

§§19.17, 19.18

Requirements of
predecessor upon
retiring

and also to the Company, an instrument accepting such appointment hereunder, and thereupon such successor trustee, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of his, her or its predecessor in trust hereunder, with like effect as if originally named as trustee herein; but the trustee ceasing to act shall nevertheless, on the written request of the Company, or of the successor trustee, or of the holders of ten per centum (10%) in principal amount of the bonds then Outstanding hereunder, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor trustee all the right, title and interest of the trustee to which he, she or it succeeds, in and to the Mortgaged and Pledged Property and such rights, powers, trusts, duties and obligations, and the trustee ceasing to act shall also, upon like request, pay over, assign and deliver to the successor trustee any money or other property subject to the Lien of this Indenture, including any pledged securities which may then be in his, her or its possession. Should any deed, conveyance or instrument in writing from the Company be required by the new trustee for more fully and certainly vesting in and confirming to such new trustee such estates, properties, rights, powers, trusts and duties, any and all such deeds, conveyances and instruments in writing shall, on request, be executed, acknowledged and delivered by the Company.

Merger or
consolidation of
Trustee

Section 19.18. Any corporation into which the Trustee may be merged or converted, or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation in which the Trustee shall be a party or any corporation to which substantially all the corporate trust business of the Trustee may be transferred, provided such corporation shall be eligible under the provisions of Sections 9.03 and 19.01 hereof and qualified under Section 19.12 hereof, shall be the successor trustee under this Indenture, without the execution or filing of any paper or the performance of any further act on the part of any other parties hereto, anything herein to the contrary notwithstanding. In case any of the bonds contemplated to be issued hereunder shall have been authenticated but not delivered, any such successor to the Trustee may, subject to the same terms and conditions as though such successor had itself authenticated such bonds, adopt the certificate of authentication of the Original Trustee or of any successor

Issuance of bonds
authenticated by
predecessor trustee

§§19.18, 19.19, 19.20

to it, as trustee hereunder, and deliver said bonds so authenticated; and in case any of said bonds shall not have been authenticated, any successor to the Trustee may authenticate such bonds either in the name of any predecessor hereunder or in the name of the successor trustee, and in all such cases such certificate shall have the full force which it is anywhere in said bonds or in this Indenture provided that the certificate of the Trustee shall have; provided, however, that the right to authenticate bonds in the name of the Original Trustee shall apply only to its successor or successors by merger, conversion or consolidation or sale as aforesaid.

Further
authentication by
successor

SECTION 19.19. Notwithstanding any other provisions hereof, the Company, by instrument executed by order of its Board of Directors and duly acknowledged by its proper officers, may, within the period beginning January 1, 1999 and ending December 31, 1999, and the comparable period in each succeeding decade, appoint any corporation eligible under the provisions of Section 19.15 hereof, and doing business in the United States of America, as Trustee in succession to the Trustee as of the date of such appointment and the corporation so appointed Trustee shall thereupon become successor Trustee hereunder until a new Trustee shall be appointed by the bondholders as authorized herein.

Appointment of
successor Trustee

SECTION 19.20. The Trustee may, from time to time, appoint an authenticating agent or agents to act on its behalf and subject to its direction in connection with the authentication of bonds of any series as fully to all intents and purposes as though such authenticating agent had been expressly authorized in this Indenture to authenticate bonds; and such bonds so authenticated shall be entitled to the benefits of this Indenture and shall be valid and obligatory for all purposes as though authenticated by the Trustee hereunder. For all purposes the authentication of bonds by an authenticating agent pursuant to this Indenture shall be deemed to be the authentication of such bonds "by the Trustee" and whenever this Indenture provides that "the Trustee shall authenticate" bonds such authentication by an authenticating agent hereunder shall be deemed to be authentication by the Trustee.

Appointment of
authenticating agent

Any such authenticating agent shall be a bank or trust company and a corporation organized and doing business under the laws of the United States or of any State or Territory or of the District of Columbia, with a combined capital and surplus of at least Five Million Dollars (\$5,000,000),

§19.20

and be authorized under such laws to act as an authenticating agent and duly registered to act as such, if and to the extent required by applicable laws and regulations, and be subject to supervision or examination by Federal, State, Territorial, or District of Columbia authority. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purposes of this Section 19.20 the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time an authenticating agent hereunder shall cease to be eligible in accordance with the provisions hereof or to be duly registered to the extent required by applicable laws and regulations, it shall resign immediately in the manner and with the effect herein specified.

Any corporation into which any authenticating agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which any authenticating agent shall be a party, or any corporation succeeding to the authenticating agency business of any authenticating agent, shall be the successor of the authenticating agent hereunder, if otherwise eligible under the provisions hereof, and continue to be an authenticating agent without the execution or filing of any paper or any further act on the part of the Trustee or the predecessor authenticating agent.

Any authenticating agent may at any time resign by giving written notice of resignation to the Trustee and to the Company. The Trustee may at any time terminate the agency of any authenticating agent by giving written notice of termination to such authenticating agent and to the Company. Upon receiving such a notice of resignation or upon such a termination, or in case at any time any authenticating agent shall cease to be eligible hereunder or to be duly registered to the extent required by applicable laws and regulations, the Trustee may appoint a successor authenticating agent. Any successor authenticating agent upon acceptance of its appointment hereunder shall become vested with all the rights, powers, duties and responsibilities of its predecessor hereunder, with like effect as if originally named as an authenticating agent pursuant to the terms hereof. No successor authenticating agent shall be appointed unless eligible under the provisions hereof.

The Company agrees to pay to any authenticating agent from time to time reasonable compensation for its services, and the Trustee shall have no liability for such payments. The Trustee shall not be responsible

§19.20; Art. XX, §20.01

for any misconduct, bad faith or negligence on the part of any authenticating agent appointed with due care by it hereunder.

Any authenticating agent by the acceptance of its appointment shall be deemed to have agreed with and warranted to the Trustee that: it will perform and carry out the duties of an authenticating agent as herein set forth, including among other things the duties to authenticate bonds when presented to it; it will keep and maintain and will furnish from time to time as requested by the Trustee appropriate records of all transactions carried out by it as authenticating agent and will furnish the Trustee such other information and reports as the Trustee may reasonably require; it is eligible for appointment as authenticating agent hereunder and will notify the Trustee promptly if it shall cease to be so qualified; and it will indemnify the Trustee against any loss, liability or expense incurred by the Trustee and will defend any claim asserted against the Trustee by reason of any acts or failures to act of the authenticating agent, but it shall have no liability for any action taken by it at the specific direction of the Trustee.

The provisions of Sections 16.01, 16.02, 19.02, 19.03, 19.04, 19.09 and 22.07 of this Indenture shall bind and inure to the benefit of each authenticating agent hereunder to the same extent that they bind and inure to the benefit of the Trustee.

ARTICLE XX

Discharge of Mortgage

SECTION 20.01. The Trustee (and any separate trustee or trustees or co-trustee or co-trustees appointed pursuant to the provisions of this Indenture) may, and upon request of the Company shall, cancel and discharge the Lien hereof, and execute and deliver to the Company such deeds and instruments as shall be requisite to satisfy the Lien hereof and reconvey and transfer to the Company the Mortgaged and Pledged Property, whenever all indebtedness secured hereby, including all proper charges of the Trustee hereunder, shall have been paid or shall have been duly provided for as set forth in Section 20.02 hereof.

Discharge of the
Lien hereof

Notwithstanding the satisfaction and discharge of this Indenture, the Trustee shall have an unsecured right to charge and be reimbursed for any expenditures and liabilities (incurred in good faith and without negligence by the Trustee) which it may thereafter incur.

Trustee's unsecured
right to
reimbursement

§20.02

Bonds for payment
of which money or
obligations of the
United States are
deposited are
deemed paid;
provisos

SECTION 20.02. The Company may provide for the payment or redemption of Outstanding bonds and interest thereon by depositing with the Trustee either (i) moneys in the necessary amount or (ii) obligations of the United States of America which shall not contain provisions permitting the redemption thereof at the option of the issuer, the principal of and the interest on which when due, and without any regard to reinvestment thereof, will, in the opinion of an independent accountant or other independent financial expert delivered to the Trustee, provide moneys which, together with the moneys, if any, deposited with or held by the Trustee, shall be sufficient to pay when due the principal of, premium (if any) and interest due and to become due on such bonds or portions thereof on the redemption date or maturity date thereof, as the case may be. When such sufficient moneys and/or obligations shall have been set apart by or deposited with the Trustee, with irrevocable direction so to apply the same, subject to the provisions of Section 22.03 hereof (with or without any additional right given to the holders to surrender their bonds or obtain therefrom payment therefor prior to the redemption date) such bonds and interest thereon shall for all purposes under this Indenture including satisfying the Lien of this Indenture be deemed to have been paid; provided that in case of redemption the notice requisite to the validity of such redemption shall have been given or arrangements shall have been made insuring to the satisfaction of the Trustee that the same will be given; and provided further that the Trustee need not accept such deposit unless it is accompanied by an Opinion of Counsel to the effect that (a) the Company has received from, or there has been published by, the Internal Revenue Service a ruling, or (b) since the date of this Indenture there has been a change in applicable federal income tax law, in either case to the effect that, and based thereon such Opinion of Counsel shall confirm that, the holders of such bonds or the right of payment of interest thereon (as the case may be) will not recognize income, gain or loss for federal income tax purposes as a result of such deposit and/or the ensuing discharge of this Indenture and will be subject to federal income tax on the same amount and in the same manner and at the same times, as would have been the case if such deposit, and/or discharge had not occurred. Upon such deposit, the obligation of the Company to duly and punctually pay or cause to be paid the principal of (and premium, if any) and interest on such bonds shall cease, terminate and be completely discharged and the holders thereof shall thereafter be entitled to receive payment solely from the funds deposited with the Trustee as set forth above.

§20.03; Art. XXI, §§21.01, 21.02

SECTION 20.03. In the event that the Opinion of Counsel delivered in accordance with Section 20.02 hereof states in effect that such income tax liability to the bondholders would arise from discharge of this Indenture but not from the deposit of such moneys and/or obligations without an ensuing discharge, then in such case this Indenture shall not be discharged until such Outstanding bonds and interest thereon have (subject to the provisions of Section 22.03 hereof) been actually paid (or the unqualified Opinion of Counsel contemplated by Section 20.02 hereof can be delivered); provided however that thereafter the Company shall be relieved of its obligations to comply with the covenants of Article IX hereof.

Tax liability arising
from discharge;
when Indenture
discharged

ARTICLE XXI

Meetings and Consents of Bondholders

SECTION 21.01. Modifications and alterations of this Indenture and/or of any indenture supplemental hereto and/or of the rights and obligations of the Company and/or of the rights of the holders of bonds and coupons issued hereunder may be made as provided in this Article XXI.

Modification of
Indenture

SECTION 21.02. The Trustee may at any time call a meeting of the bondholders and it shall call such a meeting on written request of the holders of not less than a majority in principal amount of the bonds Outstanding hereunder at the time of such request. The Company, pursuant to a Resolution, may also call a meeting of the bondholders at any time. In each such case the purpose or purposes of such meeting shall be set forth in reasonable detail. In the event of the Trustee's failing for thirty (30) days to call a meeting after being thereunto requested by the bondholders as above set forth, holders of Outstanding bonds in the amount above specified in this Section or the Company, pursuant to a Resolution, may call such meeting. Every such meeting called by and at the instance of the Trustee shall be held in the City of Portland, Oregon, or the Borough of Manhattan, The City of New York, New York, or with the written approval of the Company, at any other place in the United States of America, and notice thereof, stating the place and time thereof and in general terms the business to be submitted, shall be mailed by the Trustee not less than thirty (30) days before such meeting (a) to all holders of bonds the names and addresses of whom are then preserved as

Call and notice of
meeting

Place, when called
by Trustee

Mailing, publication
requirements

§§21.02, 21.03

Place, when called
by Company or
bondholdersWhen notice not
requiredAttendance at
meetingsTrustee may make
regulations as to
deposits of bonds

required by Section 9.10 hereof, and (b) to the Company addressed to it at the address given in Section 22.08 of this Indenture (or at such other address as may be designated by the Company from time to time), and, unless all bonds Outstanding hereunder are at the time registered as to principal, shall be published by the Trustee once preceding the meeting, in a Daily Newspaper of general circulation in the Borough of Manhattan, The City of New York, New York, the publication to be not less than twenty (20) days prior to the date of such meeting; provided, however, that the mailing of such notice to any bondholders shall in no case be a condition precedent to the validity of any action taken at such meeting, and provided further, however, that if all bonds then Outstanding shall be registered, no notice need be given except by mail in accordance with subdivision (c) of Section 19.13 hereof. If such meeting is called by or at the instance either of the Company or of the bondholders, it shall be held at such place in the United States of America as may be specified in the notice calling such meeting and notice thereof shall be sufficient for all purposes hereof if given as aforesaid stating the place and time of the meeting and in general terms the business to be submitted. Any meeting of bondholders shall be valid without notice if the holders of all bonds then Outstanding hereunder are present in person or by proxy and if the Company and the Trustee are present by duly authorized representatives, or if notice is waived in writing before or after the meeting by the Company, the holders of all bonds Outstanding hereunder and by the Trustee, or by such of them as are not present in person or by proxy.

SECTION 21.03. Officers and nominees of the Trustee and of the Company or their or its nominees may attend such meeting, but shall not as such be entitled to vote thereat. Attendance by bondholders may be in person or by proxy and, unless specifically prohibited by law, any such proxy shall remain in effect unless specifically revoked and shall be binding on any future holder of the bonds represented by such proxy, unless specifically revoked by any such future holder before being voted. In order that the holder of any bond payable to bearer and his, her or its proxy may attend and vote without producing his, her or its bond, the Trustee, with respect to any such meeting, may make and from time to time vary such regulations as it shall think fit for deposit of bonds with, or the stamping of bonds by, (i) any banks, bankers or trust or insurance companies having a capital of not less than Five Hundred Thousand Dollars (\$500,000) or (ii) any trustee of any pension, welfare, hospitalization or similar fund or funds having an aggregate corpus in excess of

Five Million Dollars (\$5,000,000), or (iii) the United States of America, any Territory thereof, the District of Columbia, any State of the United States, any municipality in any State of the United States or any public instrumentality of the United States, any State or Territory, or (iv) by any other person or corporation satisfactory to the Trustee, and for the issue to the persons depositing the same of certificates by such depositaries entitling the holders thereof to be present and vote at any such meeting and to appoint proxies to represent them and vote for them at any such meeting as if the persons so present and voting, either personally or by proxy, were the actual bearers of the bonds in respect of which such certificates shall have been issued and any regulations so made shall be binding and effective. A bondholder in any of the foregoing categories may sign such certificate in his, her or its own behalf. In lieu of or in addition to providing for such deposit, the Trustee may, in its discretion, permit such institutions to issue certificates stating that bonds were exhibited to them, which certificates shall entitle the holders thereof to vote at any meeting only if the bonds with respect to which they are issued are not produced at the meeting by any other person and are not at the time of the meeting registered in the name of any other person. Each such certificate shall state the date on which the bond or bonds in respect of which such certificate shall have been issued were deposited with or submitted to such institution and the series, maturities and serial numbers of such bonds. In the event that two or more such certificates shall be issued with respect to any bond or bonds, the certificate bearing the latest date shall be recognized and be deemed to supersede any certificate or certificates previously issued with respect to such bond or bonds. If any such meeting shall have been called under the provisions of Section 21.02 hereof, by bondholders or by the Company, and the Trustee shall fail to make regulations as above authorized, then regulations to like effect for such deposit, stamping or exhibition of bonds and the issue of certificates by (i) any bank, banker or trust or insurance company organized under the laws of the United States of America or of any State thereof, having a capital of not less than Five Hundred Thousand Dollars (\$500,000), or (ii) any trustee of any pension, welfare, hospitalization, or similar fund or funds having an aggregate corpus in excess of Five Million Dollars (\$5,000,000), or (iii) by the United States of America, any Territory thereof, the District of Columbia, any State of the United States, any municipality in any State of the United States or any public instrumentality of the United States, any State or Territory

Certificate in lieu of
production of
unregistered bonds

§§21.03, 21.04, 21.05

shall be similarly binding and effective for all purposes hereof if adopted or approved by the bondholders calling such meeting or by the Board of Directors, if such meeting shall have been called by the Company, provided that in either such case copies of such regulations shall be filed with the Trustee. A bondholder in any of the foregoing categories may sign such a certificate in his, her or its own behalf.

Persons entitled to
vote at meetings

When production of
bonds and further
proof necessary

Proxies

SECTION 21.04. Subject to the restrictions specified in Sections 21.03 and 21.07 hereof, any registered holder of bonds Outstanding hereunder and any holder of a certificate (not superseded) provided for in Section 21.03 hereof, shall be entitled in person or by proxy to attend and vote at such meeting as holder of the bonds registered or certified in the name of such holder without producing such bonds. All others seeking to attend or vote at such meeting in person or by proxy must, if required by an authorized representative of the Trustee or the Company or by any other bondholder, produce the bearer bonds claimed to be owned or represented at such meeting, and everyone seeking to attend or vote shall, if required as aforesaid, produce such further proof of bond ownership or personal identity as shall be satisfactory to the authorized representative of the Trustee, or if none be present then to the Inspectors of Votes hereinafter provided for. Proxies shall be witnessed or in the alternative may (a) have the signature guaranteed by a bank or trust company or a registered dealer in securities, (b) be acknowledged before a Notary Public or other officer authorized to take acknowledgments, or (c) have their genuineness otherwise established to the satisfaction of the Inspectors of Votes. All proxies and certificates presented at any meeting shall be delivered to said Inspectors of Votes and filed with the Trustee.

Temporary Chair-
man and Secretary

Permanent Chair-
man and Secretary

Inspectors of Votes

SECTION 21.05. Persons named by the Trustee, if it is represented at the meeting, shall act as temporary Chairman and Secretary, respectively, of the meeting, but if the Trustee shall not be represented or shall fail to nominate such persons or if any person so nominated shall not be present, the bondholders and proxies present shall by a majority vote, irrespective of the amount of their holdings, elect another person or other persons from those present to act as temporary Chairman and/or Secretary. A permanent Chairman and a permanent Secretary of such meeting shall be elected from those present by the bondholders and proxies present by a majority vote of bonds represented. The Trustee, if represented at the meeting, shall appoint two Inspectors of Votes who

shall decide as to the right of anyone to vote and shall count all votes cast at such meeting, except votes on the election of a Chairman and Secretary, both temporary and permanent, as aforesaid and who shall make and file with the permanent Secretary of the meeting their verified written report in duplicate of all such votes so cast at said meeting. If the Trustee shall not be represented at the meeting or shall fail to nominate such Inspectors of Votes or if either Inspector of Votes fails to attend the meeting, the vacancy shall be filled by appointment by the permanent Chairman of the meeting.

SECTION 21.06. The holders of:

Quorum

(a) not less than sixty per centum (60%) in principal amount of the bonds Outstanding hereunder when such meeting is held, all voting as a single class, or

(b) if the action proposed at said meeting solely adversely affects the rights of the holders of one or more, but less than all, series of bonds then Outstanding, then at least sixty per centum (60%) in principal amount of those bonds then Outstanding so to be adversely affected, all voting as a single class,

(excluding in any case bonds disqualified from voting by reason of the Company's interest therein) must be present at such meeting in person or by proxy in order to constitute a quorum for the transaction of business, less than a quorum, however, having power to adjourn; provided, however, that if such meeting is adjourned by less than a quorum for more than thirty (30) days, notice thereof shall be given as soon as practicable by the Trustee if such meeting shall have been called by the Trustee (a) to the Company addressed to it at the address given in Section 22.08 hereof (or at such other address as may be designated by the Company in writing from time to time), and (b) to all holders of bonds then Outstanding hereunder, the names and addresses of whom are then preserved by the Trustee as required by the provisions of Section 9.10 hereof, and, unless all bonds Outstanding hereunder are at the time of such mailing registered as to principal, shall be published at least once in each thirty (30) day period of such adjournment in a Daily Newspaper of general circulation in the Borough of Manhattan, The City of New York, New York, provided, however, that if all bonds then Outstanding shall be registered, no notice need be given except by mail in accordance with subdivision (c) of Section 19.13 hereof. Notwithstanding the foregoing, if a meeting is first adjourned by less than a quorum for less

Notice of
adjournment

§§21.06, 21.07

than thirty (30) days and is again adjourned, no such notice need be given during the period of the first adjournment but such notice shall be given as soon as practicable by the Trustee after the second adjournment and any subsequent adjournments. The failure to mail such notice to any such bondholder as aforesaid shall in no case affect the validity of any action taken at any meeting held pursuant to such adjournment. If such meeting shall have been called, under the provisions of Section 21.02 hereof, by bondholders or by the Company, notice of such adjournment shall be given by the permanent Chairman and permanent Secretary of the meeting as above specified in this Section and shall be sufficient if so given.

Vote necessary for
modification or
alteration, etc., of
Indenture

Limitations

SECTION 21.07. Subject to the provisions of Section 15.16 hereof, any modification or alteration of this Indenture (including any indenture supplemental hereto) and/or of the rights and obligations of the Company and/or the rights of the holders of bonds and/or coupons issued hereunder in any particular may be made at a meeting of bondholders duly convened and held in accordance with the provisions of this Article, but only by resolution duly adopted by the affirmative vote of the holders of sixty per centum (60%) or more in principal amount of the bonds Outstanding hereunder, all voting as a single class, or, if the rights of one or more, but less than all, series of bonds then Outstanding are to be adversely affected by action taken at such meeting, then by affirmative vote of the holders of at least sixty per centum (60%) in principal amount of those bonds so to be adversely affected and Outstanding hereunder, all voting as a single class, when such meeting is held, and in every case approved by a Resolution as specified in Section 21.08 hereof; provided, however, that no such modification or alteration shall, without the consent of the holder of any bond issued hereunder affected thereby, (A) (1) impair or affect the right of such holder 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, or (2) permit the creation of any lien ranking prior to, or on a parity with, the Lien of this Indenture with respect to any of the Mortgaged and Pledged Property, or (3) permit the deprivation of any nonassenting bondholder of the benefit of a lien upon the Mortgaged and Pledged Property for the security of his, her or its bonds (subject only to the lien of taxes, assessments or governmental charges not then delinquent and to any mortgage or other liens existing upon such property which are prior

hereto at the date of the calling of any such bondholders' meeting), or (4) permit the reduction of the percentage required by the provisions of this Section for the taking of any action under this Section with respect to any bond Outstanding hereunder or (B) impair or affect the right to receive payment of interest on such bond on or after the respective due dates expressed therein, without the consent of the holder of the right to such interest.

Except for the purpose of waiving any past Default of the Company and the consequences thereof, in which event the provisions of Section 15.07 hereof shall be applicable, bonds owned and/or held by and/or for account of and/or for the benefit or interest of the Company, or any corporation of which the Company shall own twenty-five per centum (25%) or more of the outstanding voting stock, shall not be deemed Outstanding for the purpose of any vote or of any calculation of bonds Outstanding in this Article XXI provided for, except that, subject to the provisions of Sections 19.01 and 19.02 hereof, for the purpose of determining whether the Trustee shall be protected in relying on any such vote or calculation, only bonds which the Trustee knows are so owned and/or held, shall be so excluded.

Bonds owned, held
by, or for account of
Company not
deemed outstanding

SECTION 21.08. A record in duplicate of the proceedings of each meeting of bondholders shall be prepared by the permanent Secretary of the meeting and shall have attached thereto the original reports of the Inspectors of Votes, and affidavits by one or more persons having knowledge of the facts showing a copy of the notice of the meeting and a copy of the notice of adjournment thereof, if required under the provisions of Section 21.06 hereof, and showing that said notices were mailed and published as provided in Section 21.02 hereof and, in a proper case, as provided in Section 21.06 hereof. Such record shall be signed and verified by the affidavits of the permanent Chairman and the permanent Secretary of the meeting, and shall be delivered to the Company and to the Trustee. Any record so signed and verified shall be proof of the matters therein stated, and such meeting shall be deemed conclusively to have been duly convened and held and such record shall be conclusive, and any resolution or proceeding stated in such record to have been adopted or taken, shall be deemed conclusively to have been duly adopted or taken by such meeting. A true copy of any resolution adopted by such meeting shall be mailed by the Trustee to all holders of bonds Outstanding hereunder, the names and addresses of whom are then preserved by the Trustee pursuant to the provisions of Section 9.10

Record of meeting

Conclusiveness of
record

Copy of resolution
to be mailed to
bondholders; proof
of mailing; effect of
failure to mail

§§21.08, 21.09

Approval of resolution
by CompanyWhen Company,
Trustee and bond-
holders bound

hereof, and proof of such mailing by the affidavit of some person having knowledge of the fact shall be filed with the Trustee, but failure to mail copies of such resolution as aforesaid shall not affect the validity thereof. No such resolution shall be binding until and unless such resolution is approved by Resolution. It shall be the duty of the Company to file a copy of any such Resolution of approval with the Trustee, but if such Resolution is adopted and a certified copy thereof is filed with the Trustee, the resolution so adopted by such meeting shall (to the extent permitted by law) be deemed conclusively to be binding upon the Company, the Trustee and the holders of all bonds and coupons issued hereunder, at the expiration of sixty (60) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such resolution, or annulling the action taken thereby in a legal action or equitable proceeding for such purposes commenced within such sixty (60) day period; provided, however, that no such resolution of the bondholders, or Resolution, shall in any manner change or modify or be so construed as to change or modify any of the rights, immunities or obligations of the Trustee without its written assent thereto.

Notation of action
taken may be made
on bonds

New bonds

When supplemental
instruments may be
executed

SECTION 21.09. Bonds authenticated and delivered after the date of any bondholders' meeting may bear a notation in form approved by the Trustee as to the action taken at meetings of bondholders theretofore held. If the Company or the Trustee shall so determine, new bonds so modified as in the opinion of the Trustee and the Company to conform to such bondholders' resolution shall be prepared, authenticated and delivered, and upon demand of the holder of any bond then Outstanding and affected thereby shall be exchanged without cost to such bondholders for bonds then Outstanding hereunder upon surrender of such bonds with all unmatured coupons, if any, appertaining thereto. The Company or the Trustee may require bonds Outstanding to be presented for notation or exchange as aforesaid if either shall see fit to do so. Instruments supplemental to this Indenture embodying any modification or alteration of this Indenture (including any indenture supplemental hereto) made at any bondholders' meeting and approved, by a Resolution, as aforesaid, may be executed by the Trustee and the Company and upon demand of the Trustee, or if so specified in any resolution adopted by any such bondholders' meeting, shall be executed by the Company and the Trustee.

Any instrument supplemental to this Indenture executed pursuant to the provisions of this Section shall comply with all applicable provisions of the Trust Indenture Act, as amended and in force on the date of the execution of such supplemental indenture.

SECTION 21.10. (A) Anything contained in this Article to the contrary notwithstanding, the Trustee shall receive the written consent (in any number of instruments of similar tenor executed by bondholders or by their attorneys appointed in writing) of the holders of sixty per centum (60%) or more in principal amount of the bonds Outstanding hereunder all voting as a single class (or if the rights of one or more, but less than all, series of bonds then Outstanding are to be adversely affected by action taken pursuant to such consent, then by consent of the holders of at least sixty per centum (60%) in principal amount of those bonds so to be adversely affected and Outstanding hereunder all voting as a single class) (in all cases, at the time the last such needed consent is delivered to the Trustee) in lieu of the holding of a meeting pursuant to this Article and in lieu of all action at such a meeting and with the same force and effect as a resolution duly adopted in accordance with the provisions of Section 21.07 hereof.

Written consent of
bondholders in lieu
of meeting

(B) Such instruments of consent shall have their genuineness established to the satisfaction of the Trustee.

Genuineness of con-
sent to be
established

The amount of bonds payable to bearer, and the series and serial numbers thereof, held by a person executing an instrument of consent (or whose attorney has executed an instrument of consent in his, her or its behalf), and the date of his, her or its holding the same, may be proved either by exhibiting the bonds themselves to the Trustee or by a certificate executed by any person or corporation satisfactory to the Trustee. A bondholder in any of the foregoing categories may sign a certificate in his, her or its own behalf.

Each such certificate shall be dated and shall state in effect that as of the date thereof, a coupon bond or bonds bearing a specified serial number or numbers was deposited with or exhibited to the signer of such certificate. The holding by the person named in any such certificate of any bond specified therein shall be presumed to continue unless (1) any certificate bearing a later date issued in respect of the same bond shall be produced, (2) the bond specified in such certificate (or any bond or bonds issued in exchange or substitution for such bond) shall be produced by

§21.10; Art. XXII, §22.01

another holder, or (3) the bond specified in such certificate shall be registered as to principal in the name of another holder or shall have been surrendered in exchange for a fully registered bond registered in the name of another holder. The Trustee may, in its discretion, require further proof in cases where it deems further proof desirable. The ownership of registered bonds shall be proved by the registry books.

**Revocation of
consent**

(C) Until such time as the Trustee shall receive the written consent of the necessary per centum in principal amount of the bonds required by the provisions of subsection (A) above for action contemplated by such consent, any holder of any bond, the serial number of which is shown by the evidence to be included in the bonds the holders of which have consented to such action, may, by filing written notice with the Trustee at its corporate trust office and upon proof of holding as provided in subsection (B) above, revoke such consent so far as it concerns such bond. Except as aforesaid, any such consent shall be conclusive and binding upon such holder and upon all future holders of such bond (and any bond issued in lieu thereof or exchanged therefor), irrespective of whether or not any notation of such consent is made upon such bond, and in any event any action taken by the holders of the percentage in aggregate principal amount of the bonds specified in subsection (A) above in connection with such action shall, subject to the provisions of the last sentence of Section 21.08 hereof, be conclusively binding upon the Company, the Trustee and holders of all the bonds.

ARTICLE XXII

Miscellaneous

**Limitation of rights
under Indenture**

SECTION 22.01. Nothing in this 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 hereunder, any right, remedy, or claim under or by reason of this Indenture or any covenant, condition, stipulation, promise or agreement hereof, and all the covenants, conditions, stipulations, promises and agreements in this Indenture contained by and 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 hereunder.

SECTION 22.02. Any money which is held by the Trustee (other than money which is held by it for the purpose of effecting the purchase, payment or redemption of any bonds issued hereunder or the payment of any coupons or interest claims appertaining to bonds issued hereunder or which it has been directed to apply to any such purchase, payment or redemption which may only be invested in any bonds or other obligations of the United States of America designated by the Company) shall, at the request of the Company, evidenced by an Officers' Certificate, be invested or reinvested by the Trustee in any Investment Securities designated by the Company, and, unless the Company is in default in the payment of interest on any of the bonds then Outstanding hereunder or one or more Defaults shall have occurred and be continuing, any interest on such bonds or other obligations which may be received by the Trustee shall be forthwith paid to the Company. Such bonds or other obligations shall be held by the Trustee as a part of the Mortgaged and Pledged Property and subject to the same provisions hereof as the cash used to purchase the same, but upon a like request of the Company, the Trustee shall sell all or any designated part of the same and the proceeds of such sale shall be held by the Trustee subject to the same provisions hereof as the cash used by it to purchase the bonds or other obligations so sold. If such sale shall produce a net sum less than the cost of the bonds or other obligations so sold, the Company covenants that it will pay promptly to the Trustee such amount of cash as with the net proceeds from such sale will equal the costs of the bonds or other obligations so sold, and if such sale shall produce a net sum greater than the costs of the bonds or other obligations so sold, the Trustee shall promptly pay to the Company an amount in cash equal to such excess.

Investment of cash
by Trustee in
certain securities

Such securities held
by Trustee as part
of Mortgaged and
Pledged Property

Unless the Company is in Default, any money in excess of the sum of Fifty Thousand Dollars (\$50,000) which shall have been held by the Trustee for a period of five years, invested or uninvested (other than money which is held by it for the purpose of effecting the purchase, payment or redemption of any bonds issued hereunder or the payment of any coupons or interest claims appertaining to bonds issued hereunder or which it has been directed to apply to any such purchase, payment or redemption), shall be applied by the Trustee to the redemption of bonds to the extent any bonds then Outstanding are, by their terms, redeemable, selected as provided in Section 12.02 hereof from the bonds of those series then redeemable, designated by the Company. Any moneys not so applied

Disposition of
certain cash in
excess of \$50,000
held over five years

§§22.02, 22.03, 22.04

to redemption of bonds shall be held, applied or withdrawn in accordance with the other provisions of this Indenture. In the case of any such redemption, the Trustee shall have power to give any and all redemption notices for or on behalf of the Company.

Bonds or coupons
not presented
when due

When Trustee to
pay over to
Company amount
unclaimed

SECTION 22.03. In the event that any bond issued hereunder shall not be presented for payment when the principal thereof becomes due, either at maturity or otherwise, or at the date fixed for the redemption thereof, or in the event that any coupon shall not be presented for payment at the due date thereof and the Company shall have deposited with the Trustee or any paying agent for the purpose or left with either of them if previously so deposited, money sufficient to pay the principal of such bond (and premium, if any), together with all interest due thereon to the date of the maturity of such bond or to the date fixed for the redemption thereof, or to pay such coupon, as the case may be, for the use and benefit of the holder thereof, the Trustee or such paying agent shall, in case the holder of any such bond or coupon shall not, within two years after the maturity of any such bond or coupon or the date fixed for the redemption of any such bond, claim the amount deposited as above stated for the payment thereof, pay over to the Company such amount so deposited, if to the knowledge of the Trustee the Company is not at the time in default hereunder; and the Trustee or such paying agent shall thereupon be relieved from all responsibility to the holder thereof, and in the event of such payment to the Company the holder of any such bond or coupon shall (subject to any applicable statute of limitations) be deemed to be an unsecured creditor of the Company for an amount equivalent to the amount deposited as above stated for the payment thereof and so paid over to the Company.

Rights may be
waived or
surrendered by
Company

Company may enter
into further
covenants for benefit
of one or more
series of bonds

SECTION 22.04. Any power, privilege or right expressly or impliedly reserved to or in any way conferred upon the Company by any provision of this Indenture, whether such power, privilege or right is in any way restricted or is unrestricted, may be in whole or in part waived or surrendered or subjected to any restriction if at the time unrestricted or to additional restriction if already restricted, and the Company may enter into any further covenants, limitations, restrictions or provisions for the benefit of any one or more series of bonds issued hereunder and provide that a breach thereof shall be equivalent to a Default under this Indenture, or the Company may cure any ambiguity contained herein, or in any supplemental indenture, or may (in lieu of establishment in

accordance with Section 2.03 hereof) establish the forms, terms and provisions of any series of bonds other than the First Series, by an instrument in writing executed by the Company. Alternative provisions relating to redemption of a particular series may be provided for in the relevant supplemental indenture, in lieu of the provisions of Article XII hereof. The Trustee is hereby authorized to join with the Company in the execution of any such instrument or instruments. Such instrument shall be delivered to the Trustee and thereupon any modification of the provisions of these presents therein set forth, authorized by this Section, shall be binding upon the parties hereto, their successors and assigns, and the holders of the bonds and coupons hereby secured. Anything herein contained to the contrary notwithstanding, this Section 22.04 shall not be construed to permit any act, waiver, surrender or restriction adversely affecting in any material respect any bonds then Outstanding hereunder or imposing upon the Trustee any duty or obligation that it reasonably deems to be unduly burdensome.

Trustee may join
with Company in
execution of
instruments

SECTION 22.05. Each certificate or opinion which is specifically required by the provisions of this Indenture to be delivered to the Trustee with respect to compliance with a condition or covenant herein contained shall include (1) a statement that the person making such certificate or opinion has read such covenant or condition; (2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based; (3) a statement that, in the opinion of such person, he or she has made such examination or investigation as is necessary to enable him or her to express an informed opinion as to whether or not such covenant or condition has been complied with; and (4) a statement as to whether or not in the opinion of such person such condition or covenant has been complied with.

Formal requirements
of certificates or
opinions

Every request or application by the Company for action by the Trustee shall be accompanied by an Officers' Certificate and an Opinion of Counsel stating in each case that in the opinion of the person making such certificate or opinion the conditions precedent, if any, to such action, provided for in this Indenture (including any covenants compliance with which constitutes a condition precedent), have been complied with.

Requirements for
request for action by
Trustee

§§22.05, 22.06, 22.07, 22.08

**Successors
and assigns**

The same officer or officers of the Company, or the same engineer or counsel or other person, as the case may be, need not certify to all the matters required to be certified under the provisions of any Article, Section, subsection, subdivision, paragraph or clause hereof, but different officers, engineers, counsel or other persons may certify to different facts respectively.

**Payment of court
costs and attorney's
fees in certain suits**

SECTION 22.06. All parties to this Indenture agree, and each holder or owner of any bond by his, her or its acceptance thereof shall be deemed to have agreed, that any court may in its discretion require in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action suffered, taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorney's fees (including attorney's fees for trial, any appeal and any petition for review), against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted by the Trustee, to any suit instituted by any bondholder, or group of bondholders, holding in the aggregate more than ten per centum (10%) in principal amount of the bonds Outstanding (determined as provided in Section 15.07 hereof), or to any suit instituted by any bondholder for the enforcement of the payment of the principal of or interest on any bond, on or after the respective due dates expressed in such bond.

**Successors
and assigns**

SECTION 22.07. Subject to the provisions of Article XVIII and Article XIX hereof, whenever in this Indenture any of the parties hereto is named or referred to (except in subdivision (1) of Section 1.05 hereof) this shall be deemed to include the successors or assigns of such party, and all the covenants and agreements in this Indenture contained by or on behalf of the Company or by or on behalf of the Trustee shall bind and inure to the benefit of the respective successors and assigns of such parties whether so expressed or not.

**Company's and
Trustee's mailing
addresses**

SECTION 22.08. For purposes of all notices to be given to the parties hereunder, and until further changed by notice in writing, the Company's mailing address is 851 SW Sixth Avenue, Portland, Oregon 97204; and the Trustee's mailing address is 30 West Broadway, New York, New York 10015, attention: Corporate Trust Department.

SECTION 22.09. If any provision of this Indenture limits, qualifies, or conflicts with another provision of this Indenture which has been required to be included pursuant to any requirements of Sections 310 to 317, inclusive, of the Trust Indenture Act, such required provision shall control.

Trust Indenture Act
to control

SECTION 22.10. Wherever reference is made in this Indenture to the Trust Indenture Act (except as may be evident by the context in Section 8.01 hereof and except in Section 21.09 hereof), reference is made to such Act as it was in force on the date of the execution of this Indenture.

Trust Indenture Act
as in force when
Indenture executed

SECTION 22.11. The titles of the several Articles of this Indenture, the marginal Section and marginal Article references and the table of contents shall not be deemed to be any part hereof.

Titles of Articles,
etc., not part of
Indenture

SECTION 22.12. This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

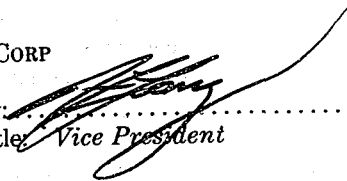
Execution in
counterparts

Testimonium

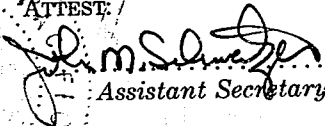
IN WITNESS WHEREOF, PACIFICORP, an Oregon corporation, has caused its corporate name to be hereunto affixed, and this instrument to be signed and sealed by an Authorized Executive Officer of the Company, and its corporate seal to be attested by its Secretary or one of its Assistant Secretaries for and in its behalf, and Morgan Guaranty Trust Company of New York, in token of its acceptance of the trust hereby created, has caused its corporate name to be hereunto affixed, and this instrument to be signed and sealed by one of its Vice Presidents and its corporate seal to be attested by one of its Assistant Secretaries, all as of the day and year first above written.

Signatures and seals

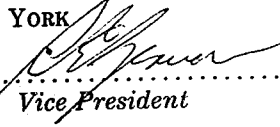
PACIFICORP

By: 
Title: Vice President

[CORPORATE SEAL]

ATTEST: 
Assistant Secretary

MORGAN GUARANTY TRUST COMPANY
OF NEW YORK

By: 
Title: Vice President

[CORPORATE SEAL]

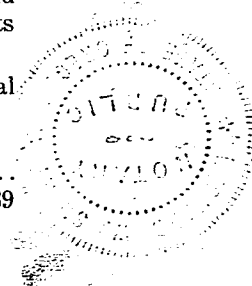
ATTEST: 
Assistant Secretary

STATE OF OREGON }
COUNTY OF MULTNOMAH } SS.:

On this ninth day of January, 1989, before me, LEONARD W. SURRY, a Notary Public in and for the State of Oregon, personally appeared ROBERT F. LANZ and JOHN M. SCHWEITZER, known to me to be a Vice President and an Assistant Secretary, respectively, of PacifiCorp, an Oregon corporation, who being duly sworn, stated that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and acknowledged this instrument to be the free, voluntary and in all respects duly and properly authorized act and deed of said corporation.

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

Leonard W. Surry
My Commission expires: October 27, 1989
Residing at: Gresham, Oregon



[SEAL]

STATE OF NEW YORK }
COUNTY OF NEW YORK } SS.:

On this fourth day of January, 1989, before me, STEPHEN D. RYAN, III, a Notary Public in and for the State of New York, personally appeared R. E. SPARROW and W. A. SPOONER, known to me to be a Vice President and an Assistant Secretary, respectively, of Morgan Guaranty Trust Company of New York, a New York trust company, who being duly sworn, stated that the seal affixed to the foregoing instrument is the corporate seal of said company and acknowledged this instrument to be the free, voluntary and in all respects duly and properly authorized act and deed of said company.

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

Stephen D. Ryan, III
Stephen D. Ryan, III
Notary Public, State of New York
No. 31-4700229
Qualified in New York County
Commission expires January 31, 1990
Residing at Pound Ridge, New York

[SEAL]

EXHIBIT X

Exhibits

- (1) To amend Section 37 of the Pacific Mortgage to read as follows:

SECTION 37. (I) The Company hereby covenants that it will keep or cause to be kept all the property subject to the Lien hereof insured against fire, to the extent that property of similar character is usually so insured by companies similarly situated and operating like properties, to a reasonable amount, by reputable insurance companies, any loss, except as to materials and supplies and except as to any particular loss less than the greater of Four Million Dollars (\$4,000,000) or two per centum (2%) of the bonds Outstanding hereunder on the date of such particular loss, to be made payable to the Trustee as the interest of the Trustee may appear, or to the trustee or other holder of any mortgage or other lien constituting a Qualified Lien or any other lien prior hereto upon property subject to the Lien hereof, if the terms thereof require losses so to be made payable or that it will, in lieu of or supplementing such insurance in whole or in part, adopt some other method or plan of protection against loss by fire at least equal in protection to the method or plan of protection against loss by fire of companies similarly situated and operating properties subject to similar fire hazards or properties on which an equal primary fire insurance rate has been set by reputable insurance companies, and that if it shall adopt such other method or plan, it will, except as to materials and supplies and except as to any particular loss less than the greater of Four Million Dollars (\$4,000,000) or two per centum (2%) of the bonds Outstanding hereunder on the date of such particular loss, pay to the Trustee on account of any loss sustained by reason of the destruction or damage of such property by fire, an amount of cash equal to such loss less any amounts otherwise paid to the Trustee, or to the trustee or other holder of any mortgage or other lien constituting a Qualified Lien or any other lien prior hereto upon property subject to the Lien hereof, if the terms thereof require losses so to be paid. Any amounts of cash so required to be paid by the Company pursuant to any such method or plan shall for the purposes of this Indenture be deemed to be proceeds of insurance. In case of the adoption of such other method or plan of protection, the Company shall also furnish to the Trustee a certificate of an actuary or other qualified person appointed by the Company with respect to the adequacy of such method or plan.

(II) All moneys paid to the Trustee by the Company in accordance with this Section or received by the Trustee as proceeds of any insurance against loss by fire shall, subject to the requirements of any mortgage constituting a Qualified Lien or any other lien prior hereto upon property subject to the Lien hereof, be held by the Trustee and, subject as aforesaid, shall be paid by it to the Company to reimburse the Company for an equal amount expended or committed for expenditure in the rebuilding or renewal of the property destroyed or damaged, upon receipt by the Trustee of (1) an Officers' Certificate requesting such reimbursement, (2) an Engineer's Certificate stating the amounts so expended or committed for expenditure and the nature of such rebuilding or renewal and the fair value to the Company of the property rebuilt or renewed or to be rebuilt or renewed and if

- (A) within six months prior to the date of acquisition thereof by the Company, such property has been used or operated, by a person or persons other than the Company, in a business similar to that in which it has been or is to be used or operated by the Company, and
- (B) the fair value to the Company of such property as set forth in such Engineer's Certificate is not less than Twenty-five Thousand Dollars (\$25,000) and not less than one per centum (1%) of the aggregate principal amount of the bonds at the time Outstanding under this Indenture,

the Engineer making such certificate shall be an independent Engineer, and (3) an Opinion of Counsel that the property so rebuilt or renewed or to be rebuilt or renewed is or will be subject to the Lien hereof to the same extent as was the property so destroyed or damaged; provided, however, that to the extent that moneys paid by the Trustee to the Company for reimbursement, as aforesaid, shall represent the proceeds of property that was not Funded Property destroyed or damaged by fire, the property so rebuilt or renewed (for which reimbursement is so made), shall not be deemed to be Funded Property.

(III) Any such money not so applied within eighteen (18) months after its receipt by the Trustee, or in respect of which notice in writing of intention to apply the same to the work of rebuilding or renewal then in progress and uncompleted shall not have been given

to the Trustee by the Company within such eighteen (18) months, or which the Company shall at any time notify the Trustee is not to be so applied, shall thereafter be withdrawn, used or applied in the manner, to the extent and for the purposes and subject to the conditions provided in Section 61 hereof.

(IV) Anything in this Indenture to the contrary notwithstanding, the Company may have fire insurance policies with (a) a deductible provision in a dollar amount per occurrence not exceeding the greater of Five Million Dollars (\$5,000,000) or three per centum (3%) of the bonds Outstanding hereunder on the date such policy goes into effect and/or (b) co-insurance or self insurance provisions with a dollar amount per occurrence not exceeding 30% of the loss proceeds otherwise payable; provided, however, the dollar amount described in clause (a) above may be exceeded to the extent such dollar amount per occurrence is below the deductible amount in effect as to fire insurance (x) on property of similar character insured by companies similarly situated and operating like property or (y) on property as to which an equal primary fire insurance rate has been set by reputable insurance companies.

(2) To eliminate the provisions of (and the references to) Section 39 of the Pacific Mortgage, as amended as stated in Section 1 of the Nineteenth Supplemental Indenture, and to eliminate the references to said Section 39 from clause (II) of Section 4 of the Pacific Mortgage, from clause (e) of Section 5 of the Pacific Mortgage, from Section 29 of the Pacific Mortgage, and to eliminate all other references to said Section 39 wherever they may appear in the Pacific Mortgage, as supplemented.

(3) To except from the Lien of the Pacific Mortgage all interest of the Company, as owner, lessee or otherwise, in the Wyodak Facility (as the same is defined herein) including, without limitation, any equipment, parts, improvements, substitutions, replacements or other property relating thereto.

EXHIBIT Y

(1) To amend Section 37 of the Utah Mortgage to read as follows:

SECTION 37. (I) The Company hereby covenants that it will keep or cause to be kept all the property subject to the Lien hereof insured against fire, to the extent that property of similar character is usually so insured by companies similarly situated and operating like properties, to a reasonable amount, by reputable insurance companies, any loss, except as to materials and supplies and except as to any particular loss less than the greater of Four Million Dollars (\$4,000,000) or two per centum (2%) of the bonds Outstanding hereunder on the date of such particular loss, to be made payable to the Trustee as the interest of the Trustee may appear, or to the trustee or other holder of any mortgage or other lien constituting a Qualified Lien or any other lien prior hereto upon property subject to the Lien hereof, if the terms thereof require losses so to be made payable or that it will, in lieu of or supplementing such insurance in whole or in part, adopt some other method or plan of protection against loss by fire at least equal in protection to the method or plan of protection against loss by fire of companies similarly situated and operating properties subject to similar fire hazards or properties on which an equal primary fire insurance rate has been set by reputable insurance companies, and that if it shall adopt such other method or plan, it will, except as to materials and supplies and except as to any particular loss less than the greater of Four Million Dollars (\$4,000,000) or two per centum (2%) of the bonds Outstanding hereunder on the date of such particular loss, pay to the Trustee on account of any loss sustained by reason of the destruction or damage of such property by fire, an amount of cash equal to such loss less any amounts otherwise paid to the Trustee, or to the trustee or other holder of any mortgage or other lien constituting a Qualified Lien or any other lien prior hereto upon property subject to the Lien hereof, if the terms thereof require losses so to be paid. Any amounts of cash so required to be paid by the Company pursuant to any such method or plan shall for the purposes of this Indenture be deemed to be proceeds of insurance. In case of the adoption of such other method or plan of protection, the Company shall also furnish to the Trustee a certificate of an actuary or other qualified person appointed by the Company with respect to the adequacy of such method or plan.

(II) All moneys paid to the Trustee by the Company in accordance with this Section or received by the Trustee as proceeds of any insurance against loss by fire shall, subject to the requirements of any mortgage constituting a Qualified Lien or any other lien prior hereto upon property subject to the Lien hereof, be held by the Trustee and, subject as aforesaid, shall be paid by it to the Company to reimburse the Company for an equal amount expended or committed for expenditure in the rebuilding or renewal of the property destroyed or damaged, upon receipt by the Trustee of (1) an Officers' Certificate requesting such reimbursement, (2) an Engineer's Certificate stating the amounts so expended or committed for expenditure and the nature of such rebuilding or renewal and the fair value to the Company of the property rebuilt or renewed or to be rebuilt or renewed and if

- (A) within six months prior to the date of acquisition thereof by the Company, such property has been used or operated, by a person or persons other than the Company, in a business similar to that in which it has been or is to be used or operated by the Company, and
- (B) the fair value to the Company of such property as set forth in such Engineer's Certificate is not less than Twenty-five Thousand Dollars (\$25,000) and not less than one per centum (1%) of the aggregate principal amount of the bonds at the time Outstanding under this Indenture,

the Engineer making such certificate shall be an independent Engineer, and (3) an Opinion of Counsel that the property so rebuilt or renewed or to be rebuilt or renewed is or will be subject to the Lien hereof to the same extent as was the property so destroyed or damaged; provided, however, that to the extent that moneys paid by the Trustee to the Company for reimbursement, as aforesaid, shall represent the proceeds of property that was not Funded Property destroyed or damaged by fire, the property so rebuilt or renewed (for which reimbursement is so made), shall not be deemed to be Funded Property.

(III) Any such money not so applied within eighteen (18) months after its receipt by the Trustee, or in respect of which notice in writing of intention to apply the same to the work of rebuilding or renewal then in progress and uncompleted shall not have been given

to the Trustee by the Company within such eighteen (18) months, or which the Company shall at any time notify the Trustee is not to be so applied, shall thereafter be withdrawn, used or applied in the manner, to the extent and for the purposes and subject to the conditions provided in Section 71 hereof.

(IV) Anything in this Indenture to the contrary notwithstanding, the Company may have fire insurance policies with (a) a deductible provision in a dollar amount per occurrence not exceeding the greater of Five Million Dollars (\$5,000,000) or three per centum (3%) of the bonds Outstanding hereunder on the date such policy goes into effect and/or (b) co-insurance or self insurance provisions with a dollar amount per occurrence not exceeding 30% of the loss proceeds otherwise payable; provided, however, the dollar amount described in clause (a) above may be exceeded to the extent such dollar amount per occurrence is below the deductible amount in effect as to fire insurance (x) on property of similar character insured by companies similarly situated and operating like property or (y) on property as to which an equal primary fire insurance rate has been set by reputable insurance companies.

(2) To eliminate the provisions of (and the references to) Section 39 of the Utah Mortgage, the amendment to said Section 39 contained in Section 3 of the Twenty-second Supplemental Indenture, Section 4 of the Twenty-second Supplemental Indenture, as amended, and to eliminate the references to said Section 39 from clause (II) of Section 4 of the Utah Mortgage, from clause (c) of Section 5 of the Utah Mortgage, from Section 29 of the Utah Mortgage, and to eliminate all other references to said Section 39 wherever they may appear in the Utah Mortgage, as supplemented.

EXHIBIT Z

A tract of land in Klamath County, Oregon, more particularly described as follows:

PARCEL 1: Lots 71 through 92, inclusive, in Block 3, First Addition to Buena Vista, according to the official plat thereof on file in the records of Klamath County, and

PARCEL 2: Beginning at the southeast corner of Lot 92 in Block 3, First Addition to Buena Vista;

thence South 14° 27' East along the westerly line of Front Street a distance of 496.7 feet to a point;

thence continuing along the southwesterly line of Front Street South 58° 41' East a distance of 63.4 feet to the most northerly corner of tract conveyed by Deed recorded at Volume 200, page 9, Deed at Records of Klamath County;

thence South 31° 19' West to the shore line of Upper Klamath Lake;

thence northwesterly along said shore line to the southwest corner of Lot 92, Block 3, First Addition to Buena Vista;

thence North 75° 33' East along the southerly line of said Lot 92, a distance of 135 feet, more or less to the point of beginning.

LESS AND EXCEPTING a parcel of land 25 feet × 35 feet heretofore conveyed to the City of Klamath Falls by Deed dated March 10, 1961, recorded March 31, 1961 in Volume 328, page 277, Deed Records of Klamath County.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Pacific Power & Light the 26th day
of Jan. A.D., 19 89 at 9:25 o'clock A M., and duly recorded in Vol. M89,
of Mortgages on Page 1515.

Evelyn Biehn County Clerk

By Pauline Mullins

FEE \$933.00