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amounts of the Bonds of Series X to be redeemed (together in every case with accrued interest to the date of redemption):

If redeemed during the twelve-month period ending with the last day of July,

1977	109.625%	1987	104.56 %
1978	109.12 %	1988	104.05 %
1979	108.61 %	1989	103.55 %
1980	108.11 %	1990	103.04 %
1981	107.60 %	1991	102.53 %
1982	107.09 %	1992	102.03 %
1983	106.59 %	1993	101.52 %
1984	106.08 %	1994	101.01 %
1985	105.57 %	1995	100.51 %
1986	105.06 %	1996	100.00 %

Notwithstanding the foregoing provisions of this Subdivision (B), the Company shall not have the right to redeem any of the Bonds of Series X at its option prior to August 1, 1986, 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% per annum.

The Bonds of Series X are also subject to redemption for the sinking fund at the sinking fund redemption price, as hereinafter defined in Subdivision (C) of this Section 1.01, and upon the terms and conditions set forth in said Subdivision (C), and also, at said sinking fund redemption price, through the operation of the Maintenance and Replacement Fund provided for in Section 5.12 (B) of the Original Indenture, as more particularly set forth in Section 1.02 hereof, and also, at said sinking fund redemption price through the application of certain money as provided in Section 1.03 hereof.

Upon presentation of any Bond of Series X, 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

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at the direction of the Trustee the payment of the portion of the principal amount of such Bond so called for redemption: provided, however, that payment of the redemption price of a portion of any such Bond may be made directly to the registered holder thereof, without presentation or surrender thereof, if there shall have been filed with the Trustee a signed copy, or a copy certified by the Secretary or an Assistant Secretary of the Company to be a true copy, of an agreement between the Company and such registered holder that payment shall be so made at the address specified therein and that such registered holder will not sell, transfer or otherwise dispose of such Bond unless, prior to delivery thereof, such Bond shall have been presented to the Trustee for appropriate notation thereon of the portion of the principal amount thereof redeemed, or surrendered in exchange for a new Bond or Bonds in the principal amount of the unredeemed balance thereof.

(C) *Sinking Fund for Bonds of Series X.* As a sinking fund for the benefit of the holders of the Bonds of Series X 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 August 1, 1981 and on or before the business day next preceding August 1 in each year thereafter so long as any Bonds of Series X 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 (1½%) of the greatest principal amount of all Bonds of Series X theretofore issued whether or not then outstanding. For the purposes of this Subdivision (C) the term "issued" shall mean and include all Bonds of Series X authenticated and delivered to the Company, whether or not issued by the Company for value, but not including Bonds of Series X 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 fund shall be applied, on the next succeeding sinking fund payment date to the redemption of Series X Bonds at the sinking fund redemption price and in the manner provided in Subdivision

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(B) of this Section 1.01, and in Article IV of the Original Indenture. The term "sinking fund redemption price" as used in this Twenty-Fourth Supplemental Indenture shall mean the principal amount thereof, together in any case with any interest thereon to the date of redemption.

The Company covenants and agrees that it shall not use any sources other than the sinking fund for Bonds of Series X to pay accrued interest on all Bonds of Series X or to make any payment pursuant to this Subdivision (C), and that it shall not deliver to the Trustee or paying agent prior to the date fixed for the payment of such Bonds. Notwithstanding any other provision of this Twenty-Fourth Supplemental Indenture, Bonds of Series X shall not be required to be redeemed unless the amount of cash available for redemption is at least equal to One Thousand Dollars.

Except to the extent that the Company shall have made payment with a holder of a series of Bonds provided for in the Twenty-Fourth Supplemental Indenture, the Company shall be obligated to satisfy, in whole or in part, the sinking fund requirements for Series X Bonds theretofore purchased or redeemed through the operation of the sinking fund in the principal amount of said Bonds, provided however that such payment shall not exceed an amount which is equal to the sinking fund payment which, if the aggregate amount of such Bonds so purchased or redeemed (less the aggregate amount previously used as a credit for sinking fund purposes) were applied on the sinking fund payment date, would be equal to the principal amount of such Bonds on a pro rata basis to said Bonds. In the event that the Company shall take a credit for sinking fund purposes, it shall be required to file a certificate of the Company (and an opinion of counsel) in compliance with conditions precedent, at least ten days prior to the applicable sinking fund payment date. Such notice shall be accepted by the Trustee as sufficient if such Bonds are being delivered for the account of the Company and that all conditions precedent have been complied with and the aggregate principal amount of such Bonds is at least equal to the aggregate principal amount of such Bonds so treated as a credit on account of such sinking fund payments.

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(B) of this Section 1.01, and in Article IV of the Original Indenture. The term "sinking fund redemption price" of Bonds of Series X, as used in this Twenty-Fourth Supplemental Indenture, shall mean the principal amount thereof, together in any case with interest accrued thereon to the date of redemption.

The Company covenants and agrees that it will provide from sources other than the sinking fund for Bonds of Series X, the accrued interest on all Bonds of Series X 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-Fourth Supplemental Indenture, Bonds of Series X 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-Fourth Supplemental Indenture, the Company shall have the right to satisfy, in whole or in part, the sinking fund obligation by crediting Series X Bonds theretofore purchased or redeemed otherwise than through the operation of the sinking fund in an amount equal to the principal amount of said Bonds, provided however, that such credit shall not exceed an amount which is equal to the portion of the sinking fund payment which, if the aggregate amount of Series X Bonds so purchased or redeemed (less the aggregate amount thereof previously used as a credit for sinking fund purposes) had been outstanding on the sinking fund payment date, would have been attributable on a pro rata basis to said Bonds. In the event the Company elects to take a credit for sinking fund purposes, it shall deliver to the Trustee a certificate of the Company (and an opinion of counsel as to compliance with conditions precedent), at least forty-five (45) days prior to the applicable sinking fund payment date (unless a shorter notice shall be accepted by the Trustee as sufficient), stating that such Bonds are being delivered for the account of the sinking fund and that all conditions precedent have been complied with, and the aggregate principal amount of such Bonds so delivered shall be treated as a credit on account of such sinking fund obligation.

All Series X Bonds redeemed through the sinking fund or used as a credit against the sinking fund pursuant to the provisions of this Subdivision (C) shall, so long as any Series X Bonds shall remain outstanding, become funded for all purposes of the Mortgage, and all such Bonds shall be cancelled and no Bonds shall be authenticated and delivered in lieu thereof or to refund the same so long as any of the Series X Bonds shall remain outstanding.

SECTION 1.02. *Application of Maintenance Fund.* In the event that any cash paid over to the Trustee pursuant to the provisions of Subdivision (B) of Section 5.12 of the Original Indenture, as amended, is not applied or paid over to the Company pursuant to the provisions of Section 7.02 of the Original Indenture, as amended, within two years of the date of such payment to the Trustee, and such cash, after the expiration of such two-year period, is applied by the Trustee to the payment or redemption of Bonds of Series X, then such Bonds shall be (a) purchased in the manner provided by Section 4.04 of the Original Indenture at not exceeding the sinking fund redemption prices of the Bonds of Series X 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 Series X under the provisions of Subdivision (IV) of Section 7.02 of the Original Indenture, the Bonds of Series X 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 Series X 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 agency of any right which it may have to purchase of, or order the sale of, such property with the sale as a result of the threat or imminence of the foregoing, the Company at its option may redeem an amount thereof (together with accrued interest) an aggregate principal amount of Bonds equal to the ratio that the proceeds of such sale bears to the aggregate principal amount of Bonds of all series outstanding at the date of such sale.

SECTION 1.04. *Form of the Series X Bonds and the authentication certificate to the Bonds are to be substantially in the following*

(FORM OF THE FACE OF THE BOND)

No. XR

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

FIRST MORTGAGE BOND

Series X, 9 $\frac{3}{8}$ % , due August 1, 1955

CALIFORNIA-PACIFIC UTILITIES COMPANY, the "Company", which term shall include all subsidiaries of the Company as defined in the Indenture hereof, a corporation of the State of California, hereby promises to pay to the registered holder thereof, or registered assignee thereof, the sum of Dollars (\$.....) of the United States of America, and to pay interest thereon from at the rate of nine percent (9 $\frac{3}{8}$ %) per annum, in like money, on the first days of February and August in each year until the payment of said principal sum.

Both the principal of, and interest on, the Bonds shall be paid at the principal office of the Bank of California Trust and Savings Association, in San Francisco, California.

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domain or sold upon the exercise by any governmental body or agency of any right which it may have to purchase or designate a purchaser of, or order the sale of, such property or in connection with the sale as a result of the threat or imminence of any of the foregoing, the Company at its option may redeem at the principal amount thereof (together with accrued interest to the redemption date) an aggregate principal amount of Bonds of Series X which is equal to the ratio that the proceeds of such sale bear to the aggregate principal amount of Bonds of all series outstanding on the date of such sale.

SECTION 1.04. *Form of the Series X Bonds.* The Bonds of Series X and the authentication certificate to be attached on said Bonds are to be substantially in the following form:

(FORM OF THE FACE OF THE BONDS)

No. XR

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

FIRST MORTGAGE BOND

Series X, 9 $\frac{5}{8}$ %, due August 1, 1996

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 August 1, 1996, the sum of Dollars (\$.....) in lawful money of the United States of America, and to pay interest thereon from at the rate of nine and five-eighths percent (9 $\frac{5}{8}$ %) per annum, in like money, semi-annually on the first days of February and August 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,

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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-four 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, March 1, 1976, and August 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 X are subject to redemption prior to maturity at the option of the Company, as a whole at any time or in part from time to time, upon prior notice (unless such

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

If redeemed during the twelve-month period ending with the last day of July,

1977	109.625%	1987	104.56 %
1978	109.12 %	1988	104.05 %
1979	108.61 %	1989	103.55 %
1980	108.11 %	1990	103.04 %
1981	107.60 %	1991	102.53 %
1982	107.09 %	1992	102.03 %
1983	106.59 %	1993	101.52 %
1984	106.08 %	1994	101.01 %
1985	105.57 %	1995	100.51 %
1986	105.06 %	1996	100.00 %

Notwithstanding the foregoing, the Company shall not have the right to redeem any of the Bonds of Series X at its option prior to August 1, 1986, 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 $\frac{5}{8}$ % per annum.

If this Bond is called for redemption and payment duly provided for as specified in the Mortgage, this Bond shall

cease to be entitled to the lien of the Mortgage from the date payment is so provided and shall be released from and after the date fixed for redemption.

The Bonds of Series X are entitled to the sinking fund provided therefor in the Mortgage and Supplemental Indenture dated as of August 1, 1986, and more of the Bonds of Series X may be redeemed at the option of the operation of the sinking fund as provided in the Mortgage and Indenture and, to the extent provided in the Mortgage and Indenture, are severally subject to redemption prior to maturity at the principal amount thereof together in any case with interest accrued to the date of redemption and upon notice given in the Mortgage and Indenture. The Bonds of Series X, upon the operation of the said Supplemental Indenture, are also subject to redemption through the operation of the sinking fund or placement Fund provided for in the Mortgage and Indenture which Bonds of Series X may be redeemed at the option of the Company. As provided in said Supplemental Indenture, the Company in its option may use money deposited with the Company in connection with the taking, by the exercise of its eminent domain, of properties of the County of San Francisco, the lien of the Mortgage as a first mortgage on such properties to any governmental body or agency or such properties upon the exercise by any governmental body or agency of any right which it may have or order the sale of said properties with any threat or imminence of the foreclosure of the Mortgage at the principal amount thereof (together with interest to the redemption date) of an amount of Bonds of Series X which is equal to the amount of such deposited money bears to the aggregate principal amount of Bonds of all series outstanding on the date of such deposit.

The principal of all Bonds at any time outstanding under the Mortgage may be declared, or may be deemed to be, in default in case of defaults or otherwise, upon the occurrence of any of the events specified in the Mortgage in the manner and with the effect provided in the Mortgage.

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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 X are entitled to the benefits of the sinking fund provided therefor in the Twenty-Fourth Supplemental Indenture dated as of August 1, 1976, and any one or more of the Bonds of Series X 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 X, 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 X 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 X 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 Mort-

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gage. 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 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 X, 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 X of

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higher or lower authorized denomination, subject to the terms set forth in the Twenty-Fourth Supplement of August 1, 1976.

The Company and the Trustees may, in the name of the person in whose name this Bond is registered as owner hereof, for the purpose of receiving payment and for all other purposes, and shall be bound to give notice to the contrary.

No recourse shall be had for the principal or the interest on, this Bond, or for any other amount or otherwise in respect hereof or of the promotor, stockholder, director or officer 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 for any assessment or penalty or otherwise, all of which are hereby expressly waived and released by the registered owner hereof by the acceptance of this Bond as part of the consideration for the issue of this Bond, and such waiver is hereby expressly waived and released by the terms of the Mortgage.

(FORM OF CORPORATE TRUSTEE'S)

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

BANK OF AMERICA NATIONAL ASSOCIATION
AND SAVINGS ASSOCIATION

By _____

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

SECTION 1.05. *Issue of Series X Bonds.* The Bonds of Series X shall be executed, authenticated and delivered in accordance with the provisions of, and shall in all respects be subject to all of the terms, conditions and covenants and limitations of, the Mortgage; provided that Three Million Dollars (\$3,000,000) of Series X Bonds, constituting the initial and complete issue of such series, shall be executed by the Company and delivered to the Trustee for authentication and as soon as may be after the execution of this Twenty-Fourth 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 Series X, as follows:

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

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

with any conversion or sinking or purchase existing or hereafter established for any class of the Company), except out of (i) net income available for such dividends, distribution or interest dated after December 31, 1974, plus (ii) \$5,000,000 dated prior to January 1, 1975.

Net income of the Company for the purpose of this 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 net income), charges, current amortization, and other applicable charges for current repairs and maintenance, and other provisions for retirement and/or depreciation as determined by the Company, plus the amount of the excess of net income equal to twelve and one-half percent (12½%) of the operating revenues of the Company from operations (exclusive of revenue from construction and operations of the Company) from January 1, 1944 up to and including the month preceding the month in which a dividend on such Bonds is payable over the sum of (i) charges for current repairs and maintenance and (ii) the actual charges or provisions for depreciation as aforesaid, for such period, and in accordance with such system of accounts as determined 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) unusual items, discounts and expense and premiums, redemption of Bonds and other securities of the Company, and (b) double interest and financing expenses arising from sales or other dispositions of capital assets of the Company in respect of any such profits, or any change in the book value of, or depreciation or appreciation of, assets owned by the Company on December 31,

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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, 1974, plus (ii) \$5,000,000 of surplus accumulated prior to January 1, 1975.

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.

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, Twenty-Second and Twenty-Third Supplemental Indentures and this Twenty-Fourth Supplemental Indenture, the Original Indenture is hereby confirmed.

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

In order to facilitate the filing of this Twenty-Fourth 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-Fourth 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 Company's stockholders under any provision of the Mortgage thereunder which would be in conflict with the provisions of the Mortgage of 1939 as now in effect. If and to the extent that any provision of the Twenty-Fourth Supplemental Indenture limits or conflicts with any provision of the Mortgage required by any of Sections 310 to 317, inclusive, of the Mortgage of 1939, such required provision shall control.

SECTION 3.04. *Recitals.* All recitals 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 Indenture is dated for convenience of reference as of August 1, 1976, the actual date of execution by the Company and by the Trustees are as shown in the respective acknowledgments hereto attached.

IN WITNESS WHEREOF, CALIFORNIA-PACIFIC SAVINGS ASSOCIATION has caused this Twenty-Fourth Supplemental Indenture to be signed in its corporate name, by its President, or a Vice President or an Assistant Secretary, and BANK OF AMERICA SAVINGS ASSOCIATION, in token of its acceptance hereof, has caused this Indenture to be signed by its President or a Vice President or a Trust Officer and its corporate seal and attested by its Secretary or an Assistant Secretary, BARRETT, in token of his acceptance of the terms hereof.

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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-Fourth 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-Fourth Supplemental Indenture is dated for convenience and for the purpose of reference as of August 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.

IN WITNESS WHEREOF, CALIFORNIA-PACIFIC UTILITIES COMPANY has caused this Twenty-Fourth 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

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

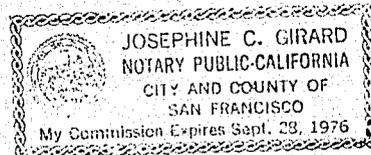
On this ^{4th} day of August, in the year 1976, before me, JOSEPHINE C. GIRARD, a Notary Public in and for said State of California, residing therein, duly commissioned and sworn, personally appeared BRADLEY BUNNIN, known to me to be the Financial Vice President and General Counsel of CALIFORNIA-PACIFIC UTILITIES COMPANY, one of the corporations that executed the within instrument, and HAMILTON ROGERS, Jr., known to me to be the Administrative Vice President and 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)



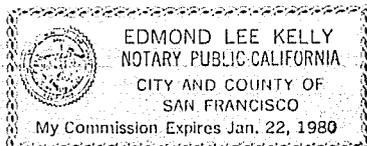
13192

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

On this 6th day of August, 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 R. F. KELLY, known to me to be a Vice President and L. PARRISHER, known to me to be an Assistant Trust Officer of BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION, one of the corporations that executed the within instrument, and HOWARD W. PROSSER, known to me to be an Assistant Secretary of said corporation, and known to me to be the persons who executed the within instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

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



(Notarial Seal)

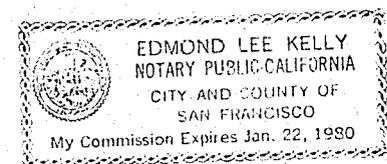
Edmond Lee Kelly
Notary Public
in and for the State of California
My commission expires 1/22/80

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

On this 6th day of August, 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 prescribed 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, }
County of Klamath } ss.

I hereby certify that the within instrument was received and filed for record on the 24th day of August, 19 76, at 1:17 o'clock P. M. and recorded on Page 13162 in Book M76 Records of Mortgages of said County.

WM. D. MILNE, County Clerk
By Sarahy Deputy
Fee \$96.00 W.D. Milne

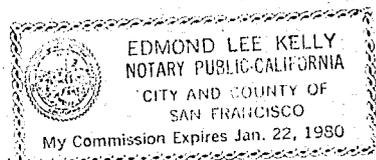
13193

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

On this 6th day of August, 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.



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

(Notarial Seal)

State of Oregon, }
County of Klamath } ss,

I hereby certify that the within instrument was received and filed for record on the 24th day of August, 19 76, at 1:17 o'clock P.M. and recorded on Page 13162 in Book M76 Records of Mortgages of said County.

WM. D. MILNE, County Clerk

By Deputy Deputy

Fee \$96.00

Deputy