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**PACIFIC POWER & LIGHT COMPANY**

TO

**MORGAN GUARANTY TRUST COMPANY  
OF NEW YORK**

(formerly Guaranty Trust Company of New York)

AND

**R. E. SPARROW**

(successor to Oliver R. Brooks and Wesley L. Baker),

As Trustees under Pacific Power & Light  
Company's Mortgage and Deed of  
Trust, Dated as of July 1, 1947

**Thirty-second Supplemental Indenture**

*Dated as of January 1, 1977*

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### THIRTY-SECOND SUPPLEMENTAL INDENTURE

THIS INDENTURE, dated as of the first day of January, 1977, made and entered into by and between PACIFIC POWER & LIGHT COMPANY, a corporation of the State of Maine, whose post office address is Public Service Building, Portland, Oregon 97204 (hereinafter sometimes called the Company), party of the first part, and MORGAN GUARANTY TRUST COMPANY OF NEW YORK (formerly Guaranty Trust Company of New York), a New York trust company, whose post office address is 23 Wall Street, New York, N. Y. 10015 (hereinafter sometimes called the Corporate Trustee), and R. E. SPARROW (successor to Wesley L. Baker and Oliver R. Brooks), whose post office address is 496 Dorchester Road, Ridgewood, New Jersey 07450 (hereinafter sometimes called the Co-Trustee), parties of the second part (the Corporate Trustee and the Co-Trustee being hereinafter together sometimes called the Trustees), as Trustees under the Mortgage and Deed of Trust, dated as of July 1, 1947 (hereinafter called the Mortgage), executed and delivered by Pacific Power & Light Company to secure the payment of bonds issued or to be issued under and in accordance with the provisions of the Mortgage, this indenture (hereinafter called the Thirty-second Supplemental Indenture) being supplemental thereto.

WHEREAS the Mortgage was or is to be recorded in the official records of the states of California, Idaho, Montana, Oregon, Utah, Washington and Wyoming and various counties within such states, which counties include or will include all counties in which this Thirty-second Supplemental Indenture is to be recorded; and

WHEREAS by the Mortgage the Company covenanted that it would execute and deliver such supplemental indenture or indentures and such further instruments and do such further acts as might be necessary or proper to carry out more effectually the purposes of the Mortgage and to make subject to the lien of the Mortgage any property thereafter acquired, made or constructed and intended to be subject to the lien thereof; and

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WHEREAS the Company executed and delivered to the Trustees its Supplemental Indentures as follows:

	<u>Dated as of</u>		<u>Dated as of</u>
First	April 1, 1950	Seventeenth	October 1, 1964
Second	March 1, 1952	Eighteenth	October 1, 1965
Third	September 1, 1952	Nineteenth	December 15, 1967
Fourth	April 1, 1954	Twentieth	May 1, 1969
Fifth	August 1, 1954	Twenty-first	November 1, 1969
Sixth	October 1, 1955	Twenty-second	July 1, 1970
Seventh	January 1, 1957	Twenty-third	February 1, 1971
Eighth	September 1, 1957	Twenty-fourth	October 1, 1971
Ninth	January 1, 1958	Twenty-fifth	October 1, 1972
Tenth	July 1, 1958	Twenty-sixth	January 1, 1974
Eleventh	September 1, 1960	Twenty-seventh	October 1, 1974
Twelfth	June 22, 1961	Twenty-eighth	May 1, 1975
Thirteenth	April 1, 1962	Twenty-ninth	January 1, 1976
Fourteenth	December 1, 1962	Thirtieth	July 1, 1976
Fifteenth	April 1, 1963	Thirty-first	December 1, 1976;
Sixteenth	August 1, 1963		

and

WHEREAS the First through Thirty-first Supplemental Indentures were or are to be filed for record and were or are to be recorded and indexed as a mortgage of both real and personal property, in the official records of the states of California, Idaho, Montana, Oregon, Utah, Washington and Wyoming and various counties within such states, which counties include or will include all counties in which this Thirty-second Supplemental Indenture is to be recorded; and

WHEREAS an instrument, dated as of March 12, 1958, was executed by the Company appointing Wesley L. Baker as Co-Trustee in succession to said Oliver R. Brooks, resigned, under the Mortgage and by Wesley L. Baker accepting the appointment as Co-Trustee under the Mortgage in succession to the said Oliver R. Brooks, which instrument was or is to be

recorded in the official records of the states of California, Idaho, Oregon, Utah, Washington and Wyoming and various counties states, which counties include or will include all counties in which this Thirty-second Supplemental Indenture is to be recorded; and

WHEREAS in the Twenty-first Supplemental Indenture, Wesley L. Baker resigned as Co-Trustee and R. E. Sparrow was appointed successor Trustee; and

WHEREAS in addition to the property described in the Mortgage heretofore supplemented, the Company has acquired certain other rights and interests in property; and



recorded in the official records of the states of California, Idaho, Montana, Oregon, Utah, Washington and Wyoming and various counties within such states, which counties include or will include all counties in which this Thirty-second Supplemental Indenture is to be recorded; and

WHEREAS in the Twenty-first Supplemental Indenture, Wesley L. Baker resigned as Co-Trustee and R. E. Sparrow was appointed successor Co-Trustee; and

WHEREAS in addition to the property described in the Mortgage, as heretofore supplemented, the Company has acquired certain other property, rights and interests in property; and

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WHEREAS the Company has heretofore issued, in accordance with the provisions of the Mortgage, as supplemented, bonds entitled and designated First Mortgage Bonds, of the Series and in the principal amounts as follows:

Series	Due Date	Aggregate Principal Amount Issued	Aggregate Principal Amount Outstanding
1. First—3¼%.....	1977	\$38,000,000	\$29,000,000
2. Second—3%.....	1980	9,000,000	9,000,000
3. Third—3½%.....	1982	12,500,000	12,500,000
4. Fourth—3¼%.....	9/1/1982	7,500,000	7,500,000
5. Fifth—3½%.....	1984	8,000,000	8,000,000
6. Sixth—3½%.....	8/1/1984	30,000,000	30,000,000
7. Seventh—3½%.....	1985	10,000,000	10,000,000
8. Eighth—5½%.....	1987	12,000,000	0
9. Ninth—5¼%.....	9/1/1987	20,000,000	0
10. Tenth—4¼%.....	1988	15,000,000	15,000,000
11. Eleventh—4¼%.....	7/1/1988	20,000,000	20,000,000
12. Twelfth—5½%.....	1990	20,000,000	20,000,000
13. Thirteenth—4¼%.....	1992	35,000,000	35,000,000
14. Fourteenth—4½%.....	12/1/1992	32,000,000	32,000,000
15. Fifteenth—3½%.....	11/1/1974	11,434,000	0
16. Sixteenth—3½%.....	4/1/1978	4,500,000	4,500,000
17. Seventeenth—3½%.....	8/1/1979	4,951,000	4,951,000
18. Eighteenth—4¼%.....	6/1/1981	5,849,000	5,849,000
19. Nineteenth—4¼%.....	10/1/1982	6,157,000	6,157,000
20. Twentieth—3½%.....	3/1/1984	8,659,000	8,659,000
21. Twenty-first—4¼%.....	5/1/1986	14,454,000	14,454,000
22. Twenty-second—4¼%.....	1993	30,000,000	30,000,000
23. Twenty-third—4¼%.....	1994	30,000,000	30,000,000
24. Twenty-fourth—5%.....	1995	30,000,000	30,000,000
25. Twenty-fifth—8%.....	1999	25,000,000	25,000,000
26. Twenty-sixth—8¼%.....	11/1/1999	20,000,000	20,000,000
27. Twenty-seventh—9%.....	2000	25,000,000	25,000,000
28. Twenty-eighth—7½%.....	2001	40,000,000	40,000,000
29. Twenty-ninth—8%.....	10/1/2001	35,000,000	35,000,000
30. Thirtieth—7¼%.....	2002	30,000,000	30,000,000
31. Thirty-first—8¼%.....	2004	60,000,000	60,000,000
32. Thirty-second—9½%.....	1983	70,000,000	70,000,000
33. Thirty-third—10¼%.....	1990*	60,000,000	60,000,000
34. Thirty-fourth—10%.....	2006	75,000,000	75,000,000
35. Thirty-fifth—7¼%.....	7/1/2006	35,000,000	35,000,000
36. Thirty-sixth—8%.....	12/1/2006	50,000,000	50,000,000

\* Due 1985 upon exercise of option by holder.

WHEREAS Section 8 of the Mortgage provides that the form of bonds (other than the First Series) issued thereunder coupons to be attached to the coupon bonds, if any, of such series established by Resolution of the Board of Directors of the Company in the form of such series, as established by said Board of Directors specify the descriptive title of the bonds and various other terms that such series may also contain such provisions not inconsistent with the provisions of the Mortgage, as supplemented, as the Board of Directors in its discretion, cause to be inserted therein expressing or referring to terms and conditions upon which such bonds are to be issued secured under the Mortgage, as supplemented; and

WHEREAS Section 120 of the Mortgage provides, among other things, that any power, privilege or right expressly or impliedly reserved to the Company by any provision of the Mortgage, as supplemented, whether such power, privilege or right is in any way restricted or is unrestricted, may (to the extent permitted by law) be in whole or in part waived or surrendered or subjected to any restriction if already unrestricted or to additional restriction if already restricted, and the Company may enter into any further covenants, limitations or restrictions in connection with the issuance of any one or more series of bonds issued thereunder and the Company may cure any ambiguity contained therein, or in any supplemental indenture, or may (in lieu of establishment by Resolution as provided in Section 8 of the Mortgage) establish the terms and provisions of any series of bonds other than said First Series, by an instrument in writing and acknowledged by the Company in such manner as would be sufficient to entitle a conveyance of real estate to record in all of the states in which any property at the time subject to the lien of the Mortgage, as supplemented, shall be situated; and

WHEREAS the Company has entered into a Financing Agreement dated July 1, 1976, with Converse County, Wyoming, as amended and supplemented by a First Supplemental Financing Agreement dated January 1, 1977, in order to finance a portion of certain pollution control facilities, and pursuant to such Financing Agreement, as amended and supplemented, the Company has agreed to issue a series of its bonds in accordance with the Mortgage in order to secure certain of its obligations under the Financing Agreement, as amended and supplemented; and

WHEREAS the Company now desires to create a new series of bonds (pursuant to the provisions of Section 120 of the Mortgage) to

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covenants and agreements contained in the Mortgage, as heretofore supplemented, certain other covenants and agreements to be observed by it and to alter and amend in certain respects the covenants and provisions contained in the Mortgage, as heretofore supplemented; and

WHEREAS the execution and delivery by the Company of this Thirty-second Supplemental Indenture, and the terms of the bonds of the Thirty-seventh Series hereinafter referred to, have been duly authorized by the Board of Directors of the Company by appropriate Resolutions of said Board of Directors;

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

That Pacific Power & Light Company, in consideration of the premises and of One Dollar (\$1) to it duly paid by the Trustees at or before the sealing and delivery of these presents, the receipt whereof is hereby acknowledged, and in further assurance of the estate, title and rights of the Trustees and in order further to secure the payment of both the principal of and interest and premium, if any, on the bonds from time to time issued under the Mortgage, according to their tenor and effect, and the performance of all the provisions of the Mortgage (including any instruments supplemental thereto and any modification made as in the Mortgage provided) and of such bonds, and to confirm the lien of the Mortgage on certain after acquired property, hereby grants, bargains, sells, releases, conveys, assigns, transfers, mortgages, pledges, sets over and confirms (subject, however, to Excepted Encumbrances as defined in Section 6 of the Mortgage) unto R. E. Sparrow (successor to Wesley L. Baker and Oliver R. Brooks) and (to the extent of its legal capacity to hold the same for the purposes hereof) to Morgan Guaranty Trust Company of New York (formerly Guaranty Trust Company of New York), as Trustees under the Mortgage, and to their successor or successors in said trust, and to said Trustees and their successors and assigns forever, all property, real, personal and mixed, acquired by the Company after the date of the Thirty-first Supplemental Indenture, of the kind or nature specifically mentioned in Article XXI of the Mortgage or of any other kind or nature (except any herein or in the Mortgage, as heretofore supplemented, expressly excepted), now owned, or, subject to the provisions of subsection (1) of Section 87 of the Mortgage, hereafter acquired by the Company (by purchase, consolidation, merger, donation, construction, erection or in any other way) and wheresoever situated, including (without in anywise limiting or impairing by

the enumeration of the same the scope and intent of the foregoing) power sites, flowage rights, water rights, water locations, water actions, ditches, flumes, reservoirs, reservoir sites, canals, raceways, ditches, aqueducts, and all other rights or means for appropriating, storing and supplying water; all rights of way and roads; all plant generation of electricity by steam, water and/or other power; houses, gas plants, street lighting systems, standards and other incidental thereto, telephone, radio, television and air-conditioning and equipment incidental thereto, water works, water systems, steam and hot water plants, substations, lines, service and supply systems, culverts, tracks, ice or refrigeration plants and equipment, offices, and other structures and the equipment thereof; all machinery, boilers, dynamos, electric, gas, and other machines, regulators, transformers, generators, motors, electrical, gas and mechanical apparatus, conduits, cables, water, steam heat, gas or other pipes, gas mains and service pipes, fittings, valves and connections, pole and transmission wires, cables, tools, implements, apparatus, furniture and chattels, franchises, consents or permits; all lines for the transmission and distribution of electric current, gas, steam heat or water for any purpose, towers, poles, wires, cables, pipes, conduits, ducts and all apparatus in connection therewith; all real estate, lands, easements, servitudes, permits, franchises, privileges, rights of way and other rights in or to public or private property, real or personal, or the occupancy of property and (except as herein or in the Mortgage, as heretofore supplemented, expressly excepted) all right, title and interest the Company now have or may hereafter acquire in and to any and all property of any kind or nature wheresoever situated.

And the Company does hereby confirm that the Company shall cause or consent to a partition, either voluntarily or through legal proceedings, of property, whether herein described or heretofore or hereafter acquired, in which its ownership shall be as a tenant in common, and shall be permitted by and in conformity with the provisions of the Mortgage, particularly of Article XI thereof.

TOGETHER WITH all and singular the tenements, hereditaments, appurtenances, servitudes and appurtenances belonging or in anywise appertaining to the aforementioned property or any part thereof, with the



the enumeration of the same the scope and intent of the foregoing) all lands, power sites, flowage rights, water rights, water locations, water appropriations, ditches, flumes, reservoirs, reservoir sites, canals, raceways, dams, dam sites, aqueducts, and all other rights or means for appropriating, conveying, storing and supplying water; all rights of way and roads; all plants for the generation of electricity by steam, water and/or other power; all power houses, gas plants, street lighting systems, standards and other equipment incidental thereto, telephone, radio, television and air-conditioning systems and equipment incidental thereto, water works, water systems, steam heat and hot water plants, substations, lines, service and supply systems, bridges, culverts, tracks, ice or refrigeration plants and equipment, offices, buildings and other structures and the equipment thereof; all machinery, engines, boilers, dynamos, electric, gas, and other machines, regulators, meters, transformers, generators, motors, electrical, gas and mechanical appliances, conduits, cables, water, steam heat, gas or other pipes, gas mains and pipes, service pipes, fittings, valves and connections, pole and transmission lines, wires, cables, tools, implements, apparatus, furniture and chattels; all franchises, consents or permits; all lines for the transmission and distribution of electric current, gas, steam heat or water for any purpose, including towers, poles, wires, cables, pipes, conduits, ducts and all apparatus for use in connection therewith; all real estate, lands, easements, servitudes, licenses, permits, franchises, privileges, rights of way and other rights in or relating to public or private property, real or personal, or the occupancy of such property and (except as herein or in the Mortgage, as heretofore supplemented, expressly excepted) all right, title and interest the Company may now have or may hereafter acquire in and to any and all property of any kind or nature wheresoever situated.

And the Company does hereby confirm that the Company will not cause or consent to a partition, either voluntarily or through legal proceedings, of property, whether herein described or heretofore or hereafter acquired, in which its ownership shall be as a tenant in common, except as permitted by and in conformity with the provisions of the Mortgage and particularly of Article XI thereof.

TOGETHER WITH all and singular the tenements, hereditaments, prescriptions, servitudes and appurtenances belonging or in anywise appertaining to the aforementioned property or any part thereof, with the reversion

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and reversions, remainder and remainders and (subject to the provisions of Section 57 of the Mortgage) the tolls, rents, revenues, issues, earnings, income, product and profits thereof, and all the estate, right, title and interest and claim whatsoever, at law as well as in equity, which the Company now has or may hereafter acquire in and to the aforementioned property and franchises and every part and parcel thereof.

IT IS HEREBY AGREED by the Company that, subject to the provisions of subsection (1) of Section 87 of the Mortgage, all the property, rights, and franchises acquired by the Company (by purchase, consolidation, merger, donation, construction, erection or in any other way) after the date hereof, except any herein or in the Mortgage, as heretofore supplemented, expressly excepted, shall be and are as fully granted and conveyed hereby and by the Mortgage, and as fully embraced within the lien of the Mortgage, as if such property, rights and franchises were now owned by the Company and were specifically described herein or in the Mortgage and conveyed hereby or thereby.

Provided that the following are not and are not intended to be now or hereafter granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, pledged, set over or confirmed hereunder and are hereby expressly excepted from the lien and operation of the Mortgage, viz: (1) cash, shares of stock, bonds, notes and other obligations and other securities not hereafter specifically pledged, paid, deposited, delivered or held under the Mortgage or covenanted so to be; (2) merchandise, equipment, apparatus, materials or supplies held for the purpose of sale or other disposition in the usual course of business; fuel, oil and similar materials and supplies consumable in the operation of any of the properties of the Company; all aircraft, tractors, rolling stock, trolley coaches, buses, motor coaches, automobiles, motor trucks, and other vehicles and materials and supplies held for the purpose of repairing or replacing (in whole or part) any of the same; (3) bills, notes and accounts receivable, judgments, demands and choses in action, and all contracts, leases and operating agreements not specifically pledged under the Mortgage or covenanted so to be; the Company's contractual rights or other interest in or with respect to tires not owned by the Company; (4) the last day of the term of any lease or leasehold which may be or become subject to the lien of the Mortgage; (5) electric energy, gas, steam, water, ice, and other materials or products generated, manufactured, stored, produced, purchased or acquired by the

Company for sale, distribution or use in the ordinary course of its all timber, minerals, mineral rights and royalties and all Natural Gas Production Property, as defined in Section 4 of the Mortgage; and Company's franchise to be a corporation; provided, however, property and rights expressly excepted from the lien and operation of the Mortgage in the above subdivisions (2) and (3) shall (to the extent permitted by law) cease to be so excepted in the event and as of that either or both of the Trustees or a receiver or trustee shall elect to take possession of the Mortgaged and Pledged Property in the event of a Default as defined in Article XIII of the Mortgage by reason of the occurrence of a Default as defined in Section 65 thereof.

TO HAVE AND TO HOLD all such properties, real, personal and mixed, granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, pledged, set over or confirmed by the Company as aforesaid, intended so to be, unto R. E. Sparrow (successor to Wesley L. B. Oliver R. Brooks) and (to the extent of its legal capacity to hold for the purposes hereof) to Morgan Guaranty Trust Company of New York (formerly Guaranty Trust Company of New York), as Trustees, successors and assigns forever.

IN TRUST NEVERTHELESS, for the same purposes and upon the same terms, trusts and conditions and subject to and with the same provisions and covenants as are set forth in the Mortgage, as heretofore supplemented, the Thirty-second Supplemental Indenture being supplemental to the Mortgage.

AND IT IS HEREBY COVENANTED by the Company that all the conditions, provisos, covenants and provisions contained in the Mortgage, as heretofore supplemented, shall affect and apply to the property hereby described and conveyed, and to the estates, rights, obligations and interests of the Company and the Trustees and the beneficiaries of the trust with respect to said property, and to the Trustees and their successors in the same manner and with the same effect as if the said property had been specifically and at length described in and conveyed by the Trustees by the Mortgage as a part of the property therein stated to be conveyed.

The Company further covenants and agrees to and with the Trustees and their successor or successors in such trust under the Mortgage as follows:



Company for sale, distribution or use in the ordinary course of its business; all timber, minerals, mineral rights and royalties and all Natural Gas and Oil Production Property, as defined in Section 4 of the Mortgage; and (6) the Company's franchise to be a corporation; provided, however, that the property and rights expressly excepted from the lien and operation of the Mortgage in the above subdivisions (2) and (3) shall (to the extent permitted by law) cease to be so excepted in the event and as of the date that either or both of the Trustees or a receiver or trustee shall enter upon and take possession of the Mortgaged and Pledged Property in the manner provided in Article XIII of the Mortgage by reason of the occurrence of a Default as defined in Section 65 thereof.

TO HAVE AND TO HOLD all such properties, real, personal and mixed, granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, pledged, set over or confirmed by the Company as aforesaid, or intended so to be, unto R. E. Sparrow (successor to Wesley L. Baker and Oliver R. Brooks) and (to the extent of its legal capacity to hold the same for the purposes hereof) to Morgan Guaranty Trust Company of New York (formerly Guaranty Trust Company of New York), as Trustees, and their successors and assigns forever.

IN TRUST NEVERTHELESS, for the same purposes and upon the same terms, trusts and conditions and subject to and with the same provisos and covenants as are set forth in the Mortgage, as heretofore supplemented, this Thirty-second Supplemental Indenture being supplemental to the Mortgage.

AND IT IS HEREBY COVENANTED by the Company that all the terms, conditions, provisos, covenants and provisions contained in the Mortgage, as heretofore supplemented, shall affect and apply to the property hereinbefore described and conveyed, and to the estates, rights, obligations and duties of the Company and the Trustees and the beneficiaries of the trust with respect to said property, and to the Trustees and their successors in the trust, in the same manner and with the same effect as if the said property had been owned by the Company at the time of the execution of the Mortgage, and had been specifically and at length described in and conveyed to said Trustees by the Mortgage as a part of the property therein stated to be conveyed.

The Company further covenants and agrees to and with the Trustees and their successor or successors in such trust under the Mortgage, as follows:



## ARTICLE I.

## Definitions

SECTION 1. The terms defined in this Article I shall, for all purposes of this Thirty-second Supplemental Indenture, have the meanings herein specified, unless the context otherwise requires:

The term "Series 1977 Pollution Control Revenue Bonds" shall mean the bonds authenticated and delivered pursuant to the resolution adopted by the Board of County Commissioners of Converse County, Wyoming, on December 21, 1976, and issued under and pursuant to the County Indenture.

The term "County Indenture" shall mean the Indenture of Trust, dated as of July 1, 1976, by and between Converse County, Wyoming and Citibank, N.A., as Trustee, as amended and supplemented by a First Supplemental Indenture of Trust dated as of January 1, 1977, and any other indenture supplemental thereto or amendatory thereof, pursuant to which the Series 1977 Pollution Control Revenue Bonds are issued and secured.

The term "County Trustee" shall mean the corporation acting as trustee at any time under the County Indenture.

The term "Facilities" shall mean the pollution control facilities described in Schedule A to the Financing Agreement, acquired or to be acquired for use at the Dave Johnston Steam Electric Generating Station of the Company located in Converse County, Wyoming, and any substitutions therefor, or additions thereto, and to be financed under the Financing Agreement for operation by the Company as pollution control facilities.

The term "acquired," when used with regard to the Facilities, shall include, without limitation, the construction and improvement of the Facilities.

The term "Financing Agreement" shall mean the Financing Agreement, dated as of July 1, 1976, between Converse County, Wyoming, a political subdivision duly organized and existing under the laws of the State of Wyoming, and the Company, as amended and supplemented by a First Supplemental Financing Agreement dated as of January 1, 1977, and any and all other modifications, alterations, amendments and supplements thereto.

## ARTICLE II.

## Thirty-seventh Series of Bonds.

SECTION 2. There shall be a series of bonds designated "Thirty-seventh Series of Bonds due January 1, 2007" (herein sometimes referred to as the "Thirty-seventh Series"), each of which shall also bear the descriptive title "Pollution Control Revenue Bond," and the form thereof, which shall be established by Resolution of the Board of Directors of the Company, shall contain suitable provisions in respect to the matters hereinafter in this Section specified. The Thirty-seventh Series shall mature on January 1, 2007 and shall be fully registered bonds in the denomination of Five Thousand Dollars or, at the option of the Company, in any multiple or multiples of Five Hundred Dollars (the exercise of such option to be evidenced by the endorsement of the Company on the delivery thereof); they shall bear interest at the rate of six and one-half per centum (6½%) per annum, payable semi-annually on January 1 and July 1 of each year; and the principal of and interest on each such bond shall be payable at the office or agency of the Company in the City of New York, New York, or at the office or agency of the Company in the City of New York, New York, in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of private debts. Bonds of the Thirty-seventh Series shall be subject to the provisions of Section 10 of the Mortgage provided.

(1) Bonds of the Thirty-seventh Series shall be redeemable in whole or in part from time to time upon receipt by the Company of a written demand (hereinafter referred to as the "Redemption Demand") from the County Trustee, which Redemption Demand shall be received not less than 10 days prior to the redemption date stated in the Redemption Demand. The Redemption Demand shall be signed by the President, a Vice President, a Senior Trust Officer or a Trust Officer of the County Trustee and shall specify: (1) the principal amount of bonds of the Thirty-seventh Series to be redeemed, (2) the redemption date (hereinafter referred to as the "Redemption Date"), (3) whether or not the redemption required by the Redemption Demand is the result of the principal amount of all of the Series 1977 Pollution Control Revenue Bonds then outstanding under the County Indenture having been declared immediately due and payable pursuant to the provisions of Section 8.02 of the County Indenture (hereinafter referred to as an "Acceleration"), (4) that the Corporate Trustee shall redeem on the redemption date the stated principal amount of



## ARTICLE II.

## Thirty-seventh Series of Bonds.

SECTION 2. There shall be a series of bonds designated "6%% Series due January 1, 2007" (herein sometimes referred to as the "Thirty-seventh Series"), each of which shall also bear the descriptive title First Mortgage Bond, and the form thereof, which shall be established by Resolution of the Board of Directors of the Company, shall contain suitable provisions with respect to the matters hereinafter in this Section specified. Bonds of the Thirty-seventh Series shall mature on January 1, 2007 and shall be issued as fully registered bonds in the denomination of Five Thousand Dollars and, at the option of the Company, in any multiple or multiples of Five Thousand Dollars (the exercise of such option to be evidenced by the execution and delivery thereof); they shall bear interest at the rate of six and three-eighths per centum (6%%) per annum, payable semi-annually on January 1 and July 1 of each year; and the principal of and interest on each such bond to be payable at the office or agency of the Company in the Borough of Manhattan, The City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for public and private debts. Bonds of the Thirty-seventh Series shall be dated as in Section 10 of the Mortgage provided.

(1) Bonds of the Thirty-seventh Series shall be redeemable in whole at any time or in part from time to time upon receipt by the Corporate Trustee of a written demand (hereinafter referred to as the "Redemption Demand") from the County Trustee, which Redemption Demand shall be received not less than 10 days prior to the redemption date stated therein. The Redemption Demand shall be signed by the President, a Vice President, a Senior Trust Officer or a Trust Officer of the County Trustee and shall state (1) the principal amount of bonds of the Thirty-seventh Series to be redeemed, (2) the redemption date (hereinafter referred to as the "redemption date"), (3) whether or not the redemption required by the Redemption Demand is the result of the principal amount of all of the Series 1977 Pollution Control Revenue Bonds then outstanding under the County Indenture having been declared immediately due and payable pursuant to the provisions of Section 8.02 of the County Indenture (hereinafter referred to as an "Acceleration"), (4) that the Corporate Trustee shall call for redemption on the redemption date the stated principal amount of bonds of



the Thirty-seventh Series, and (5) that the County Trustee, as holder of all the bonds of the Thirty-seventh Series then Outstanding, waives any notice of such redemption required to be given under the Mortgage. If the Redemption Demand states that the redemption is the result of an Acceleration, the County Trustee shall state in the Redemption Demand the principal amount of Series 1977 Pollution Control Revenue Bonds then "outstanding" (as defined in the County Indenture) and the redemption date stated in the Redemption Demand shall be not less than 60 days after the receipt thereof by the Corporate Trustee, provided that the provisions of this Article II shall not be construed as limiting any rights of the County Trustee, as holder of the bonds of the Thirty-seventh Series, pursuant to Article XIII of the Mortgage and, provided, further, that if after receipt of the Redemption Demand and prior to the redemption date the Corporate Trustee shall have been advised in writing by the County Trustee, signed in the same manner as the Redemption Demand, that the Acceleration has been rescinded, such Redemption Demand shall thereupon without further act of the Corporate Trustee be rescinded and become null and void for all purposes hereunder and no redemption of the bonds of the Thirty-seventh Series and no payment in respect thereof shall be effected or required. Promptly after receiving the Redemption Demand the Corporate Trustee shall mail a copy thereof to the Company; provided, however, that failure to mail a copy of the Redemption Demand shall not affect the validity of the proceedings for the redemption of the bonds of the Thirty-seventh Series. The Corporate Trustee may conclusively rely on the statements and instructions contained in the Redemption Demand. Redemption of bonds of the Thirty-seventh Series shall be at the principal amount thereof, together with accrued interest to the redemption date, and such amount shall become and be due and payable on the redemption date. The Company hereby covenants that, if a Redemption Demand shall be delivered to the Corporate Trustee, the Company, subject to Paragraph (IV) of this Article II, will deposit, on or before the business day preceding the redemption date, with the Corporate Trustee, an amount in cash sufficient to redeem the bonds of the Thirty-seventh Series so called for redemption. To the extent the method of redemption provided for in this Paragraph (1) conflicts with any provisions of Article X of the Mortgage, such provisions of Article X shall not be applicable.

(II) At any time and from time to time upon receipt by the Corporate Trustee of bonds of the Thirty-seventh Series, together with a written demand from the County Trustee signed in the same manner as a Redemption Demand (i) specifying the principal amount of bonds of the Thirty-seventh Series to be cancelled and the reason therefor and (ii) directing the Corporate Trustee to cancel the bonds so delivered or to make endorsements thereon as shall be appropriate pursuant to Section 54 of the Mortgage to evidence the cancellation of the principal amount of bonds of the Thirty-seventh Series stated in clause (i) to be cancelled, the Corporate Trustee shall cancel such stated principal amount of bonds of the Thirty-seventh Series. The Corporate Trustee may conclusively rely on the statements and instructions contained in such order.

(III) Bonds of the Thirty-seventh Series shall also be redeemable in whole at any time prior to maturity, upon notice as provided in Section 54 of the Mortgage, by the application (either at the option of the Company or at the option of the Corporate Trustee pursuant to the requirements of the Mortgage) of cash deposited with the Corporate Trustee pursuant to the provisions of Section 87 of the Mortgage at the Special Redemption Price of 100% of the principal amount of the Bonds to be redeemed, together with accrued interest to the date fixed for redemption.

(IV) The obligation of the Company to make payments with respect to the principal of and interest on bonds of the Thirty-seventh Series shall be fully or partially, as the case may be, satisfied and discharged to the extent that, at the time that any such payment shall be due, the then due principal of and interest on the Series 1977 Pollution Control Revenue Bonds shall have been fully or partially paid or there shall be in the Bond Trust Fund established pursuant to the County Indenture sufficient available funds to fully or partially pay the then due principal of and interest on the Series 1977 Pollution Control Revenue Bonds. The Corporate Trustee shall conclusively presume that the obligation of the Company to make payments with respect to the principal of and interest on bonds of the Thirty-seventh Series shall have been fully satisfied and discharged unless and until the Corporate Trustee shall have received a written notice from the Company, signed by its President, a Vice President, a Senior Trust Officer or a Trust Officer, stating (i) that timely payment of the principal of or interest on the Series 1977 Pollution Control Revenue Bonds has not been made.



(II) At any time and from time to time upon receipt by the Corporate Trustee of bonds of the Thirty-seventh Series, together with a written order from the County Trustee signed in the same manner as a Redemption Demand (i) specifying the principal amount of bonds of the Thirty-seventh Series to be cancelled and the reason therefor and (ii) directing the Corporate Trustee to cancel the bonds so delivered or to make such endorsements thereon as shall be appropriate pursuant to Section 54 of the Mortgage to evidence the cancellation of the principal amount of bonds of the Thirty-seventh Series stated in clause (i) to be cancelled, the Corporate Trustee shall cancel such stated principal amount of bonds of the Thirty-seventh Series. The Corporate Trustee may conclusively rely on the statements and instructions contained in such order.

(III) Bonds of the Thirty-seventh Series shall also be redeemable in whole at any time prior to maturity, upon notice as provided in Section 52 of the Mortgage, by the application (either at the option of the Company or pursuant to the requirements of the Mortgage) of cash deposited with the Corporate Trustee pursuant to the provisions of Section 87 of the Mortgage, at the Special Redemption Price of 100% of the principal amount of the Bonds to be redeemed, together with accrued interest to the date fixed for redemption.

(IV) The obligation of the Company to make payments with respect to the principal of and interest on bonds of the Thirty-seventh Series shall be fully or partially, as the case may be, satisfied and discharged to the extent that, at the time that any such payment shall be due, the then due principal of and interest on the Series 1977 Pollution Control Revenue Bonds shall have been fully or partially paid or there shall be in the Bond Fund established pursuant to the County Indenture sufficient available funds to fully or partially pay the then due principal of and interest on the Series 1977 Pollution Control Revenue Bonds. The Corporate Trustee may conclusively presume that the obligation of the Company to make payments with respect to the principal of and interest on bonds of the Thirty-seventh Series shall have been fully satisfied and discharged unless and until the Corporate Trustee shall have received a written notice from the County Trustee, signed by its President, a Vice President, a Senior Trust Officer or a Trust Officer, stating (i) that timely payment of the principal of or interest on the Series 1977 Pollution Control Revenue Bonds has not been made,



(ii) that there are not sufficient available funds in the Bond Fund to make such payment, and (iii) the amount of funds required to make such payment of principal or interest or both, as the case may be. The Corporate Trustee may conclusively rely on the statements contained in the notice described in the next preceding sentence.

(V) Bonds of the Thirty-seventh Series shall only be transferable (subject to the provisions of Section 12 of the Mortgage), upon the surrender thereof, for cancellation, together with a written instrument of transfer in form approved by the Company duly executed by the registered owner or by his duly authorized attorney, at the office or agency of the Company in the Borough of Manhattan, The City of New York, to a successor to the County Trustee pursuant to the County Indenture, which succession is evidenced by delivery to the Corporate Trustee of an executed counterpart of a supplemental indenture entered into pursuant to Section 10.01(c) of the County Indenture, and such bonds of the Thirty-seventh Series will have the following legend imprinted thereon:

"This Bond has not been registered under the Securities Act of 1933, as amended, and may not be offered or sold in contravention of said Act and is not transferable except to a successor trustee under the Indenture of Trust dated as of July 1, 1976, as supplemented by a First Supplemental Indenture of Trust dated as of January 1, 1977, from Converse County, Wyoming, to Citibank, N.A., as Trustee."

Upon any transfer of bonds of the Thirty-seventh Series, the Company may make a charge therefor sufficient to reimburse it for any tax or taxes or other governmental charge, as provided in Section 12 of the Mortgage, but the Company hereby waives any right to make a charge in addition thereto for any transfer of bonds of the Thirty-seventh Series.

After the execution and the delivery of this Thirty-second Supplemental Indenture and upon compliance with the applicable provisions of the Mortgage, as supplemented, it is contemplated that there shall be an initial issue of bonds of the Thirty-seventh Series in the aggregate principal amount of Seventeen Million Dollars (\$17,000,000).

### ARTICLE III.

#### Replacement Fund Covenant—Other Related Provisions of the Mortgage—Dividend Covenant.

SECTION 3. Subsection (1) of Section 39 of the Mortgage, as heretofore amended, is hereby further amended by substituting "Thirty-sixth or Thirty-seventh" for "or Thirty-sixth" and by substituting "Thirty-sixth and Thirty-seventh" for "and Thirty-sixth" each time such words appear in said Section 39.

Subsection (III) of Section 39 of the Mortgage, as heretofore amended, is hereby further amended by inserting the words "Thirty-seventh Series" before the words "Thirty-sixth Series".

Clauses (d) and (e) of subsection (II) of Section 4 of the Mortgage, as heretofore amended, are hereby further amended by inserting the words "Thirty-seventh Series," before the words "Thirty-sixth Series" each time such words appear therein.

Clause (6) of Section 5 of the Mortgage, as heretofore amended, is hereby further amended by inserting "Thirty-seventh," before "Thirty-sixth".

Clause (e) of Section 5 of the Mortgage, as heretofore amended, is hereby further amended by inserting "Thirty-seventh," before "Thirty-sixth".

Section 29 of the Mortgage, as heretofore amended, is hereby further amended by inserting "Thirty-seventh," before "Thirty-sixth" each time such word appears therein.

### ARTICLE IV.

#### Miscellaneous Provisions.

SECTION 4. The right, if any, of the Company to assert the defense of usury against a holder of bonds of the Thirty-seventh Series or of any subsequent series shall be determined only under the laws of the State of New York.



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## ARTICLE III.

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Subsection (III) of Section 39 of the Mortgage, as heretofore amended, is hereby further amended by inserting the words "Thirty-seventh Series," before the words "Thirty-sixth Series".

Clauses (d) and (e) of subsection (II) of Section 4 of the Mortgage, as heretofore amended, are hereby further amended by inserting the words "Thirty-seventh Series," before the words "Thirty-sixth Series" each time such words appear therein.

Clause (6) of Section 5 of the Mortgage, as heretofore amended, is hereby further amended by inserting "Thirty-seventh," before "Thirty-sixth".

Clause (e) of Section 5 of the Mortgage, as heretofore amended, is hereby further amended by inserting "Thirty-seventh," before "Thirty-sixth".

Section 29 of the Mortgage, as heretofore amended, is hereby further amended by inserting "Thirty-seventh," before "Thirty-sixth" each time such word appears therein.

## ARTICLE IV.

## Miscellaneous Provisions.

SECTION 4. The right, if any, of the Company to assert the defense of usury against a holder of bonds of the Thirty-seventh Series or any subsequent series shall be determined only under the laws of the State of New York.



SECTION 5. Subject to the amendments provided for in this Thirty-second Supplemental Indenture, the terms defined in the Mortgage, as heretofore amended, shall, for all purposes of this Thirty-second Supplemental Indenture, have the meanings specified in the Mortgage, as heretofore amended.

SECTION 6. The Trustees hereby accept the trusts hereby declared, provided, created or supplemented, and agree to perform the same upon the terms and conditions herein and in the Mortgage, as heretofore supplemented, set forth, including the following:

The Trustees shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Thirty-second Supplemental Indenture or any of the documents referred to in the definitions contained herein or for or in respect of the recitals contained herein, all of which recitals are made by the Company solely. Each and every term and condition contained in Article XVII of the Mortgage shall apply to and form part of this Thirty-second Supplemental Indenture with the same force and effect as if the same were herein set forth in full, with such omissions, variations and insertions, if any, as may be appropriate to make the same conform to the provisions of this Thirty-second Supplemental Indenture.

SECTION 7. Whenever in this Thirty-second Supplemental Indenture either of the parties hereto is named or referred to, this shall, subject to the provisions of Articles XVI and XVII of the Mortgage, be deemed to include the successors and assigns of such party, and all the covenants and agreements in this Thirty-second Supplemental Indenture contained by or on behalf of the Company, or by or on behalf of the Trustees, or either of them, shall, subject as aforesaid, bind and inure to the respective benefits of the respective successors and assigns of such parties, whether so expressed or not.

SECTION 8. Nothing in this Thirty-second Supplemental Indenture, expressed or implied, is intended, or shall be construed, to confer upon, or to give to, any person, firm or corporation, other than the parties hereto and the holders of the bonds and coupons outstanding under the Mortgage, any right, remedy or claim under or by reason of this Thirty-second Supplemental Indenture or any covenant, condition, stipulation, promise or agreement hereof, and all the covenants, conditions, stipulations, promises and agree-

ments in this Thirty-second Supplemental Indenture contained behalf of the Company shall be for the sole and exclusive benefit of the parties hereto, and of the holders of the bonds and of the outstanding under the Mortgage.

SECTION 9. This Thirty-second Supplemental Indenture executed in several counterparts, each of which shall be an original of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, PACIFIC POWER & LIGHT COMPANY has caused its corporate name to be hereunto affixed, and this instrument to be sealed by its President or one of its Vice Presidents, and its seal to be attested by its Secretary or one of its Assistant Secretaries in its behalf, and MORGAN GUARANTY TRUST COMPANY OF NEW YORK has caused its corporate name to be hereunto affixed, and this instrument signed and sealed by one of its Vice Presidents or one of its Trustees, and its corporate seal to be attested by one of its Assistant Secretaries. R. E. SPARROW has hereunto set his hand and affixed his seal, all day and year first above written.

PACIFIC POWER & LIGHT COMPANY

By De L. H. H. H.  
Vice President.

Attest:

[Signature]

Assistant Secretary.

MORGAN GUARANTY TRUST COMPANY OF NEW YORK

By [Signature]  
Trust Officer.

Attest:

[Signature]

Assistant Secretary.

[Signature]  
R. E. SPARROW



ments in this Thirty-second Supplemental Indenture contained by or on behalf of the Company shall be for the sole and exclusive benefit of the parties hereto, and of the holders of the bonds and of the coupons outstanding under the Mortgage.

SECTION 9. This Thirty-second Supplemental Indenture shall be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, PACIFIC POWER & LIGHT COMPANY has caused its corporate name to be hereunto affixed, and this instrument to be signed and sealed by its President or one of its Vice Presidents, and its corporate seal to be attested by its Secretary or one of its Assistant Secretaries for and in its behalf, and MORGAN GUARANTY TRUST COMPANY OF NEW YORK has caused its corporate name to be hereunto affixed, and this instrument to be signed and sealed by one of its Vice Presidents or one of its Trust Officers, and its corporate seal to be attested by one of its Assistant Secretaries, and R. E. SPARROW has hereunto set his hand and affixed his seal, all as of the day and year first above written.

PACIFIC POWER & LIGHT COMPANY,

By *De L. H. H. H. H. H.*  
Vice President.

Attest:

*[Signature]*  
Assistant Secretary.

MORGAN GUARANTY TRUST COMPANY  
OF NEW YORK,

By *[Signature]*  
Trust Officer.

Attest:

*[Signature]*  
Assistant Secretary.

*[Signature]* (L.S.)  
R. E. SPARROW