series U Bonds: [No text]

Series V Bonds: Notwithstanding the foregoing, this Subdivision (B), the Company shall not have the option to redeem any of the Bonds of Series V at its option prior to the application, directly or indirectly, of money shall have an interest cost to the Company (expressed as a percentage and calculated in accordance with generally accepted practice) of less than 7¾% per annum.

Series W Bonds: Notwithstanding the foregoing, this Subdivision (B), the Company shall not have the option to redeem any of the Bonds of Series W at its option prior to the application, directly or indirectly, of money shall have an interest cost to the Company (expressed as a percentage and calculated in accordance with generally accepted practice) of less than 9¾% per annum.

1976	107.818%	1986	103.703%
1977	107.406%	1987	103.292%
1978	106.995%	1988	102.880%
1979	106.583%	1989	102.469%
1980	106.172%	1990	102.057%
1981	105.760%	1991	101.646%
1982	105.349%	1992	101.234%
1983	104.937%	1993	100.823%
1984	104.526%	1994	100.411%
1985	104.115%	1995	100.000%

Footnote ⑦

Series U Bonds: [No text]

Series V Bonds: Notwithstanding the foregoing provisions of this Subdivision (B), the Company shall not have the right to redeem any of the Bonds of Series V at its option prior to March 1, 1979, 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 7¾ % per annum.

Series W Bonds: Notwithstanding the foregoing provisions of this Subdivision (B), the Company shall not have the right to redeem any of the Bonds of Series W at its option prior to January 1, 1981, 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 9 $\frac{7}{8}$ % per annum.

SECTION 1.05. *Issue of the New Series of Bonds.* The Bonds of the New Series 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 Seven Hundred Thousand Dollars (\$700,000) of Series U Bonds, One Million Three Hundred Fifty Thousand Dollars (\$1,350,000) of Series V Bonds and One Million Dollars (\$1,000,000) of Series W Bonds, constituting the initial and complete issues 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-Third 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.

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 the New Series, as follows:

SECTION 2.01. *Payment of the New Series of Bonds.* That the Company will, and does hereby, agree to pay the principal of and interest on all Bonds of the New Series 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 the New Series to be issued under the Mortgage.

SECTION 2.02. *Dividend Restrictions.* That, so long as any Bonds of the New Series 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 provided with any conversion or sinking or purchase fund existing or hereafter established for any class of the Company), except out of (i) net income available for such dividends, distribution or redemption related after December 31, 1972, plus (ii) \$3,000,000 of net income related prior to January 1, 1973.

Net income of the Company for the purpose of Section 2.02 shall mean the gross earnings of the Company after deductions for operating expenses, taxes (including income taxes, profits and other taxes, based on or measured by the Company's charges, current amortization, and other appropriate charges for current repairs and maintenance and provisions for retirement and/or depreciation as recorded in the books of the Company, plus the amount of the excess, if any, of the Company, equal to twelve and one-half percent (12½%) of the operating revenues of the Company from public utility operations (exclusive of revenue from construction and/or the sale of gas or other commodities) from January 1, 1944 up to and including the end of the month preceding the month in which a dividend on shares of the Company is 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 other charges in accordance with such system of accounts as may be approved by governmental authorities having jurisdiction in the absence thereof in accordance with standard practice; provided that in determining the amount of net income for the purpose of this Section 2.02 no deduction shall be made for or on account of (a) unamortized discount and expense and premiums, redemption premium, double interest and financing expenses arising from the sale of Bonds and other securities of the Company; (b) from sales or other dispositions of capital assets, or (c) from the proceeds of any such profits, or any change or accretion in book value of, or depreciation or appreciation of the assets owned by the Company on December 31, 1943.

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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, 1972, plus (ii) \$3,000,000 of surplus accumulated prior to January 1, 1973.

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 percent (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 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 Indebtedness.* The Company covenants that, so long as any of the Bonds of the New Series shall remain outstanding, it will not, without the prior written consent of the holders of not less than 66⅔% in aggregate principal amount of the Bonds of the New Series at the time outstanding, create, incur, assume or suffer to exist any indebtedness for borrowed money except such indebtedness the aggregate principal amount of which does not exceed 65% of the sum of the Company's total capitalization plus short term indebtedness and current maturities of long term debt at such time.

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

All terms used in this Twenty-Third Supplemental Indenture shall be taken to have the same meaning as in the Original Inden-

ture, as amended, except terms which may be defined herein and in cases where the context otherwise.

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

SECTION 3.02. *Application of General Provisions.* The provisions of general application of the Original Indenture, as amended, shall, subject only to any modification of this Twenty-Third Supplemental Indenture, be applicable hereto.

SECTION 3.03. *Trust Indenture Act of 1939.* The provisions of the Trust Indenture Act of 1939 contained shall be deemed or construed to authorize the Company to execute any act or thing which is necessary or proper to carry out the purposes of the Trust Indenture Act of 1939, and no hindrance or delay in the exercise of any right or power conferred upon or reserved to the Trustees, to the Company or to the bondholders under any provision of the Mortgage or of the Trust Indenture Act of 1939 as now in effect. If and to the extent any provision of the Trust Indenture Act of 1939 is in conflict with the provisions of the Twenty-Third Supplemental Indenture limits, or with any provision of the Mortgage required to be complied with 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 shall be deemed to be recitals of the Company only and not by the Trustees and none of the provisions hereof shall be so construed as to change or modify the rights, immunities or obligations of the Trustees without their assent thereto.

SECTION 3.05. *Dating.* Although this Twenty-Third Supplemental Indenture is dated for convenience and for reference as of March 1, 1976, the actual date of execution hereof by the Company and by the Trustees are as indicated by the respective acknowledgments hereto attached.

ture, as amended, except terms which may be otherwise expressly defined herein and in cases where the context clearly indicates otherwise.

In order to facilitate the filing of this Twenty-Third 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-Third 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-Third 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-Third Supplemental Indenture is dated for convenience and for the purpose of reference as of March 1, 1976, the actual date or dates of execution by the Company and by the Trustees are as indicated by their respective acknowledgments hereto attached.

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IN WITNESS WHEREOF, CALIFORNIA-PACIFIC UTILITIES COMPANY has caused this Twenty-Third 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, 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 Ross Workman
President

Attest:

Hamilton Rogers, Jr.
Secretary
(Corporate Seal) HAMILTON ROGERS, JR.

BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION

By W. S. Day
Vice President

By Howard W. Prosser
Assistant Trust Officer

Attest:
Howard W. Prosser
Assistant Secretary
HOWARD W. PROSSER
(Corporate Seal)

M. J. Barrett
M. J. Barrett

Signed, sealed and delivered in the presence of:

John D. Brown
L. V. C.

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

On this 19th day of March, in the year 19
C. E. ARSANA, a Notary Public in and for said
residing therein, duly commissioned and sworn,
ROSS WORKMAN, known to me to be the Pres
PACIFIC UTILITIES COMPANY, one of the corpor
the within instrument, and HAMILTON ROGERS,
be the Secretary of said corporation, and kn
persons who executed the within instrument o
poration, and acknowledged to me that such o
the same.

IN WITNESS WHEREOF, I have hereunto sub
affixed my official seal at my office in said City
Francisco, the day and year in this certificate fir

Josephine C.
Notary
in and for the S

My commission expi

(Notarial Seal)

On this 19th day of March, in the year 1976, before me, Josephine C. Eichel, a Notary Public in and for said State of California, residing therein, duly commissioned and sworn, personally appeared ROSS WORKMAN, known to me to be the President of CALIFORNIA-PACIFIC UTILITIES COMPANY, one of the corporations that executed the within instrument, and HAMILTON ROGERS, JR., 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.

Josephine C. Girard
Notary Public
in and for the State of California

My commission expires 9-28-76

(Notarial Seal)

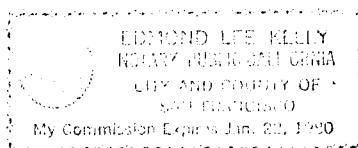
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State of California,
City and County of San Francisco—ss.

On this 19th day of March, in the year 1976, before me,
....., a Notary Public in and for
the State of California, residing therein, duly commissioned and
sworn, personally appeared R. F. KELLY
known to me to be a Vice President and L. E. KELLY
....., known to me to be an Assistant Trust Officer of BANK
OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION, one of the cor-
porations that executed the within instrument, and
....., known to me to be an Assistant Secre-
tary 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)

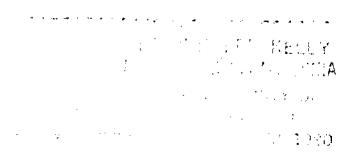
Edmond L. Kelly
Notary Public
in and for the State of California
My commission expires 1/22/80

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

On this 19th day of March, in the year 1976,
....., a Notary
the State of California, residing therein, duly
sworn, personally appeared M. J. BARRETT, know
person whose name is subscribed to the within
acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto subscribed
affixed my official seal at my office in said City and
Francisco, the day and year in this certificate first



(Notarial Seal)

Edmond L. Kelly
Notary Public
in and for the State of California
My commission expires 1/22/80

State of Oregon,
County of Klamath

I hereby certify
received and filed
day of APRIL
o'clock A M. an
in Book M 76 R
of said County.

WM.

By [Signature]
Fee \$ 120.00

5221

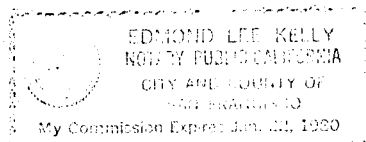
5222

39

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

On this 1st day of March, in the year 1976, before me,
Edmond Lee 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)

Edmond Lee Kelly
Notary Public
in and for the State of California

My commission expires 1/22/80

State of Oregon, } ss,
County of Klamath

I hereby certify that the within instrument was
received and filed for record on the 13th
day of APRIL, 19 76, at 9:02
o'clock A M. and recorded on Page 5183
in Book M 76 Records of MORTGAGES
of said County.

WM. D. MILNE, County Clerk

By Hazel S. Hazle Deputy
Fee \$ 120.00