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BOOK 58 PAGE 369

COUNTERPART NO. 22

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-seventh Supplemental Indenture

Dated as of October 15, 1981



THIRTY-SEVENTH SUPPLEMENTAL INDENTURE

THIS INDENTURE, dated as of the fifteenth day of October, 1981, 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 30 West Broadway, New York, N. Y. 10015 (hereinafter sometimes called the Corporate Trustee), and R. E. SPARROW (successor to Oliver R. Brooks and Wesley L. Baker), 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-seventh 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-seventh 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

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 | Nineteenth | December 15, 1967 |
| Second | March 1, 1952 | Twentieth | May 1, 1969 |
| Third | September 1, 1952 | Twenty-first | November 1, 1969 |
| Fourth | April 1, 1954 | Twenty-second | July 1, 1970 |
| Fifth | August 1, 1954 | Twenty-third | February 1, 1971 |
| Sixth | October 1, 1955 | Twenty-fourth | October 1, 1971 |
| Seventh | January 1, 1957 | Twenty-fifth | October 1, 1972 |
| Eighth | September 1, 1957 | Twenty-sixth | January 1, 1974 |
| Ninth | January 1, 1958 | Twenty-seventh | October 1, 1974 |
| Tenth | July 1, 1958 | Twenty-eighth | May 1, 1975 |
| Eleventh | September 1, 1960 | Twenty-ninth | January 1, 1976 |
| Twelfth | June 22, 1961 | Thirtieth | July 1, 1976 |
| Thirteenth | April 1, 1962 | Thirty-first | December 1, 1976 |
| Fourteenth | December 1, 1962 | Thirty-second | January 1, 1977 |
| Fifteenth | April 1, 1963 | Thirty-third | November 1, 1977 |
| Sixteenth | August 1, 1963 | Thirty-fourth | April 1, 1979 |
| Seventeenth | October 1, 1964 | Thirty-fifth | October 1, 1980 |
| Eighteenth | October 1, 1965 | Thirty-sixth | March 1, 1981 |
| and | | | |

WHEREAS the First through Thirty-sixth 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-seventh 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, Montana, Oregon, Utah, Washington and Wyoming and various counties within such states, which counties include or will include all counties in which this Thirty-seventh 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

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 | \$ 0 |
| 2. Second—3%..... | 1980 | 9,000,000 | 0 |
| 3. Third—3½%..... | 1982 | 12,500,000 | 12,500,000 |
| 4. Fourth—3¾%..... | 9/1/1982 | 7,500,000 | 7,500,000 |
| 5. Fifth—3¾%..... | 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—5¾%..... | 9/1/1987 | 20,000,000 | 0 |
| 10. Tenth—4¼%..... | 1988 | 15,000,000 | 15,000,000 |
| 11. Eleventh—4¾%..... | 7/1/1988 | 20,000,000 | 20,000,000 |
| 12. Twelfth—5½%..... | 1990 | 20,000,000 | 20,000,000 |
| 13. Thirteenth—4¾%..... | 1992 | 35,000,000 | 35,000,000 |
| 14. Fourteenth—4½%..... | 12/1/1992 | 32,000,000 | 32,000,000 |
| 15. Fifteenth—3¾%..... | 11/1/1974 | 11,434,000 | 0 |
| 16. Sixteenth—3¾%..... | 4/1/1978 | 4,500,000 | 0 |
| 17. Seventeenth—3¾%..... | 8/1/1979 | 4,951,000 | 0 |
| 18. Eighteenth—4¼%..... | 6/1/1981 | 5,849,000 | 0 |
| 19. Nineteenth—4¼%..... | 10/1/1982 | 6,157,000 | 6,157,000 |
| 20. Twentieth—3¾%..... | 3/1/1984 | 8,659,000 | 8,659,000 |
| 21. Twenty-first—4¾%..... | 5/1/1986 | 14,454,000 | 14,454,000 |
| 22. Twenty-second—4¾%..... | 1993 | 30,000,000 | 30,000,000 |
| 23. Twenty-third—4¾%..... | 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—8¾%..... | 11/1/1999 | 20,000,000 | 20,000,000 |
| 27. Twenty-seventh—9¾%..... | 2000 | 25,000,000 | 25,000,000 |
| 28. Twenty-eighth—7¾%..... | 2001 | 40,000,000 | 40,000,000 |
| 29. Twenty-ninth—8%..... | 10/1/2001 | 35,000,000 | 35,000,000 |
| 30. Thirtieth—7¾%..... | 2002 | 30,000,000 | 30,000,000 |
| 31. Thirty-first—8¾%..... | 2004 | 60,000,000 | 60,000,000 |
| 32. Thirty-second—9¾%..... | 1983 | 70,000,000 | 70,000,000 |
| 33. Thirty-third—10¾%..... | 1990* | 60,000,000 | 60,000,000 |
| 34. Thirty-fourth—10%..... | 2006 | 75,000,000 | 75,000,000 |
| 35. Thirty-fifth—7¾%..... | 7/1/2006 | 35,000,000 | 35,000,000 |
| 36. Thirty-sixth—8¾%..... | 12/1/2006 | 50,000,000 | 50,000,000 |
| 37. Thirty-seventh—6¾%..... | 1/1/2007 | 17,000,000 | 17,000,000 |
| 38. Thirty-eighth—8¾%..... | 11/1/2007 | 100,000,000 | 100,000,000 |
| 39. Thirty-ninth—10¼%..... | 2009 | 100,000,000 | 100,000,000 |
| 40. Fortieth—14¾%..... | 2010 | 50,000,000 | 50,000,000 |
| 41. Forty-first—15¾%..... | 1991 | 75,000,000 | 75,000,000 |

* Due 1985 upon exercise of option by holder.

WHEREAS Section 8 of the Mortgage provides that the form of each series of bonds (other than the First Series) issued thereunder and of the coupons to be attached to the coupon bonds, if any, of such series shall be established by Resolution of the Board of Directors of the Company; that the form of such series, as established by said Board of Directors, shall specify the descriptive title of the bonds and various other terms thereof; and that such series may also contain such provisions not inconsistent with the provisions of the Mortgage, as supplemented, as the Board of Directors may, in its discretion, cause to be inserted therein expressing or referring to the terms and conditions upon which such bonds are to be issued and/or 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 or in any way conferred upon 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 at the time unrestricted or to additional restriction if already restricted, and the Company may enter into any further covenants, limitations or restrictions for the benefit of any one or more series of bonds issued thereunder, or 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 executed and acknowledged by the Company in such manner as would be necessary 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 now desires to create a new series of bonds and (pursuant to the provisions of Section 120 of the Mortgage) to add to its 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-seventh Supplemental Indenture, and the terms of the bonds of the Forty-

second 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 ensealing 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 and (to the extent of its legal capacity to hold the same for the purposes hereof) to Morgan 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-sixth 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 (I) 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 the properties described in Article IV hereof, and including (without in anywise limiting or impairing by 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 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 (I) 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 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 and (to the extent of its legal capacity to hold the same for the purposes hereof) to Morgan 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-seventh 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.

Forty-second Series of Bonds.

SECTION 1. There shall be a series of bonds designated "18% Series due October 15, 1991" (herein sometimes referred to as the "Forty-second 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 Forty-second Series shall mature on October 15, 1991 and shall be issued as fully registered bonds in the denomination of One Thousand Dollars and, at the option of the Company, in any multiple or multiples of One Thousand Dollars (the exercise of such option to be evidenced by the execution and delivery thereof); they shall bear interest at the rate of eighteen per centum (18%) per annum, payable semi-annually on October 15 and April 15 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 Forty-second Series shall be dated as in Section 10 of the Mortgage provided.

Section 10 of the Mortgage (as heretofore amended) is hereby further amended by inserting the following provision at the end thereof:

"Notwithstanding the foregoing, the person in whose name any bond of the 18% Series due October 15, 1991 (hereinafter called the "Forty-second Series") is registered at the close of business on any record date for the Forty-second Series (as hereinafter defined) with respect to any interest payment date shall be entitled to receive the interest payable on such interest payment date (except that in case of any redemption of bonds as provided for herein on a date subsequent to the record date for the Forty-second Series and prior to such interest payment date, interest on such redeemed bonds shall be payable only to the date fixed for redemption thereof and only against surrender of such bonds for redemption in accordance with the notice of such redemption) notwithstanding the cancellation of such bond upon any transfer or exchange thereof subsequent to the record date for the Forty-second Series and prior to such interest payment date, except if, and to the extent that, the Company shall default in the payment of the interest due on such interest payment date, in which case such defaulted interest shall be paid to the persons in whose names outstanding bonds of the Forty-second Series are registered on the day immediately preceding the date of payment of such defaulted interest. Any bond of the Forty-second Series issued upon any transfer or exchange subsequent to the record date for the Forty-second Series for any interest payment date

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and prior to such interest payment date shall bear interest from such interest payment date. The term "record date for the Forty-second Series" as used with respect to any interest payment date shall mean the last day of the calendar month next preceding such interest payment date."

The Company reserves the right to establish, at any time, by Resolution of the Board of Directors of the Company a form of coupon bond, and of appurtenant coupons, for the Forty-second Series and to provide for exchangeability of such coupon bonds with the bonds of the Forty-second Series issued hereunder in fully registered form and to make all appropriate provisions for such purpose.

(1) Bonds of the Forty-second Series shall be redeemable either at the option of the Company or pursuant to the requirements of the Mortgage, as supplemented, in whole at any time, or in part from time to time, prior to maturity, upon notice as provided in Section 52 of the Mortgage mailed at least thirty (30) days prior to the date fixed for redemption, at the following General Redemption Prices, expressed in percentages of the principal amount of the bonds to be redeemed:

General Redemption Prices

If redeemed during the twelve months ending on the fourteenth day of October,

| | | | | | |
|------------|---------|------------|---------|------------|---------|
| 1982 | 116.20% | 1986 | 108.10% | 1989 | 102.03% |
| 1983 | 114.18 | 1987 | 106.08 | 1990 | 100.00 |
| 1984 | 112.15 | 1988 | 104.05 | 1991 | 100.00 |
| 1985 | 110.13 | | | | |

in each case, together with accrued interest to the date fixed for redemption; provided, however, that none of the bonds of the Forty-second Series shall be redeemed prior to October 15, 1986, at a General Redemption Price, if such redemption is for (1) the purpose, or in anticipation, of refunding such bond of the Forty-second Series through the use, directly or indirectly, of funds borrowed by the Company at an effective interest cost to the Company (calculated in accordance with acceptable financial practices) of less than 18.58% per annum; or (2) the purpose of retirement of such bond through

application of cash deposited with the Corporate Trustee pursuant to the provisions of Section 39 of the Mortgage; or (3) the purpose of retirement of such bond through application of proceeds deposited with the Corporate Trustee pursuant to the provisions of Section 62 or Section 64 of the Mortgage. Such restrictions are not applicable to any redemption at a Special Redemption Price.

(II) Bonds of the Forty-second Series shall also be redeemable in whole at any time, or in part from time to time, prior to maturity, upon like notice, 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 or with the Proceeds of Released Property other than proceeds deposited pursuant to Section 62 of the Mortgage, at the Special Redemption Price equal to the principal amount of the bonds to be redeemed together with accrued interest to the date fixed for redemption.

(III) At the option of the registered owner, any bonds of the Forty-second Series, upon surrender thereof, for cancellation, at the office or agency of the Company in the Borough of Manhattan, The City of New York, shall be exchangeable for a like aggregate principal amount of bonds of the same series or other authorized denominations.

Bonds of the Forty-second Series shall be transferable, upon the surrender thereof, for cancellation, together with a written instrument of transfer in form approved by the registrar 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. Upon any transfer or exchange of bonds of the Forty-second 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 exchange or transfer of bonds of the Forty-second Series.

After the execution and delivery of this Thirty-seventh 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 Forty-second Series for the aggregate principal amount of One Hundred Million Dollars (\$100,000,000).

ARTICLE II.**Replacement Fund Covenant—Other Related Provisions
of the Mortgage—Dividend Covenant.**

SECTION 2. Subsection (I) of Section 39 of the Mortgage, as heretofore amended, is hereby further amended by substituting "Forty-first or Forty-second" for "or Forty-first" and by substituting "Forty-first and Forty-second" for "and Forty-first" 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 "Forty-second Series," before the words "Forty-first 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 "Forty-second Series," before the words "Forty-first Series" each time such words appear therein.

Clause (6) of Section 5 of the Mortgage, as heretofore amended, is hereby further amended by inserting "Forty-second," before "Forty-first".

Clause (e) of Section 5 of the Mortgage, as heretofore amended, is hereby further amended by inserting "Forty-second," before "Forty-first".

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

ARTICLE III.**Miscellaneous Provisions.**

SECTION 3. The right, if any, of the Company to assert the defense of usury against a holder or holders of bonds of the Forty-second Series or any subsequent series shall be determined only under the laws of the State of New York.

SECTION 4. Subject to the amendments provided for in this Thirty-seventh Supplemental Indenture, the terms defined in the Mortgage, as heretofore amended, shall, for all purposes of this Thirty-seventh Supplemental Indenture, have the meanings specified in the Mortgage, as heretofore amended.

SECTION 5. 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-seventh Supplemental Indenture 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-seventh 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-seventh Supplemental Indenture.

SECTION 6. Whenever in this Thirty-seventh 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-seventh 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 7. Nothing in this Thirty-seventh 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-seventh Supplemental Indenture, or any covenant, condition, stipulation, promise or agreement hereof, and all the covenants, conditions, stipulations, promises and agreements in this Thirty-seventh 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 8. This Thirty-seventh 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.

ARTICLE IV.

Specific Description of Property

The following described properties acquired subsequent to December 31, 1980, in the States of OREGON, MONTANA, and WASHINGTON, owned as of September 1, 1981 and used by the Company as sites for its plants, dams, reservoirs, substations, switching stations, office buildings and electric transmission and distribution facilities, or acquired and held for present or future use and development in connection with its electric utility, steam heating, and water supply systems, or for other purposes, as hereinafter indicated, respectively:

A—HYDROELECTRIC GENERATING PLANTS

A-3—Naches Hydroelectric Generating Plants

The following described lands used in connection with the two hydroelectric generating plants, known as the Naches Plant and the Naches Drop Plant:

Lands in YAKIMA County, State of WASHINGTON:

A-3 Item 11: A tract of land in the south half of the southwest quarter of Section 13, Township 14 North, Range 17 East, Willamette Meridian, described as being:

Bounded on the west by the east line of the lands owned by Pacific Power & Light Company, which said west boundary line of the tract herein described is more particularly described in Deed under which title is claimed as a line beginning at a point 140 feet west of the southwest corner of the southeast quarter of the southwest quarter of said Section 13; thence north $0^{\circ} 28'$ west, 441 feet; thence north 26° east, 842 feet; thence north 38° east, 326 feet, more or less to the $1/16$ line;

And bounded on the southeast by the northwesterly right of way line of that certain strip of land 60 feet wide, the center of which runs as follows:

Beginning at a point on the Selah Valley Canal that bears south 26° east, 500 feet distant from the center of said Section 13; thence following the center of gulch south 33° west, 500 feet; thence south 52° west, 236 feet; thence south 37° west, 560 feet; thence south 66° west, 220 feet; thence south 52° west, 450 feet; thence south 29° west, 256 feet; thence south 40° west, 300 feet; thence south 70° west, 120 feet to the left bank of Naches River, said strip of land being 30 feet wide on each side of said centerline;

And bounded on the northeast by the southwesterly right of way line of a certain strip of land 75 feet wide, being 37.5 feet on each side of a centerline thereof described as follows:

Beginning at a point which bears north 29° east 48 feet distant from the center of the southwest quarter of said Section 13, and running thence south 30° east 450 feet to a gulch used as a wasteway for the Selah Valley Canal, as described in Volume 43 of Deeds, Page 90, records of said County;

And bounded on the southwest by the northerly right of way line of the Old Naches Highway.

C—ELECTRIC SUBSTATIONS AND SWITCHING STATIONS

All of the following described real property in the States of OREGON and MONTANA used by the Company in connection with the operation and maintenance of the electric substations and switching stations hereinafter designated respectively:

C-393—China Hat Substation

In DESCHUTES County, State of OREGON:

C-393 Item: A tract of land in Section 19, Township 18 South, Range 12 East, Willamette Meridian, described as follows:

Lots 94, 95, 96, 97 and 98 of River Bend Estates, according to the official plat thereof recorded November 9, 1961, records of Deschutes County; EXCEPTING that portion conveyed to the State of OREGON by deed recorded in Book 150, Page 350, Deed Records.

C-394—Green Substation

In DOUGLAS County, State of OREGON:

C-394 Item: A tract of land in the northeast quarter of Section 11, Township 28 South, Range 6 West, Willamette Meridian, described as follows:

A portion of Lots 5 and 8 of Watts Acres described as follows:

Beginning at a 5/8 inch iron rod on the easterly right of way line of the Southern Pacific Railroad from which the 2 inch iron pipe initial point of Watts Acres bears north 875.15 feet and east 1268.62 feet; thence leaving said right of way, south 73° 00' 20" east 200.00 feet to a 5/8 inch iron rod; thence north 16° 59' 40" east 228.95 feet to a 5/8 inch iron rod in the southerly line of that property described in Instrument No. 73-7568, Records of Douglas County, Oregon; thence along said southerly line north 83° 04' 43" west 137.47 feet to a 5/8 inch iron rod and north 55° 44' 35" west 67.70 feet to a 5/8 inch iron rod on the easterly right of way line of said Southern Pacific Railroad; thence south 16° 59' 40" west 225.00 feet along said right of way line to the point of beginning.

C-395—Winchester Substation

In DOUGLAS County, State of OREGON:

C-395 Item: A tract of land in Section 25, Township 26 South, Range 6 West, Willamette Meridian, described as follows:

Lot 1, Amended Plat of Rio Vista.

C-396—Burns Reactor Station

In HARNEY County, State of OREGON:

C-396 Item: A parcel of land located in the southwest quarter of the northeast quarter of Section 18, Township 22 South, Range 31 East, Willamette Meridian, described as follows:

Beginning at the northwest corner of the southwest quarter of the northeast quarter of said Section 18; thence north 89° 17' 05" east along the north boundary of said southwest quarter of the northeast

quarter, 933.40 feet; thence south $01^{\circ} 08' 20''$ west, 933.40 feet; thence south $89^{\circ} 17' 05''$ west, 933.40 feet to the west boundary of said southwest quarter of the northeast quarter; thence north $01^{\circ} 08' 20''$ east along the said west boundary, 933.40 feet to the point of beginning.

C-397—Jacksonville Substation

In JACKSON County, State of OREGON:

C-397 Item: A tract of land in Section 28, Township 37 South, Range 2 West, Willamette Meridian, described as follows:

Commencing at the southwest corner of Donation Land Claim No. 67; thence north $0^{\circ} 02'$ east 1486.00 feet to the true point of beginning; thence continuing north $0^{\circ} 02'$ east 189.0 feet; thence north $39^{\circ} 04'$ east 100.0 feet; thence north $89^{\circ} 51' 04''$ east 162.0 feet; thence south $0^{\circ} 02''$ west to a point north $89^{\circ} 51' 04''$ east from the true point of beginning; thence south $89^{\circ} 51' 04''$ west to the true point of beginning.

C-398—Boyer Switching Station

In POLK County, State of OREGON:

C-398 Item: A tract of land in the southwest quarter of Section 6, Township 6 South, Range 8 West, Willamette Meridian, described as follows:

Beginning at a point which is north $86^{\circ} 25' 28''$ west, 1130.59 feet, and north $2^{\circ} 29' 43''$ east, 378.33 feet from the south quarter corner of said Section 6, a Polk County Brass Cap found, and running north $2^{\circ} 29' 43''$ east, 300.00 feet; thence south $87^{\circ} 30' 17''$ east, 340.00 feet; thence south $2^{\circ} 29' 43''$ west, 300.00 feet; thence north $87^{\circ} 30' 17''$ west, 340.00 feet to the point of beginning.

C-399—McKay Substation

In UMATILLA County, State of OREGON:

C-399 Item: A tract of land in the southeast quarter of Section 21, Township 2 North, Range 32 East, Willamette Meridian, described as follows:

Commencing at the north quarter corner of said Section 21, thence south $11^{\circ} 19' 13''$ east 4355.62 feet to the true point of beginning, said point of beginning being located on the westerly right of way line of U.S. Highway No. 395 and being monumented by a $5/8$ inch diameter by 30 inch long iron pin, and said point of beginning also being located south $26^{\circ} 00' 28''$ east 1801.74 feet from the brass capped iron pipe monumenting the center quarter corner of said Section 21; thence south $18^{\circ} 46' 45''$ east, along the westerly right of way line of U.S. Highway No. 395, 225.00 feet to a $5/8$ inch diameter by 30 inch long iron pin; thence south $71^{\circ} 13' 15''$ west 225.00 feet to a $5/8$ inch diameter by 30 inch long iron pin; thence north $18^{\circ} 46' 45''$ west, parallel to the westerly right of way line of U.S. Highway No. 395, 225.00 feet to a $5/8$ inch diameter by 30 inch long iron pin; thence north $71^{\circ} 13' 15''$ east 225.00 feet to the point of beginning.

D—ELECTRIC TRANSMISSION LINES

All the following described electric transmission lines of the Company in the State of OREGON, hereinafter enumerated and described as extending from plants or stations hereinabove described or other termini as indicated, to other designated plants, stations, or other termini as indicated below:

D-367 Line: From Devil's Lake Substation (formerly Delake Substation) (C-198) to Boyer Switching Station (C-398) in LINCOLN County, State of OREGON, including the following tracts of land used for right of way:

D-367 Item 1: A tract of land in LINCOLN County, State of OREGON, located in the southeast quarter of Section 35 and the southwest quarter of Section 36, Township 6 South, Range 10 West, Willamette Meridian, described as follows:

Beginning at a point that is north 1,292.33 feet and east 6.16 feet from the south section corner common to Sections 35 and 36 of said township and range; thence south $41^{\circ} 53' 30''$ east, 291.23 feet to a point on the north line of that tract described in deed to Bruce E. Modzelewski, recorded November 7, 1978 in Volume 94, page 689, Film Records; thence south $70^{\circ} 05' 20''$ west, 128.30 feet; thence north $26^{\circ} 09' 20''$ west, 300 feet more or less; thence east 53.73 feet more or less to the point of beginning.

D-367 Item 2: A tract of land in LINCOLN County, State of OREGON, located in the southeast quarter of Section 35 and the southwest quarter of Section 36, Township 6 South, Range 10 West, Willamette Meridian, described as follows:

Beginning at a point that is north 1,292.33 feet and east 6.16 feet from the south section corner common to Sections 35 and 36 of said township and range; thence south $41^{\circ} 53' 30''$ east, 291.23 feet to a point on the north line of that tract described in deed to Bruce E. Modzelewski, recorded November 7, 1978 in Volume 94, page 689, Film Records; thence easterly along said tract north $83^{\circ} 24'$ east, 201.33 feet; thence north 218.66 feet, more or less, to the north line of the south half of the southwest quarter of said Section 36; thence west along said line and its westerly extension, 711.86 feet, more or less, to the easterly right of way line of Slick Rock Road; thence south $37^{\circ} 10' 36''$ east, 31.38 feet along said right of way to a point that is west from the point of beginning; thence east, 298.44 feet, more or less, parallel and 25 feet south of the north line of the south half of the southwest quarter of said Section 36 and the north line of the south half of the southeast quarter of the southeast quarter of said Section 35 to the true point of beginning.

G—WATER SYSTEMS

G-3—Libby Water System

Land used in connection with the water supply and water distribution system of the Company in and about the City of Libby, LINCOLN County, State of MONTANA, described as follows:

G-3 Item 10: A tract of land in Section 10, Township 30 North, Range 31 West, Montana Principal Meridian, described as follows:

A 25 foot wide strip of land located in the southeast quarter of the southwest quarter of the southwest quarter of said Section 10, being 10 feet on the right (or easterly) side and 15 feet on the left (or westerly) side of the following described centerline:

Beginning at a found pin on the southerly boundary of Section 10, Township 30 North, Range 31 West, M.P.M. tagged W & R 4232-S, which bears north $89^{\circ} 52' 52''$ east 872.91 feet from the southwest

corner of said Section 10; thence along the reported location of the P.P.&L. water line; north 15° 26' 51" west 680.59 feet to a point on the southerly boundary of Cabinet View Subdivision, First Addition, a recorded subdivision in Lincoln County. The aforementioned side lines are to be lengthened or shortened to intersect the south boundary of Section 10 on the south and the south boundary of Cabinet View Subdivision on the north.

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 Senior Vice Presidents or 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.

[SEAL]

PACIFIC POWER & LIGHT COMPANY,

By

[Signature]
Vice President

Attest:

[Signature]
Assistant Secretary

[SEAL]

MORGAN GUARANTY TRUST COMPANY
OF NEW YORK,

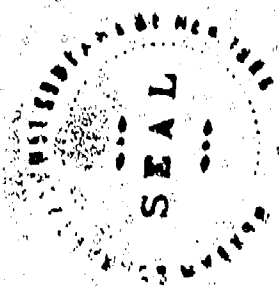
By

[Signature]
Trust Officer

Attest:

[Signature]
Assistant Secretary

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



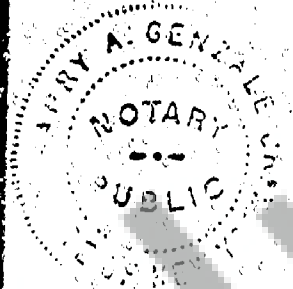
STATE OF NEW YORK }
COUNTY OF NEW YORK } SS.:

On this 28th day of October 1981, before me, HARRY A. GENZALE, a Notary Public in and for the State of New York, personally appeared R. F. LANZ and P. J. SIMPSON, known to me to be a Vice President and an Assistant Secretary, respectively, of Pacific Power & Light Company, a Maine corporation, who did say that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and who acknowledged this instrument to be the free, voluntary 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.

[SEAL]

Harry A. Genzale Jr.
HARRY A. GENZALE JR.
Notary Public, State of New York
No. 6488/35 Richmond County
Certificate filed in New York County
Term Expires March 30, 1982



STATE OF WASHINGTON)
COUNTY OF SPOKANE) SS.
I HEREBY CERTIFY THAT THE WITHIN

INSTRUMENT OF WRITING WAS BY
Richard D. Baek
900
S.W. 11th Ave., Portland, OR
1:30 P.M. Nov 30, 81
58
nty 369-392

Dee L. Messinger
B. Babcock

Registered ☒
Index ☒
Filed ☒
Recorded ☒
Mailed ☐

92386

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

On this 28th day of October, 1981 before me, WILLIAM A. FEENEY, a Notary Public in and for the State of New York, personally appeared P. J. CROOKS and THOMAS R. BOWEN, known to me to be a Trust Officer and an Assistant Secretary, respectively, of Morgan Guaranty Trust Company of New York, a New York trust company, who did say that the seal affixed to the foregoing instrument is the corporate seal of said company and who acknowledged this instrument to be the free, voluntary 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.

William A. Feeny
WILLIAM A. FEENEY
Notary Public, State of New York
Qualified in Queens County
Certificate Filed in New York County
No. 41-6251746
Commission Expires March 30, 1982

[SEAL]

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

On this 28th day of October, 1981, before me, WILLIAM A. FEENEY, a Notary Public in and for the State of New York, personally appeared R. E. SPARROW, known to me to be the individual described in and who executed the foregoing instrument, and acknowledged that he executed this instrument as his free and voluntary act and deed.

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

William A. Feeny
WILLIAM A. FEENEY
Notary Public, State of New York
Qualified in Queens County
Certificate Filed in New York County
No. 41-6251746
Commission Expires March 30, 1982

[SEAL]