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CLARK COUNTY, WASH.  
BY PACIFIC CORPORATION

Mar 29 2 09 PM '86

d. Murr, P.P.

AUDITOR

GARY H. OLSON

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**PACIFICORP**

(formerly 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

**Fortieth Supplemental Indenture**

*Dated as of March 1, 1986*

Registered S  
Indexed S  
Indexed S  
Filed S  
Mailed S

FORTIETH SUPPLEMENTAL INDENTURE

THIS INDENTURE, dated as of the first day of March, 1986, made and entered into by and between PACIFIC CORP (formerly known as PACIFIC POWER & LIGHT COMPANY), a corporation of the State of Maine, whose post office address is 851 SW Sixth Avenue, 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 Fortieth 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 Fortieth 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:

	Dated as of		Dated as of
First	April 1, 1950	Twenty-first	November 1, 1969
Second	March 1, 1952	Twenty-second	July 1, 1970
Third	September 1, 1952	Twenty-third	February 1, 1971
Fourth	April 1, 1954	Twenty-fourth	October 1, 1974
Fifth	August 1, 1954	Twenty-fifth	October 1, 1972
Sixth	October 1, 1955	Twenty-sixth	January 1, 1974
Seventh	January 1, 1957	Twenty-seventh	October 1, 1974
Eighth	September 1, 1957	Twenty-eighth	May 1, 1975
Ninth	January 1, 1958	Twenty-ninth	January 1, 1976
Tenth	July 1, 1958	Thirtieth	July 1, 1976
Eleventh	September 1, 1960	Thirty-first	December 1, 1976
Twelfth	June 22, 1961	Thirty-second	January 1, 1977
Thirteenth	April 1, 1962	Thirty-third	November 1, 1977
Fourteenth	December 1, 1962	Thirty-fourth	April 1, 1979
Fifteenth	April 1, 1963	Thirty-fifth	October 1, 1980
Sixteenth	August 1, 1963	Thirty-sixth	March 1, 1981
Seventeenth	October 1, 1964	Thirty-seventh	October 15, 1981
Eighteenth	October 1, 1965	Thirty-eighth	August 1, 1982
Nineteenth	December 15, 1967	Thirty-ninth	April 1, 1983
Twentieth	May 1, 1969		
and			

WHEREAS the First through Thirty-ninth 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 Fortieth 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 Fortieth 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—3½%	1977	\$38,000,000	\$ 0
2. Second—3%	1980	9,000,000	0
3. Third—3⅓%	1982	12,500,000	0
4. Fourth—3¼%	9/1/1982	7,500,000	0
5. Fifth—3⅓%	1984	8,000,000	0
6. Sixth—3½%	8/1/1984	30,000,000	0
7. Seventh—3¾%	1985	10,000,000	0
8. Eighth—5⅛%	1987	12,000,000	0
9. Ninth—3¾%	9/1/1987	20,000,000	0
10. Tenth—4¼%	1988	15,000,000	14,900,000
11. Eleventh—4⅜%	7/1/1988	20,000,000	17,675,000
12. Twelfth—5⅓%	1990	20,000,000	14,271,000
13. Thirteenth—4⅔%	1992	35,000,000	26,696,000
14. Fourteenth—4½%	12/1/1992	32,000,000	24,405,000
15. Fifteenth—3⅓%	11/1/1974	1,434,000	0
16. Sixteenth—3⅓%	4/1/1978	4,500,000	0
17. Seventeenth—3⅓%	8/1/1979	4,951,000	0

Series	Due Date	Aggregate Principal Amount Issued	Aggregate Principal Amount Outstanding
18. Eighteenth—4½%	6/1/1981	5,849,000	0
19. Nineteenth—4½%	10/1/1982	6,157,000	0
20. Twentieth—3¾%	3/1/1984	8,659,000	0
21. Twenty-first—4½%	5/1/1986	14,454,000	14,454,000
22. Twenty-second—4½%	1993	30,000,000	19,666,000
23. Twenty-third—4½%	1994	30,000,000	21,946,000
24. Twenty-fourth—5%	1995	30,000,000	22,042,000
25. Twenty-fifth—8%	1999	25,000,000	23,400,000
26. Twenty-sixth—8½%	11/1/1999	20,000,000	20,000,000
27. Twenty-seventh—9%	2000	25,000,000	24,310,000
28. Twenty-eighth—7½%	2001	40,000,000	37,698,000
29. Twenty-ninth—8%	10/1/2001	35,000,000	32,940,000
30. Thirtieth—7¾%	2002	30,000,000	28,534,000
31. Thirty-first—8¾%	2004	60,000,000	52,695,000
32. Thirty-second—9½%	1983	70,000,000	0
33. Thirty-third—10¼%	1990	60,000,000	21,207,000
34. Thirty-fourth—10%	2006	75,000,000	72,770,000
35. Thirty-fifth—7¾%	7/1/2006	35,000,000	22,485,000
36. Thirty-sixth—8¾%	12/1/2006	50,000,000	45,075,000
37. Thirty-seventh—6¾%	1/1/2007	17,000,000	8,190,000
38. Thirty-eighth—8½%	11/1/2007	100,000,000	93,345,000
39. Thirty-ninth—10¼%	2009	100,000,000	98,100,000
40. Fortieth—14¾%	2010	50,000,000	0
41. Forty-first—15%	1991	75,000,000	0
42. Forty-second—18%	10/15/1991	100,000,000	50,000,000
43. Forty-third—Adjustable Rate	11/1/2002	50,000,000	50,000,000
44. Forty-fourth—12½%	2013	100,000,000	100,000,000

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 Fortieth Supplemental Indenture, and the terms of the bonds of the Forty-fifth 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 PacifiCorp, in consideration of the premises and of One Dollar (\$1) to it duly paid by the Trustees at or before the sealing and delivery of these presents, the receipt whereof is hereby acknowledged, and in further assurance of the estate, title and rights of the Trustees and in order further to secure the payment of both the principal of and interest and premium, if any, on the bonds from time to time issued under the Mortgage, according to their tenor and effect, and the performance of all the provisions of the Mortgage (including any instruments supplemental thereto and any modification made as in the Mortgage provided) and of such bonds, and to confirm the lien of the Mortgage on certain after acquired property, hereby grants, bargains, sells, releases, conveys, assigns, transfers, mortgages, pledges, sets over and confirms (subject, however, to Excepted Encumbrances as defined in Section 6 of the Mortgage) unto R.E. Sparrow 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 Trustee 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-ninth Supplemental Indenture, of the kind or nature specifically mentioned in Article XXI of the Mortgage, or of any other kind or nature (except any herein or in the Mortgage, as heretofore supplemented, expressly excepted), now owned, or, subject to the provisions of subsection (1) of Section 87 of the Mortgage, hereafter acquired by the Company (by purchase, consolidation, merger, donation, construction, erection or in any other way) and wheresoever situated, including the properties described in Article III 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, héreditaments, 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 (1) of Section 87 of the Mortgage, all the property, rights and franchises acquired by the Company (by purchase, consolidation, merger, donation, construction, erection or in any other way) after the date hereof, except any herein or in the Mortgage, as heretofore supplemented, expressly excepted, shall be and are as fully granted and conveyed hereby and by the Mortgage, and as fully embodied 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 chases 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 Fortieth 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-FIFTH SERIES OF BONDS.

SECTION 1. There shall be a series of bonds designated "8½% Series due March 1, 1996" (herein sometimes referred to as the "Forty-fifth 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-fifth Series shall mature on March 1, 1996 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 eight and five-eighths per centum (8½%) per annum, payable semi-annually on September 1 and March 1 of each year; and the principal of and interest on each such bond to be payable at the office or agency of the Company in the Borough of Manhattan, The City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for public and private debts. Bonds of the Forty-fifth Series shall be dated as in Section 10 of the Mortgage provided.

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-fifth Series and to provide for exchangeability of such coupon bonds with the bonds of the Forty-fifth Series issued hereunder in fully registered form and to make all appropriate provisions for such purpose:

(1) Bonds of the Forty-fifth 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 28th day of February (or February 29 in 1988, 1992 and 1996).

1987 .....	108.00%	1992 .....	102.29%
1988 .....	106.86%	1993 .....	101.15%
1989 .....	105.72%	1994 .....	100.00%
1990 .....	104.58%	1995 .....	100.00%
1991 .....	103.43%	1996 .....	100.00%

in each case, together with accrued interest to the date fixed for redemption; provided, however, that none of the bonds of the Forty-fifth Series shall be redeemed prior to March 1, 1991, at a General Redemption Price, if such redemption is for the purpose, or in anticipation, of refunding such bond of the Forty-fifth 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 8.79% per annum. Such restriction is not applicable to any redemption at a Special Redemption Price.

(II) Bonds of the Forty-fifth 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 39, Section 64 or Section 87 of the Mortgage or with the Proceeds of Released Property, 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-fifth 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 of other authorized denominations.

Bonds of the Forty-fifth 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-fifth 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-fifth Series.

After the execution and delivery of this Fortieth 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-fifth Series for the aggregate principal amount of Eighty Million Dollars (\$80,000,000). From and after the issuance by the Company and authentication by the Corporate Trustee of bonds of the Forty-fifth Series, the aggregate principal amount of bonds of the Forty-fifth Series so issued and authenticated shall no longer be available for issuance pursuant to Article II, Section 2 of the Thirty-eighth Supplemental Indenture.

## ARTICLE II.

### MISCELLANEOUS PROVISIONS.

SECTION 2. The right, if any, of the Company to assert the defense of usury against a holder or holder of bonds of the Forty-fifth Series or any subsequent series shall be determined only under the laws of the State of New York.

SECTION 3. The terms defined in the Mortgage, as heretofore amended, shall, for all purposes of this Fortieth Supplemental Indenture, have the meanings specified in the Mortgage, as heretofore amended.

SECTION 4. 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 Fortieth 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 Fortieth 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 Fortieth Supplemental Indenture.

SECTION 5. Whenever in this Fortieth 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 Fortieth 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 6. Nothing in this Fortieth 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 Fortieth Supplemental Indenture or any covenant, condition, stipulation, promise or agreement hereof, and all the covenants, conditions, stipulations, promises and agreements in this Fortieth 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 7. This Fortieth 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 III.

## SPECIFIC DESCRIPTION OF PROPERTY

The following described properties acquired subsequent to March 31, 1983, in the states of Oregon, California, Montana, Washington, and Wyoming, owned as of January 31, 1986, 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 and water supply systems, or for other purposes, as hereinafter indicated, respectively:

## A—HYDROELECTRIC GENERATING PLANTS

A-13—*Yale Hydroelectric Generating Plant*

The following described lands used in connection with the hydroelectric generating plant and project known as the Yale Project, located on the Lewis River above the Merwin Plant in the County of Cowlitz, State of Washington.

## Lands in Cowlitz County, State of WASHINGTON.

## A-13 Item 16: Lands in Township 7 North, Range 4 East, Willamette Meridian; described as follows:

That portion of the east half of the southeast quarter of Section 27, Township 7 North, Range 4 East, lying south of the centerline of the Lewis River Highway, as described in an Easement dated August 2, 1952, EXCEPT that portion thereof described as follows:

Beginning at a point on the south line of the southeast quarter of the southeast quarter of Section 27, which is south  $89^{\circ}58'50''$  west 1013.00 feet from the southeast corner thereof; thence north  $42^{\circ}38'15''$  west 444.06 feet, more or less, to a point on the west line of said southeast quarter of the southeast quarter; thence south  $0^{\circ}34'15''$  east, along said west line, 326.86 feet, more or less, to the southwest corner of said southeast quarter of the southeast quarter;

thence north  $89^{\circ}58'50''$  east, along the south line of said southeast quarter of the southeast quarter 297.57 feet, more or less, to the point of beginning.

### B—STEAM ELECTRIC GENERATING PLANTS

#### B-10—*Dave Johnston Steam Electric Generating Plant*

The steam electric generating plant, known as the Dave Johnston Plant, located in Converse County, State of Wyoming, including the following described lands owned and used by the Company in connection therewith namely:

Lands in CONVERSE County, State of WYOMING:

##### B-10 Item 30: Lands in Township 33 North, Range 74 West, 6th Principal Meridian, described as follows:

A tract of land located in the southwest quarter of the northeast quarter, the west half of the southeast quarter, and the southwest quarter of Section 3, and in the northeast quarter of the southeast quarter of Section 4, Converse County, Wyoming, being described as follows:

The point of beginning being the southwest corner of said Section 3 and being marked by a marked stone and fence corner; thence north  $89^{\circ}50'51''$  east along the south line of Section 3 a distance of 2635.45 feet to the south quarter corner of said section; thence south  $86^{\circ}52'51''$  east along the said south line a distance of 1267.76 feet to the southeast corner of said west half of the southeast quarter; thence north  $00^{\circ}56'02''$  east along the east line of said west half of the southeast quarter a distance of 1357.76 feet to the southeast one-sixteenth corner of said Section; thence north  $01^{\circ}06'43''$  east along said east line a distance of 1356.91 feet to the northeast corner of said west half of the southeast quarter; thence north  $00^{\circ}02'26''$  west along the east line of said southwest quarter of the northeast quarter a distance of 116.18 feet to a point on the southerly right of way of the Burlington Railroad; thence south  $75^{\circ}48'43''$  west along said right of way a distance of 4073.95 feet to a point on the west line of the southwest quarter of said Section 3;

thence continuing south  $75^{\circ}48'43''$  west along said right of way a distance of 175.35 feet; thence south a distance of 329.63 feet; thence east a distance of 170.00 feet to a point on said west line of said southwest quarter; thence south along said west line a distance of 1397.29 feet to the point of beginning.

*B-16—Satsop (Washington Public Power Supply System) Nuclear Project No. 3*

An undivided ten percent interest of the Company, as a tenant in common with others, in and to the nuclear generating plant, known as The Satsop (Washington Public Power Supply System) Nuclear Project No. 3, Grays Harbor County, State of Washington, including an undivided ten percent interest, as a tenant in common with others, in and to the following described lands used in connection therewith:

*Lands in GRAYS HARBOR County, State of WASHINGTON:*

*B-16 Item 17:* A strip of land of varying widths over and across the following parcels in Section 9, Township 17 North, Range 6 West, Willamette Meridian, described as follows:

*Parcel "R-3":* That part of Government Lot 3 in said Section 9, EXCEPT right of way of the Union Pacific Railroad Company, which lies on each side of the following described centerline:

Beginning at a point in the west line of said Section 9, which point bears south  $3^{\circ}18'17''$  west, 82.56 feet from the west quarter corner of said Section; said point of beginning being centerline station 64 + 60.57; thence along the arc of a 2915.01 foot radius curve to the right, which long chord bears north  $66^{\circ}16'45''$  east, 127.88 feet, an arc distance of 127.89 feet; thence north  $67^{\circ}32'10''$  east, 754.30 feet; thence along the arc of a 1720.04 foot radius curve to the right, which long chord bears north  $76^{\circ}46'55''$  east, 552.72 feet, an arc distance of 555.13 feet; thence north  $86^{\circ}01'40''$  east, 1740.96 feet; thence along the arc of a 4969.11 foot radius curve to the right, which long chord bears north  $89^{\circ}15'10''$  east, 559.10 feet, an arc distance of 559.39 feet; thence south  $87^{\circ}31'20''$  east, 940.39 feet; thence along the arc of a 1840.37 foot radius curve to the

right, which chord bears south  $80^{\circ}33'42''$  east, 446.05 feet, an arc distance of 447.15 feet to centerline station 115+85.78, which point bears north  $7^{\circ}04'06''$  east, 568.90 feet from the quarter corner between said Section 9 and Section 10.

Basis of Bearings: Washington State Coordinate System, South Zone.

The widths in feet of the right of way referred to above are as follows:

Distance Left	Centerline Station	Centerline Station	Distance Right
55.0	64+75		
109.25 (R.R.R./W.P.O.C.)	66+26.37	66+35	45
85.73 (R.R.R./W.P.O.C.)	67+30	68+20	187
52.0	67+30	70+10	221
78.01 (R.R.R./W.P.O.C.)	67+75	71+15	120
65.26 (R.R.R./W.P.O.C.)	68+85.75	71+55	55
60.79 (R.R.R./W.P.O.C.)	69+80.65	72+75	157
110.76 (R.R.R./W.P.O.C.)	69+82.42	74+95	277
66.0	70+75.67	76+95	311
110.63 (R.R.R./W.P.O.C.)	70+75.67	79+20	213
111.36 (R.R.R./W.P.O.C.)	71+38.82		
75.0	71+60		
111.69 (R.R.R./W.P.O.T.)	72+25		
114.39 (R.R.R./W.P.O.T.)	73+00		
67.0	74+05		
88.0	75+25		
93.0	77+70		
60.0	79+00		

AND INCLUDING that remaining portion of Parcel R-3, above described, that lies northerly of the herein described centerline and southerly of the Union Pacific Railroad.

Parcel "R-4": That part of Government Lot 2 in said Section 9, Grays Harbor County, Washington, lying southerly of the Union Pacific Railroad right of way, which lies on each side of the following described centerline:

Beginning at a point in the west line of said Section 9, which point bears south  $3^{\circ}18'17''$  west, 82.56 feet from the west quarter corner of said Section, said point of beginning being centerline station 64 + 60.57; thence along the arc of 2915.01 foot radius curve to the right, which long chord bears north  $66^{\circ}16'45''$  east, 127.88 feet, an arc distance of 127.89 feet; thence north  $67^{\circ}32'10''$  east, 754.30 feet; thence along the arc of a 1720.04 foot radius curve to the right, which long chord bears north  $76^{\circ}45'55''$  east, 552.72 feet, an arc distance of 555.13 feet; thence north  $86^{\circ}01'40''$  east, 1740.96 feet; thence along the arc of a 4969.11 foot radius curve to the right, which long chord bears north  $89^{\circ}15'10''$  east, 559.10 feet, an arc distance of 559.39 feet; thence south  $87^{\circ}31'20''$  east, 940.39 feet; thence along the arc of a 1840.37 foot radius curve to the right, which chord bears south  $80^{\circ}33'42''$  east, 446.05 feet, an arc distance of 447.15 feet to the centerline station 115 + 85.78, which point bears north  $7^{\circ}04'06''$  east, 568.90 feet from the quarter corner between said Section 9 and Section 10; thence continuing along the arc of a 1840.37 foot radius curve to the right, which chord bears south  $72^{\circ}31'41''$  east, 69.43 feet, an arc distance of 69.43 feet; thence south  $71^{\circ}26'23''$  east, 132.66 feet; thence along the arc of a 670.00 foot radius curve to the left, which long chord bears north  $86^{\circ}49'33''$  east, 496.21 feet, an arc distance of 508.31 feet; thence north  $65^{\circ}05'29''$  east, 1208.17 feet; thence along the arc of a 1434.80 foot radius curve to the left, which long chord bears north  $54^{\circ}49'13''$  east, 511.67 feet, an arc distance of 514.42 feet; thence north  $44^{\circ}32'57''$  east, 292.10 feet; thence along the arc of a 3992.19 foot radius curve to the right, which long chord bears north  $48^{\circ}33'40''$  east, 558.63 feet, an arc distance of 559.08 feet; thence north  $52^{\circ}34'23''$  east, 815.00 feet; thence along the arc of a 561.86 foot radius curve to the right, which long chord bears north  $71^{\circ}04'23''$  east, 356.56 feet, an arc distance of 362.84 feet to a point of compound curve; thence along the arc of a 872.48 foot radius curve to

the right, which long chord bears south  $82^{\circ}26'17''$  east, 242.52 feet, an arc distance of 243.31 feet; thence south  $74^{\circ}26'56''$  east, 414.88 feet; thence along the arc of a 156.65 foot radius curve to the left, which long chord bears north  $50^{\circ}43'02''$  east, 256.12 feet, an arc distance of 299.84 feet to centerline station 170 + 05.81, which point bears south  $89^{\circ}41'38''$  west, 778.82 feet and south  $4^{\circ}07'00''$  east, 106.93 feet from the northeast corner of said Section 10.

Basis of Bearings: Washington State Coordinate System, South Zone.

The widths in feet of the right of way referred to above as Parcel R-4 are as follows:

Distance Left	Centerline Station	Centerline Station	Distance Right
93.0	77+70	76+95	311
60.0	79+00	79+20	213
70.0	81+10	80+15	216
98.0	81+35	81+35	71
95.16 (R.R.R./W,P.O.T.)	82+30	82+00	74
89.79 (R.R.R./W,E.C.)	82+68.35	84+00	53
83.02 (R.R.R./W,P.O.C.)	83+20	84+85	147
67.0	84+35	86+80	287
870.49 (R.R.R./W,P.O.C.)	84+45	89+45	3273
61.70 (R.R.R./W,B.C.)	86+44.36		
59.38 (R.R.R./W,P.O.T.)	88+80	90+20	139
46.0	90+00	92+25	71
54.0	90+90		
50.0	94+00		

B-16 Item 18: A tract of land in Section 20, Township 17 North, Range 6 West, Willamette Meridian, described as follows:

The northwest quarter and the west one-half of the northeast quarter of said Section 20.

B-16 Item 19: A tract of land in Sections 6, 7 and 18, Township 17 North, Range 6 West, Willamette Meridian, described as follows:

Government Lot 3 in said Section 6 and Government Lot 8 in said Section 7, as conveyed by William G. Clarke Jr. and Betty M. Clarke, husband and wife, and Paul D. Brittain by deed recorded February 1, 1974, in Volume 128, Pages 319-322, in the Deed Records of the Auditor, Grays Harbor County, Washington;

AND the northeast quarter of the southwest quarter of said Section 7, as conveyed by Norman P. Willis and Beverly A. Willis, husband and wife, by deed recorded February 21, 1974, in Volume 129, Pages 117 and 118, in the Deed Records of the Auditor, Grays Harbor County, Washington;

AND that portion of Government Lot 4 and the southwest quarter of the southwest quarter of said Section 7, as conveyed by Russell Irwin and Beverly A. Irwin, husband and wife, by deed recorded February 20, 1974, in Volume 129, Pages 65 and 66, in the Deed Records of the Auditor, Grays Harbor County, Washington;

AND that portion of the southeast quarter of the southwest quarter of said Section 7, as conveyed by Mark L. Aarhaus and Doris L. Aarhaus, husband and wife, by deed recorded February 15, 1974, in Volume 128, Pages 721 and 722, in the Deed Records of the Auditor, Grays Harbor County, Washington;

AND those portions of the northeast quarter of the southeast quarter of said Section 7, as conveyed by Alta C. Meers, a widow, by deed recorded February 15, 1974, in Volume 128, Pages 725 and 726, in the Deed Records of the Auditor, Grays Harbor County, Washington;

AND that portion of the northwest quarter of the southeast quarter of said Section 7, as conveyed by James A. Ross Jr. and Dorothy J. Ross, husband and wife, by deed recorded February 15, 1974, in

Volume 128, Pages 727 and 728, in the Deed Records of the Auditor, Grays Harbor County, Washington;

AND that portion of the northwest quarter of the southeast quarter of said Section 7, as conveyed by Travis George West and Agnes L. West, husband and wife, by deed recorded September 14, 1973, in Volume 120, Pages 468 and 469, in the Deed Records of the Auditor, Grays Harbor County, Washington;

AND that portion of the southwest quarter of the southeast quarter of said Section 7, as conveyed by Richard C. Carver and Barbara Carver, husband and wife, by deed recorded September 21, 1973, in Volume 120, Pages 813-815, in the Deed Records of the Auditor, Grays Harbor County, Washington;

AND that portion of the southwest quarter of the southeast quarter of said Section 7, as conveyed by Lloyd G. Cooley and Alice A. Cooley, husband and wife, by deed recorded September 21, 1973, in Volume 120, Pages 816 and 817, in the Deed Records of the Auditor, Grays Harbor County, Washington;

AND those portions of the east half of the southeast quarter and the southwest quarter of the southeast quarter of said Section 7, as conveyed by Rex M. Birchall and Delores K. Birchall, husband and wife, by deed recorded September 7, 1973, in Volume 120, Pages 161 and 162, in the Deed Records of the Auditor, Grays Harbor County, Washington;

And that portion of the east half of the northeast quarter of the southeast quarter of said Section 7, as conveyed by Charlotte E. Mann, individually and as personal representative of the estate of Arthur C. Mann, deceased, by deed recorded February 15, 1974, in Volume 128, Pages 723 and 724, in the Deed Records of the Auditor, Grays Harbor County, Washington;

AND that portion of the northwest quarter of the northeast quarter of said Section 18, as conveyed by Earl L. Wilder and Linda Wilder, husband and wife, by deed recorded December 5, 1973, in Volume 124, Pages 712 and 713, in the Deed Records of the Auditor, Grays Harbor County, Washington;

AND Government Lot 4 in said Section 18 and that portion of the southwest quarter of the southeast quarter of said Section 7, all in Township 17 North, Range 6 West, Willamette Meridian, as conveyed by the Port Blakely Mill Company, by deed recorded August 13, 1975, in Volume 163, Page 178, in the Deed Records of the Auditor, Grays Harbor County, Washington.

B-16 Item 20: A tract of land in Sections 7, 8, 9, 17 and 18, Township 17 North, Range 6 West, Sections 13, 14 and 15, Township 17 North, Range 7 West; and Section 33, Township 18 North, Range 6 West, Willamette Meridian, described as follows:

The west half of the southeast quarter and the southwest quarter and those portions of the east half of the southeast quarter and of Government Lot 7 in said Section 8, that portion of the northwest quarter of the southwest quarter of said Section 9, Government Lots 2, 11, 12, 13 and 14 and the west three-quarters of Government Lots 7 and 10 and the west half of Government Lot 15 in said Section 17, and all of Government Lots 8 and 9 and that portion of Government Lot 16 in said Section 18, all in Township 17 North, Range 6 West, Willamette Meridian, as conveyed by the Weyerhaeuser Company by deed recorded December 29, 1975 in Volume 171, Pages 839-843, in the Deed Records of the Auditor, Grays Harbor County, Washington, EXCEPTING THEREFROM, that portion conveyed by the Washington Public Power Supply System by deed recorded January 27, 1983 as Microfilm No. 83 01774 and 01775 in the Records of the Auditor, Grays Harbor County, Washington, ALSO EXCEPTING THEREFROM, that portion conveyed by the Washington Public Power Supply System by deed recorded January 27, 1983 as Microfilm No. 83 01772 and 01773 in the Deed Records of the Auditor, Grays Harbor County, Washington;

AND Government Lots 3, 4, 5 and 6 in Section 17, Township 17 North, Range 6 West, Willamette Meridian, as conveyed by ITT Rayonier Incorporated by deed recorded December 22, 1975 in Volume 171, Page 624 in Deed Records of the Auditor, Grays Harbor County, Washington, EXCEPTING THEREFROM, that portion conveyed by the Washington Public Power Supply System by deed recorded January 27, 1983 as Microfilm No. 83 01774 and 01775

in the Records of the Auditor, Grays Harbor County, Washington, ALSO EXCEPTING THEREFROM, that portion conveyed by the Washington Public Power Supply System by deed recorded January 27, 1983 as Microfilm No. 83 01772 and 01773 in the Deed Records of the Auditor, Grays Harbor County, Washington;

AND that portion of the south half of the southeast quarter of the southwest quarter of said Section 7, Township 17 North, Range 6 West, Willamette Meridian, conveyed by Public Utility District No. 1 of Grays Harbor County, a municipal corporation, by deed recorded August 15, 1973 in Volume 118, Pages 675 and 676, and by Jack G. Koehler and Nancy M. Koehler, husband and wife, by deed recorded March 19, 1974, Volume 130, Page 575, both in Deed Records of the Auditor, Grays Harbor County, Washington;

AND those portions of Government Lots 2, 3 and 7 located in Section 15, Township 17 North, Range 7 West, Willamette Meridian, conveyed by John A. Flink and Carol A. Flink by deed recorded December 5, 1978 as Microfilm No. 78 28184-28186 in the Deed Records of the Auditor, Grays Harbor County, Washington;

AND those portions of Government Lots 5, 6, 7, the south half of the northeast quarter, the south half of the northwest quarter, and the southeast quarter of the northeast quarter of Section 14; and that portion of Government Lots 4, 5 and 6 in Section 15, all located in Township 17 North, Range 7 West, Willamette Meridian; as conveyed by ITT Rayonier, Incorporated by deed recorded on March 29, 1977 as Microfilm No. 77 05687-05689 in the Deed Records of the Auditor, Grays Harbor County, Washington;

AND that portion of Government Lots 6, 7, 10 and 11, in Section 18, Township 17 North, Range 6 West, Willamette Meridian, and that portion of the north half of Section 13, Township 17 North, Range 7 West, Willamette Meridian, as conveyed by the Weyerhaeuser Company by deed recorded on June 6, 1977 as Microfilm No. 77 11038-11044 in the Deed Records of the Auditor, Grays Harbor County, Washington;

AND that portion of the northeast quarter of the northeast quarter of Section 13, Township 17 North, Range 7 West, Willamette Meridian, as conveyed by Arnold E. Lowe and Doris A. Lowe, husband and wife, on February 1, 1977 as Microfilm No. 77 01963-01965 in the Deed Records of the Auditor, Grays Harbor County, Washington;

AND those portions of Government Lots 4 and 5 of Section 18, Township 17 North, Range 6 West, Willamette Meridian, as conveyed by Ethridge E. Petitt and Jeanette M. Petitt, husband and wife, on April 28, 1977 as Microfilm No. 77 08020-08023 in the Deed Records of the Auditor, Grays Harbor County, Washington;

AND those portions of the southwest quarter of the northeast quarter and the south half of the northwest quarter and the northwest quarter of the southwest quarter of Section 14, Township 17 North, Range 7 West, Willamette Meridian, conveyed by Rayland Company, Inc. by deed recorded on September 10, 1981 as Microfilm No. 81-14461 and 14462 in the Deed Records of the Auditor, Grays Harbor County, Washington;

AND an Exclusion Area Easement over portions of Sections 8, 17, 18 and 19 of Township 17 North, Range 6 West, Willamette Meridian, as conveyed by the Weyerhaeuser Company by document recorded January 15, 1976 in Volume 173, Pages 51-62, Deed Records of the Auditor, Grays Harbor County;

AND an Exclusion Area Easement over portions of Sections 20 and 21, Township 17 North, Range 6 West, Willamette Meridian, as conveyed by Boise Cascade Corporation by document recorded February 13, 1976 in Volume 174, Pages 486-496, Deed Records of the Auditor, Grays Harbor County, Washington;

AND an Exclusion Area Easement over portions of Government Lots 4, 5, 12 and 13 in Section 16, Township 17 North, Range 6 West, Willamette Meridian, as conveyed by the Weyerhaeuser Company by document recorded on May 1, 1980 as Microfilm No. 80 06457-06467 in the Deed Records of the Auditor, Grays Harbor County, Washington;

AND that portion of the southeast quarter of Section 8 and the northeast quarter of Section 17, Township 17 North, Range 7 West; Willamette Meridian, as conveyed by J. Howard Graham and Karen Raye Graham, husband and wife, by deed recorded May 13, 1980 as Microfilm No. 80 07103 in the Deed Records of the Auditor, Grays Harbor County, Washington;

AND that portion of Government Lot 5 in Section 8 and that portion of the northeast quarter of the northeast quarter of Section 17, Township 17 North, Range 7 West, Willamette Meridian; as conveyed by James N. Bicknell and Mary E. Bicknell, husband and wife, by deed recorded May 12, 1980 as Microfilm No. 80 07037 in the Deed Records of the Auditor, Grays Harbor County, Washington;

AND that portion of the northwest quarter of the northwest quarter of Section 16, Township 17 North, Range 7 West, Willamette Meridian, as conveyed by Al Lukin and Edna B. Lukin, husband and wife, by deed recorded June 10, 1980 as Microfilm No. 80 08499 in the Deed Records of the Auditor, Grays Harbor County, Washington;

AND those portions of Tracts 22 and 21 of Schouweiler's Garden Tracts conveyed by McKinnell Tractor Company by deed recorded April 15, 1975 in Volume 153, Page 623 in the Deed Records of the Auditor, Grays Harbor County, Washington;

AND that portion of Tract 23 of Schouweiler's Garden Tracts as conveyed by A. E. Schouweiler and Irene Schouweiler, husband and wife, by deed recorded March 28, 1978 as Microfilm No. 78 06581 in the Deed Records of the Auditor, Grays Harbor County, Washington.

B-19—Colstrip Steam Electric Generating Project, Units #3 and #4

An undivided ten percent interest of the Company, as a tenant in common with others, in and to the steam electric generating plant, known as Colstrip Steam Electric Generating Project Units #3 and #4, in Rosebud County, Montana, including an undivided ten percent interest, as a tenant in common with others, in and to the following described lands used in connection therewith:

## Lands in ROSEBUD County, State of MONTANA:

B-19 Item 1: Lands in Township 2 North, Range 41 East, Montana Prime Meridian; described as follows:

A parcel of land situated in the northeast quarter and the southeast quarter of Section 34, Township 2 North, Range 41 East, Montana Prime Meridian; said tract of land being depicted as Parcel "4" on Certificate of Survey No. 29931 Amended on file in the office of the Clerk and Recorder of Rosebud County, Montana;

AND a parcel of land situated in the northeast quarter of Section 34 and the northwest quarter of Section 35, Township 2 North, Range 41 East, Montana Prime Meridian; said parcel of land being depicted as Parcel "2" on Certificate of Survey No. 34153 on file in the office of the Clerk and Recorder of Rosebud County, Montana;

AND a parcel of land situated in the east half of the southeast quarter of Section 34 and the west half of the southwest quarter of Section 35, Township 2 North, Range 41 East, Montana Prime Meridian; said parcel being depicted as Parcel "3" on Certificate of Survey No. 34152 on file in the office of the Clerk and Recorder of Rosebud County, Montana; EXCEPTING from said lands all interests excepted and reserved by Burlington Northern, Inc. in its Deed to The Montana Power Company and Puget Sound Power & Light Company dated November 17, 1971 and recorded on October 31, 1972, in Book 72, Deeds, Page 500, records of Rosebud County, Montana.

B-19 Item 2: Lands in Township 1 North, Range 41 East and Township 1 North, Range 42 East, Montana Prime Meridian, described as follows:

That portion of Lot 1 and the southeast quarter of the northeast quarter of Section 3 beginning at the common corner of Sections 34 and 35, Township 2 North, Range 41 East and Sections 2 and 3, Township 1 North, Range 41 East, which is the true point of beginning; thence south  $89^{\circ}43'02''$  west along the common lines between Sections 34 and 3 a distance of 776.23 feet; thence south  $01^{\circ}31'17''$  west a distance of 2,782.94 feet to the east-west mid-section line of Section 3; thence north  $89^{\circ}57'01''$  east along the mid-section line a distance of 864.60 feet to the quarter section

corner common to Sections 2 and 3; thence north  $00^{\circ}17'53''$  west along the common line between Sections 2 and 3 a distance of 2,785.08 feet to the true point of beginning;

AND the northeast quarter of the northwest quarter and north half of the northeast quarter of Section 7, Township 1 North, Range 42 East, Montana Prime Meridian.

B-19 Item 3: Lands in Township 1 North, Range 41 East, Township 2 North, Range 41 East, and Township 1 North, Range 42 East, Montana Prime Meridian, described as follows:

The west half of Lot 2, Lots 3 and 4, and the south half of the north half, Section 2, Township 1 North, Range 41 East, Montana Prime Meridian;

AND those portions of the south half of Section 35, Township 2 North, Range 41 East, Montana Prime Meridian, being two separate tracts herein referred to as Parcel 1 and Parcel 2 described as follows:

Parcel #1: Beginning at the common corner of Sections 34 and 35, Township 2 North, Range 41 East and Sections 2 and 3, Township 1 North, Range 41 East, which is the true point of beginning; thence north  $02^{\circ}06'11''$  west along the common line between Sections 34 and 35 a distance of 632.34 feet; thence north  $41^{\circ}52'20''$  east a distance of 2,126.31 feet; thence south  $65^{\circ}04'46''$  east a distance of 1,493.70 feet; thence south  $05^{\circ}36'54''$  east a distance of 1,581.65 feet to the common line between Sections 2 and 35; thence south  $89^{\circ}44'06''$  west a distance of 260.76 feet along the common line between Sections 2 and 35 to the quarter section corner common to Sections 2 and 35; thence south  $89^{\circ}46'14''$  west a distance of 2,644.79 feet along the common line between Sections 2 and 35 to the true point of beginning.

Parcel #2: Commencing at the common corner of Sections 35 and 36, Township 2 North, Range 41 East and Sections 1 and 2, Township 1 North, Range 41 East; thence south  $89^{\circ}44'06''$  west along the common line of Sections 2 and 35 a distance of 723.39 feet to a point on the southwesterly boundary of the Burlington Northern Railroad right of way, which point is the

true point of beginning; thence south  $89^{\circ}44'06''$  west along the common line of Section 2 and 35, a distance of 599.14 feet; thence north  $02^{\circ}22'02''$  west a distance of 1,640.32 feet to a point on the southwesterly boundary of the Burlington Northern Railroad right of way; thence south  $22^{\circ}10'32''$  east along the southwesterly boundary of the Burlington Northern Railroad right of way to the true point of beginning.

The north half of the northwest quarter, Section 8, Township 1 North, Range 42 East, Montana Prime Meridian.

#### C—ELECTRIC SUBSTATIONS AND SWITCHING STATIONS

All of the following described real property in the states of Oregon, Washington and Wyoming, used by the Company in connection with the operation and maintenance of the electric substations and switching stations hereinafter designated respectively:

##### C-30—Troutdale Substation

In MULTNOMAH County, State of OREGON:

Land additional to and adjoining the tracts described in C-30 Item and C-30 Item 2, described as follows:

**C-30 Item 3:** A tract of land in Section 23, Township 1 North, Range 3 East, Willamette Meridian, beginning at a point on the west line of the Sun Dial Road, County Road No. 1189, from which the southeast corner of said Section 23 bears south  $0^{\circ}06'10''$  east a distance of 3679.26 feet and north  $89^{\circ}53'50''$  east a distance of 3750.6 feet; thence south  $89^{\circ}53'50''$  west at right angles with the centerline of said road a distance of 250 feet; thence north  $0^{\circ}06'10''$  west parallel to said centerline for a distance of 100 feet to an iron pipe marking the southwest corner of the first tract of land conveyed to Northwestern Electric Company by deed recorded July 31, 1946 in Book 1083, Page 423, Deed Records; thence north  $89^{\circ}53'50''$  east, tracing the south line of said Northwestern Electric Company tract for a distance of 250 feet to a point on the west line of Sun Dial Road; thence south  $0^{\circ}06'10''$  east, tracing said west line for a distance of 100 feet to the point of beginning.

*C-404—Clinton Substation*

In YAKIMA County, State of WASHINGTON.

Land additional to and adjoining the tract described in C-404 Item; described as follows:

*C-404 Item 2: A tract of land in Section 27, Township 13 North, Range 18 East, Willamette Meridian, described as follows:*

The east 40.00 feet of the north 486.00 feet of Lot 9, The Paddock Garden Lots, located in the southeast quarter of said Section 27, according to the plat thereof recorded in Volume "A" of Plats, Page 56, EXCEPT the north 6.00 feet thereof.

*C-405—Ponderosa Substation*

In CROOK County, State of OREGON.

*C-405 Item: Two tracts of land in Section 33, Township 15 South, Range 15 East, Willamette Meridian, described as follows:*

Parcel #1: That portion of the following described land lying within the land described in the deed from Boston Ranch Company to Brooks Resources Corporation recorded January 18, 1982 in MF #63411 Records of Deeds, Crook County, Oregon, to wit: Beginning at a point which bears north  $65^{\circ}37'59''$  east, 4,877.3 feet from the southwest corner of said Section 33; thence north  $73^{\circ}32'30''$  east, 408.4 feet; thence north  $43^{\circ}32'30''$  east, 169.3 feet to a point on the beginning of a curve to the left having a radius of 370.0 feet and a central angle of  $60^{\circ}00'00''$ ; thence along said curve a distance of 370.0 feet; thence north  $16^{\circ}27'30''$  west, 794.9 feet; thence south  $73^{\circ}32'30''$  west, 740.0 feet; thence south  $16^{\circ}27'30''$  east, 1,200.0 to the point of beginning.

Parcel #2: All that portion of the following described real property lying northwesterly of the southeast boundary of an existing road, as located and constructed, to wit: Beginning at a point which bears north  $65^{\circ}37'59''$  east, 4,877.3 feet from the southwest corner of said Section 33; thence north

73°32'30" east, 408.4 feet; thence north 43°32'30" east, 169.3 feet to a point on the beginning of a curve to the left having a radius of 370.0 feet and a central angle of 60°00'00"; thence along said curve a distance of 370.0 feet; thence north 16°27'30" west, 794.9 feet; thence south 73°32'30" west, 740.0 feet; thence south 16°27'30" east, 1,200.0 feet to the point of beginning.

**C-406—Applegate Valley Substation**

In JOSÉPHINE County, State of OREGON.

**C-406 Item:** A parcel of land in Section 16, Township 37 South, Range 5 West, Willamette Meridian, described as follows:

Commencing at the southwest corner of said Section 16, thence north 89°41' east along the south line of said Section 16 a distance of 311.83 feet to the true point of beginning; thence north 51°05' east a distance of 450.54 feet; thence south 38°55' east a distance of 200.0 feet; thence south 51°05' west a distance of 200.0 feet to a point on the south section line of said Section 16; thence south 89°41' west along the south line of said Section 16 a distance of 320.57 feet to the point of beginning.

**C-407—Beauty Substation**

In KILOMATH County, State of OREGON.

**C-407 Item:** A tract of land in Section 13, Township 36 South, Range 12 East, Willamette Meridian, described as follows:

Beginning at the southwest corner of said Section 13, thence north 0°45'40" west along the west line of said Section 13, 11.88 feet to a point on the southerly right of way line of State Highway 140; thence following said right of way 163.60 feet along the arc of a 756.20 feet radius curve (the long chord of which bears north 62°13'12" east, 163.289 feet) to the end of said curve; thence continuing along said right of way line north 56°01'20" east, 410.84 feet; thence leaving said highway right of way line south 0°04'10" west, 319.76 feet to a point on

the south line of said Section 13; thence north  $89^{\circ}44'30''$  west, 484.61 feet to the point of beginning.

*C-408—Cottage Grove Substation*

In LANE County, State of OREGON.

*C-408 Item:* A parcel of land in Section 16, Township 21 South, Range 3 West, Willamette Meridian, described as follows:

Commencing at the southeast corner of the Henry W. Taylor Donation Land Claim No. 48, thence south  $43^{\circ}04'40''$  east, a distance of 170.7 feet; thence south  $70^{\circ}15'$  east, a distance of 158.0 feet to the true point of beginning, thence north  $70^{\circ}15'$  west 158.0 feet; thence north  $60^{\circ}00'$  east 131.0 feet; thence north  $28^{\circ}00'$  east 133.0 feet more or less to the center of the coast fork of the Willamette River; thence easterly and southerly along the center of said river to a point which bears north  $64^{\circ}45'$  east from the true point of beginning; thence south  $64^{\circ}45'$  west 25 feet more or less to a point on the west bank of the river; thence continuing south  $64^{\circ}45'$  west 151.1 feet more or less to the point of beginning.

*C-409—Sunnyside Substation*

In YAKIMA County, State of WASHINGTON.

*C-409 Item:* A tract of land in Section 25, Township 10 North, Range 22 East, Willamette Meridian, described as follows:

The north 6 feet of Lot 29, and all of Lot 30 EXCEPT the north 10 feet, Residence Subdivision, as recorded in Volume "D" of Plats, Page 39, records of Yakima County, Washington, TOGETHER WITH portion of vacated alley abutting thereon.

*C-410—Firehole Switching Station*

In SWEETWATER County, State of WYOMING.

*C-410 Item:* A tract of land in Section 17, Township 18 North, Range 105 West, 6th Principal Meridian, described as follows:

Commencing at the east quarter corner of said Section 17; thence along the east line of said Section, south  $0^{\circ}04'$  east 342.53 feet to

the true point of beginning; thence south  $56^{\circ}03'15''$  west, 324.48 feet; thence south  $03^{\circ}38'28''$  west, 526.06 feet; thence north  $74^{\circ}13'00''$  east, 315.19 feet to a point on the east line of said Section 17; thence along said east line, north  $0^{\circ}04'$  west, 620.46 feet to the true point of beginning.

#### D—ELECTRIC TRANSMISSION LINES

All the following described electric transmission lines of the Company in the states of Oregon, California, Montana and Wyoming, 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-379 Line:* From Bonneville Power Administration Coos Switching Station to a tap on the Bonneville Power Administration's Reedsport-Fairview 115 KV transmission line in COOS COUNTY, State of OREGON.

*D-380 Line:* From Biomass One Substation to White City Substation (C-296) in JACKSON County, State of OREGON.

*D-381 Line:* From Opal Springs Hydro-Electric Project Substation to pole #12/3 on the Redmond-Cove line in JEFFERSON County, State of OREGON.

*D-382 Line:* From Bonneville Power Administration's Summer Lake Switching Station to structure #2/371 on the Malin-Midpoint Line (D-365) in LAKE County, State of OREGON.

*D-383 Line:* From structure #6/371 on the Malin-Midpoint Line (D-365) to Bonneville Power Administration's Summer Lake Switching Station in LAKE County, State of OREGON.

*D-384 Line:* From Del Norte Substation to pole #1/59 on Line 38 in DEL NORTE County, State of CALIFORNIA.

*D-385 Line:* From Alturas Substation to Bonneville Power Administration's Warner Substation in Modoc County, State of CALIFORNIA.

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D-386 Line: From Siskiyou Power Project Powerhouse Substation to pole #10/49 on Line 2 in SISKIYOU County, State of CALIFORNIA.

D-387 Line: From pole #8/72 on Line 2 to Slatt Creek Powerhouse Substation in SISKIYOU County, State of CALIFORNIA.

D-388 Line: An undivided ten percent interest of the Company, as a tenant in common with others, in and to the following described lines for use in connection with the Colstrip Steam Electric Generating Project Units #3 and #4, to wit: Two 500 KV transmission lines from the Colstrip Steam Electric Generating Plant (B-19) to a point on the Bonneville Power Administration's Townsend-Garrison Line near Townsend, Montana in BROADWATER, GOLDEN VALLEY, ROSEBUD, TREASURE, WHEATLAND and YELLOWSTONE Counties, State of MONTANA.

D-389 Line: From the Thermopolis Substation (C-166) to WAPA Thermopolis Substation in HOT SPRINGS County, State of WYOMING.

D-390 Line: From the Casper Substation (C-229) to pole #8/1 on the Casper-Platte Pipe Line in NATRONA County, State of WYOMING.

D-391 Line: From Monument Switching Station to Exxon Metering Station at Exxon's Shute Creek Plant in SWEETWATER County, State of WYOMING.

#### G—WATER SYSTEMS

##### G-10—Green River and Rock Springs Water System

Lands used in connection with the water distribution system of the Company in and about the City of Rock Springs, SWEETWATER County, State of WYOMING:

G-10 Item 16: A parcel of land situated in the south half of Section 35, Resurvey Township 19 North, Range 105 West, 6th Principal Meridian, described as follows:

A portion of the alley in Block 53 of Union Pacific Railroad Company's Third Addition to the Town of Rock Springs, said alley vacated by Town Council Resolution No. 166, dated March 3, 1919, and beginning at the most southerly corner of Lot 22 of

Block 53 of said Union Pacific Railroad Company's Third Addition; thence northeasterly, along the southeasterly line of said Lot 22, 5.0 feet; thence southeasterly, parallel with the southwesterly line of said Lot 22, 16.0 feet to a point on the northwesterly line of Lot 9 of said Block 53; thence southwesterly, along the northwesterly line of Lots 9 and 8 of said Block, 10.0 feet; thence northwesterly, parallel with the northeasterly line of said Lot 8, 16.0 feet to a point on the southeasterly line of Lot 23 of said Block; thence northeasterly, along said southeasterly line, 8.0 feet to the point of beginning.

#### H—OFFICE BUILDINGS

The following offices of the Company in the state of Oregon, including the following described real property:

*H-37—Willamette Power Operations Headquarters (Albany)*

In LINN County, State of OREGON

*H-37 Item: Lot 1 and 6, Block 2, Jackson Industrial Subdivision, City of Albany.*

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IN WITNESS WHEREOF, PacifiCorp 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]

PACIFICORP

By

*R. E. Sparrow*  
Vice President and Treasurer

Attest:

*John Salter*  
Assistant Secretary

[SEAL]

MORGAN GUARANTY TRUST COMPANY  
OF NEW YORK,

By

*W. C. Clark*  
Trust Officer

Attest:

*R. E. Sparrow*  
Assistant Secretary

R. E. SPARROW (L.S.)



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

On this 10th day of March, 1986, before me, JOAN E. FLANAGAN, a Notary Public in and for the State of New York, personally appeared R. F. Lanz and John Schweitzer, known to me to be a Vice President and Treasurer and an Assistant Secretary, respectively, of PacifiCorp, 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]

*Joan Flanagan*  
Notary Public, State of New York  
Qualified in New York County  
Certificate Filed in New York County  
No. 31-4845337  
Commission Expires March 30, 1987

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

On this 10th day of March, 1986, before me, JOAN E. FLANAGAN, a Notary Public in and for the State of New York, personally appeared M. P. KOWALEWSKI and W. A. SPOONER, 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.

[SEAL]

*Joan E. Flanagan* 3172 N.Y.  
 Notary Public, State of New York  
 Qualified in New York County  
 Certificate Filed in New York County  
 No. 31-4845337  
 Commission Expires March 30, 1987

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

On this 10th day of March, 1986, before me, JOAN E. FLANAGAN, 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.

[SEAL]

*Joan E. Flanagan* 3172 N.Y.  
 Notary Public, State of New York  
 Qualified in New York County  
 Certificate Filed in New York County  
 No. 31-4845337  
 Commission Expires March 30, 1987