

RECORDED 1.85
WHICH THIS IS COUNTERPART No. 55

THE WASHINGTON WATER POWER COMPANY

TO

CITY BANK FARMERS TRUST COMPANY

AND

FRANCIS M. PITT,

(Successor to Ralph E. Morton and Marc A. Rieffel)

As Trustees under The Washington Water
Power Company's Mortgage and Deed
of Trust, Dated as of June 1, 1939

Seventh Supplemental Indenture

Dated as of August 1, 1958



SEVENTH SUPPLEMENTAL INDENTURE.

THIS INDENTURE, dated as of the first day of August, 1958, made and entered into by and between THE WASHINGTON WATER POWER COMPANY, a corporation of the State of Washington, whose post office address is West 825 Trent Avenue, Spokane, Washington (hereinafter sometimes called the Company), party of the first part, and CITY BANK FARMERS TRUST COMPANY, a corporation of the State of New York, whose post office address is 22 William Street, New York, New York (hereinafter sometimes called the Corporate Trustee), and FRANCIS M. PITT (successor to Ralph E. Morton and Marc A. Rieffel), of 137 W. Park Avenue, Pearl River, New York (hereinafter sometimes called the Individual Trustee), parties of the second part (the Corporate Trustee and the Individual Trustee being hereinafter together sometimes called the Trustees), as Trustees under the Mortgage and Deed of Trust, dated as of June 1, 1939 (hereinafter called the Mortgage), executed and delivered by The Washington Water Power 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 Seventh Supplemental Indenture) being supplemental thereto.

WHEREAS the Mortgage has been or will be recorded in various counties in the states of Washington, Idaho and Montana which counties include or will include all counties in which this Seventh Supplemental Indenture is to be recorded; and

WHEREAS by the Mortgage the Company covenanted that it would execute and deliver 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 intended to be subject to the lien thereof; and

WHEREAS the Company executed and delivered to the Trustees its First Supplemental Indenture, dated as of October 1, 1952 (hereinafter called its First Supplemental Indenture); its Second Supplemental Indenture, dated as of May 1, 1953 (hereinafter called its Second Supplemental Indenture); its Third Supplemental Indenture, dated as of December 1, 1955 (hereinafter called its Third Supplemental Indenture); its Fourth Supplemental Indenture, dated as of March 15, 1957 (hereinafter called its Fourth Supplemental Indenture); its Fifth Supplemental Indenture, dated as of July 1, 1957 (hereinafter called its Fifth Supplemental Indenture); and its Sixth Supplemental Indenture, dated as of January 1, 1958 (hereinafter called its Sixth Supplemental Indenture); as supplements to the Mortgage; and

WHEREAS the First, Second, Third, Fourth and Fifth Supplemental Indentures were or will be recorded in various counties in the states of Washington, Idaho and Montana which counties include or will include all counties in which this Seventh Supplemental Indenture is to be recorded; and

WHEREAS the Sixth Supplemental Indenture was recorded in counties in the states of Washington, Idaho and Montana as follows:

WASHINGTON

Date Filed for Record	County	Office of	Real Estate Mortgage Records		Chattel Mortgage Records Auditor's File No.
			Book	Page	
1/16/58	Adams	Auditor	95	557	64872
1/16/58	Asotin	Auditor	44	283	67289
1/16/58	Douglas	Auditor	97	460	52944
1/16/58	Ferry	Auditor	15	68	126805
1/16/58	Franklin	Auditor	90	382	190111
1/16/58	Garfield	Auditor	48	141	12705
1/16/58	Grant	Auditor	103	88	309250
1/16/58	Lincoln	Auditor	100	616	283087
1/16/58	Pend Oreille	Auditor	21	487	13079
1/15/58	Spokane	Auditor	896	109	509671E
1/16/58	Stevens	Auditor	89	36	316547
1/16/58	Whitman	Auditor	288	162	298012

IDAHO

Date Filed for Record	County	Real Estate Mortgage Records		Chattel Mortgage File No.
		Book	Page	
		V	69	87598
1/16/58	Benewah	42	39	64101
1/16/58	Bonner	20	268	71109
1/16/58	Clearwater	60	775	193292
1/16/58	Idaho	77	469	335373
1/16/58	Kootenai	87	265	199250
1/16/58	Latah	31	628	63745
1/16/58	Lewis	159	1	261646
1/16/58	Nez Perce	25	502	173059
1/16/58	Shoshone			

MONTANA

Date Filed for Record	County	Real Estate Mortgage Records		Chattel Mortgage File No.
		Book	Page	
1/16/58	Mineral	5	675	26566
1/15/58	Sanders	36	45	14592

WHEREAS in addition to the property described in the Mortgage, as 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, bonds of a series entitled and designated First Mortgage Bonds, 3½% Series due 1964 (hereinafter called the bonds of the First Series), and in accordance with the provisions of the Mortgage, as supplemented, bonds of a series entitled and designated First Mortgage Bonds, 3½% Series due 1982 (sometimes referred to as bonds of the Second Series), bonds of a series entitled and designated First Mortgage Bonds, 3½% Series due 1983 (sometimes referred to as bonds of the Third Series and none of which bonds of the Third Series are Outstanding at the date of this Seventh Supplemental Indenture), bonds of a series entitled and designated First Mortgage Bonds, 4¾% Series due 1967 (sometimes referred to as bonds of the Fourth Series), and bonds of a series entitled and designated First Mort-

gage Bonds, 4½% Series due 1988 (sometimes referred to as bonds of the Fifth Series); and

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 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 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, 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 shall be situated; and

WHEREAS the Company now desires to create a new series of bonds and to add to its covenants and agreements contained in the Mortgage, as supplemented, certain other covenants and agreements to be observed by it and to supplement and amend in certain respects the covenants and provisions contained in the Mortgage, as supplemented; and

WHEREAS the execution and delivery by the Company of this Seventh Supplemental Indenture, and the terms of the bonds of the Sixth Series hereinafter referred to, have been duly authorized by the Board of Directors of the Company by appropriate Resolutions of said Board of Directors, and all things necessary to make this Seventh Supplemental Indenture a valid, binding and legal instrument for the security of the bonds have been performed;

NOW, THEREFORE, THIS INDENTURE WITNESSETH: That The Washington Water Power Company, in consideration of the premises and of one dollar to it duly paid by the Trustees at or before the ensueing 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, as supplemented, 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 unto Francis M. Pitt (successor to Ralph E. Morton and Marc A. Rieffel) and (to the extent of its legal capacity to hold the same for the purposes hereof) unto City Bank Farmers Trust Company, as Trustees under the Mortgage, and to their successor or successors in said trust, and to said Trustees and their successors, heirs and assigns forever, all the following described properties of the Company, acquired by the Company since the execution and delivery of the Mortgage, whether now owned or hereafter acquired—that is to say:

All of the property, real, personal and mixed, of every character and wheresoever situated (except any hereinafter or in the Mortgage, as supplemented, expressly excepted) which the Company now owns or, subject to the provisions of Section 87 of the Mortgage, may hereafter acquire prior to the satisfaction and discharge of the Mortgage, as fully and completely as if herein or in the Mortgage, as supplemented, specifically described, and including (without in anywise

limiting or impairing by the enumeration of the same the scope and latent of the foregoing or of any general description contained in this Seventh Supplemental Indenture) all lands, real estate, easements, servitudes, rights of way and leasehold and other interests in real estate; all rights to the use or appropriation of water, flowage rights, water storage rights, flooding rights, and other rights in respect of or relating to water; all plants for the generation of electricity, power houses, dams, dam sites, reservoirs, flumes, raceways, diversion works, head works, waterways, water works, water systems, gas plants, steam heat plants, hot water plants, ice or refrigeration plants, stations, substations, offices, buildings and other works and structures and the equipment thereof and all improvements, extensions and additions thereto; all generators, machinery, engines, turbines, boilers, dynamos, transformers, motors, electric machines, switchboards, regulators, meters, electrical and mechanical appliances, conduits, cables, pipes and mains; all lines and systems for the transmission and distribution of electric current, gas, steam heat or water for any purpose; all towers, mains, pipes, poles, pole lines, conduits, cables, wires, switch racks, insulators, compressors, pumps, fittings, valves and connections; all motor vehicles and automobiles; all tools, implements, apparatus, furniture, stores, supplies and equipment; all franchises (except the Company's franchise to be a corporation), licenses, permits, rights, powers and privileges; and (except as hereinafter or in the Mortgage, as supplemented, expressly excepted) all the right, title and interest of the Company in and to all other property of any kind or nature.

The property so conveyed or intended to be so conveyed hereunder shall include, but shall not be limited to, the following property, the particular description of which is intended only to aid in the identification thereof and shall not be construed as limiting the force, effect and scope of the foregoing, namely:

FIRST

The Gas Manufacturing Plant, Regulator and Odorizer Station Sites of the Company in the States of Washington and Idaho, including all improvements, gas manufacturing equipment, regulator and odorizer station equipment, general equipment, appliances and devices for distributing natural gas

and the lands of the Company on which the same are situated and all of the Company's real estate and interests therein, machinery, equipment, appliances, devices, appurtenances and supplies, franchises, permits, and other rights and other property forming a part of said Plant and Stations or any of them, or used or enjoyed or capable of being used or enjoyed in connection with any thereof, including, but not limited to, the following situated in the States of Washington and Idaho:

1. Gas Manufacturing Plant, located at North 141 Erie Street, in Spokane, Spokane County, Washington.
2. Cannon and Francis Regulator Station in Spokane, Spokane County, Washington.
3. Francis and Monroe Regulator Station in Spokane, Spokane County, Washington.
4. Decatur and Crestline Regulator Station in Spokane, Spokane County, Washington.
5. Fairchild Air Force Base Odorizer Station, Spokane County, Washington.
6. Medical Lake Odorizer Station, Spokane County, Washington.
7. Bowdish and Trent Regulator Station, Spokane County, Washington.
8. Town Border Regulator and Odorizer Station, Spokane County, Washington.
9. Pullman Odorizer Station, Whitman County, Washington.
10. Pullman Regulator Station, Whitman County, Washington.
11. Moscow Odorizer Station, Latah County, Idaho.

SECOND

The Gas Distribution Systems of the Company in the States of Washington and Idaho including all gas mains, services, meters, house regulators, general equipment and all of the Company's other property, real, personal

or mixed, forming a part of or used, occupied or enjoyed in connection with or in anywise appertaining to said gas mains or any of them, together with all rights of way, easements, permits, privileges, municipal or other franchises, licenses, consents, and rights for or relating to the construction, maintenance or operation thereof, through, under, over or upon any public streets or highways or other lands, public or private, including, but not limited to, the following:

1. The Natural Gas Distribution system in the City of Spokane and Spokane County, Washington.
2. The Natural Gas Distribution system in Pullman and Vicinity, Whitman County, Washington.
3. The Natural Gas Distribution system in Moscow and Vicinity, Latah County, Idaho.

THIRD

The Additional Electric Transmission Lines of the Company, in the States of Idaho and Montana, including towers, poles, pole lines, wires, switch racks, insulators and appurtenances, appliances and equipment and all of the Company's other property, real, personal, or mixed, forming a part of or used, occupied or enjoyed in connection with or in anywise appertaining to said transmission lines or any of them, together with all rights of way, easements, permits, privileges, municipal or other franchises, licenses, consents, and rights for or relating to the construction, maintenance or operation thereof through, over, under or upon any public streets or highways or other lands, public or private, including, but not limited to, the following:

1. The Noxon-Cabinet Gorge single circuit 230 Kv transmission line, extending in a westerly direction from the Noxon Rapids Hydro-Electric Plant in Sanders County, Montana, to the Cabinet Gorge Hydro-Electric Plant in Bonner County, Idaho, for a distance of 17.57 miles.
2. The Noxon-Benewah single circuit 230 Kv transmission line, extending in a southwesterly direction from the Noxon Rapids Hydro-Electric Plant in Sanders County, Montana, to the Benewah Switching Station near Plummer in Benewah County, Idaho, for a distance of 88.16 miles.

3. The Lolo-Innaha single circuit 230 Kv transmission line, extending in a southerly direction from the Lolo Electric Substation in Nez Perce County, Idaho, to the Snake River crossing (Idaho-Oregon State line) in Idaho County, Idaho, for a distance of 43.14 miles.

FOURTH

Miscellaneous Real Estate in the States of Washington, Idaho, and Montana.

Washington:

1. The East Thirty (30) feet of Lot Two (2) and all of Lots Three (3) and Four (4) in Block Thirty (30) of Railroad Addition to Spokane Falls (now Spokane) in the City of Spokane, County of Spokane and State of Washington, as per map thereof recorded in Book "D" of Plats, page 82, in the office of the County Auditor of said county.

2. A tract of land in the Northwest Quarter of the Southeast Quarter (NW $\frac{1}{4}$ SE $\frac{1}{4}$) of Section Twenty-eight (28), Township Twenty-five (25) North, Range Forty-three (43) East of the Willamette Meridian, described as follows: Beginning at a point on the West line of said Southeast Quarter (SE $\frac{1}{4}$) of Section Twenty-eight (28), which point lies fifty (50) feet South of the center of said Section Twenty-eight (28), thence South one-hundred thirty (130) feet along the West line of said Southeast Quarter (SE $\frac{1}{4}$), thence Easterly one-hundred (100) feet parallel to the North line of said Southeast Quarter (SE $\frac{1}{4}$) of Section Twenty-eight (28), thence North one-hundred thirty (130) feet parallel to the West line of said Southeast Quarter (SE $\frac{1}{4}$) of Section Twenty-eight (28), thence Westerly one-hundred (100) feet parallel to the North line of said Southeast Quarter (SE $\frac{1}{4}$) of Section Twenty-eight (28) to the point of beginning in the City of Spokane, County of Spokane and State of Washington.

3. All those lands lying or situated in Spokane and Whitman Counties, Washington, conveyed to the Company or its predecessors by deeds recorded as follows:

Spokane County, Washington

Date Recorded	Document Number	Book	Page
January 5, 1910.....	265626	246	459
November 17, 1928.....	966172	437	8
July 9, 1956.....	399302B	705	480
July 30, 1956.....	403880B	706	642
July 30, 1956.....	403881B	706	644
July 30, 1956.....	403882B	706	645
July 30, 1956.....	403884B	706	649
August 7, 1956.....	405645B	707	169
September 13, 1956.....	412763B	709	161
September 26, 1956.....	415384B	709	630
September 28, 1956.....	416108B	709	785

Whitman County, Washington

Date Recorded	Document Number	Book	Page
October 2, 1957.....	295601	303	20
October 2, 1957.....	295602	303	22

Idaho:

4. Government Lots Two (2) and Seven (7), Section Five (5), Township Forty-eight (48) North, Range One (1) West of the Boise Meridian, Kootenai County, Idaho.

5. All those lands lying or situated in Latah County, Idaho, conveyed to the Company or its predecessors by deed recorded as follows in Latah County, Idaho:

Date Recorded	Document Number	Book	Page
July 10, 1957.....	197070	137	150

Montana:

6. All those lands lying or situated in Sanders County, Montana, conveyed to the Washington Water Power Company by deeds recorded as follows in Sanders County, Montana:

Date Recorded	Document Number	Book	Page
December 5, 1957	89716	68	84
January 22, 1958	89975	68	171
January 23, 1958	89988	68	186
March 7, 1958	90221	68	286
May 2, 1958	90558	68	401
May 9, 1958	90603	68	430

TOGETHER WITH all and singular the tenements, hereditaments and appurtenances belonging or in any wise appertaining to the aforesaid 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 aforesaid property and franchises and every part and parcel thereof.

IT IS HEREBY AGREED by the Company that, subject to the provisions of Section 87 of the Mortgage, all the property, rights, and franchises acquired by the Company after the date hereof (except any hereinbefore or hereinafter or in the Mortgage, as supplemented, expressly excepted) shall be as fully embraced within the lien hereof and the lien of the Mortgage, as supplemented, 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 this Seventh Supplemental Indenture and from the lien and operation of the Mortgage, as supplemented, viz:

(1) cash, shares of stock and obligations (including bonds, notes and other securities) not hereafter specifically pledged, paid, deposited or delivered under the Mortgage, as supplemented, or covenanted so to be; (2) merchandise, equipment, materials or supplies held for the purpose of sale in the usual course of business or for consumption in the operation of any properties of the Company; (3) bills, notes and accounts receivable, and all contracts, leases and operating agreements not specifically pledged under the Mortgage, as supplemented, or this Seventh Supplemental Indenture or covenanted so to be; (4) electric energy and other materials or products generated, manufactured, produced or purchased by the Company for sale, distribution or use in the ordinary course of its business; and (5) any property heretofore released pursuant to any provisions of the Mortgage, as supplemented, and not heretofore disposed of by the Company; provided, however, that the property and rights expressly excepted from the lien and operation of this Seventh Supplemental Indenture and from the lien and operation of the Mortgage, as supplemented, in the above subdivisions (2) and (3) shall (to the extent permitted by law) cease to be so excepted in the event 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 XII of the Mortgage by reason of the occurrence of a Completed Default as defined in said Article XII.

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 the Individual Trustee and (to the extent of its legal capacity to hold the same for the purposes hereof) unto the Corporate Trustee, and their successors, heirs 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 supplemented, this 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

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.

Sixth Series of Bonds.

SECTION 1. There shall be a series of bonds designated "4½% Series due 1988" (herein sometimes referred to as the "Sixth Series"), each of which shall also bear the descriptive title First Mortgage Bond, and the form thereof and of the appurtenant coupons, 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 Sixth Series shall mature on August 1, 1988, and shall be issued as coupon bonds in the denomination of One Thousand Dollars, registrable as to principal, and as fully registered bonds in denominations of One Thousand Dollars and Ten 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 four and three-eighths per centum (4¾%) per annum, payable semi-annually on February 1 and August 1 of each year until the principal thereof shall become due and payable (whether at maturity, by declaration, or otherwise) and at the rate of six per centum (6%) per annum on any overdue principal and (to the extent permitted by law) on any overdue installment of interest: 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 in legal tender for public and private debts. Coupon bonds of the Sixth Series shall be dated as of August 1, 1958, and fully registered bonds of the Sixth Series shall be dated as in Section 10 of the Mortgage provided.

(I) Bonds of the Sixth 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 published as provided in Section 52 of the Mortgage, once on at least four different days before the date fixed for redemption, the first publication to be 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 12 months period ending July 31,

1959.....	104.80%	1969....	103.14%	1979.....	101.49%
1960.....	104.63%	1970.....	102.98%	1980.....	101.33%
1961.....	104.47%	1971.....	102.81%	1981.....	101.16%
1962.....	104.30%	1972.....	102.65%	1982.....	101.00%
1963.....	104.14%	1973.....	102.48%	1983.....	100.83%
1964.....	103.97%	1974.....	102.32%	1984.....	100.67%
1965.....	103.80%	1975.....	102.15%	1985.....	100.50%
1966.....	103.64%	1976.....	101.99%	1986.....	100.34%
1967.....	103.47%	1977.....	101.82%	1987.....	100.17%
1968.....	103.31%	1978.....	101.66%	1988.....	100.00%

in each case, together with accrued interest to the date fixed for redemption; provided that no bonds of the Sixth Series shall be redeemable at the general redemption prices prior to August 1, 1963, with borrowed funds, or in anticipation of funds to be borrowed, having an interest cost (calculated in accord-

ance with acceptable financial practice) of less than four and three-eighths per centum (4 3/8 %) per annum.

(II) Bonds of the Sixth 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 38, Section 39 or Section 64 of the Mortgage or with the Proceeds of Released Property; provided, however, that in the case of application of cash deposited with the Corporate Trustee pursuant to the provisions of Section 39 of the Mortgage, if the date fixed for such redemption shall be prior to January 1 of the calendar year in which such deposit of cash shall become due under the provisions of Section 39 of the Mortgage, they shall be redeemable at the general redemption prices set forth in subdivision (1) of this Section, together with accrued interest to the date fixed for redemption; and provided further, that

(1) in the case of application of cash deposited with the Corporate Trustee pursuant to the provisions of Section 39 of the Mortgage, if the date fixed for such redemption shall be on or after January 1 of the calendar year in which such deposit of cash shall become due, or

(2) in the case of redemption by the application of cash deposited with the Corporate Trustee pursuant to the provisions of Section 38 or Section 64 of the Mortgage or with the Proceeds of Released Property,

they shall be redeemed at the following special redemption prices, expressed in percentages of the principal amount of the bonds to be redeemed:

SPECIAL REDEMPTION PRICES

If redeemed during 12 months period ending July 31,

1959.....	100.42%	1969.....	100.34%	1979.....	100.21%
1960.....	100.41%	1970.....	100.33%	1980.....	100.19%
1961.....	100.41%	1971.....	100.31%	1981.....	100.17%
1962.....	100.40%	1972.....	100.30%	1982.....	100.15%
1963.....	100.39%	1973.....	100.29%	1983.....	100.14%
1964.....	100.38%	1974.....	100.28%	1984.....	100.12%
1965.....	100.37%	1975.....	100.26%	1985.....	100.10%
1966.....	100.37%	1976.....	100.25%	1986.....	100.07%
1967.....	100.36%	1977.....	100.24%	1987.....	100.05%
1968.....	100.35%	1978.....	100.22%	1988.....	100.00%

in each case, together with accrued interest to the date fixed for redemption.

(III) At the option of the holder, any coupon bonds of the Sixth Series, upon surrender thereof with all unmatured coupons appertaining thereto at the office or agency of the Company in the Borough of Manhattan, The City of New York, shall (subject to the provisions of Section 12 of the Mortgage) be exchangeable for a like aggregate principal amount of fully registered bonds of the same series of authorized denominations. All such coupon bonds to be exchanged as aforesaid shall be in bearer form or, if registered, accompanied by a written instrument of transfer, if required by the Company, duly executed by the registered owner or by his duly authorized attorney. At the option of the registered owner, any fully registered bonds of the Sixth Series, upon surrender thereof, for cancellation, at said office or agency of the Company, together with a written instrument of transfer, if required by the Company, duly executed by the registered owner or by his duly authorized attorney, shall (subject to the provisions of Section 12 of the Mortgage) be exchangeable for a like aggregate principal amount of coupon bonds of the same series, with all unmatured coupons attached, or for a like aggregate principal amount of fully registered bonds of the same series of other authorized denominations.

The holder of any coupon bond of the Sixth Series may have the ownership thereof registered as to principal at the office or agency of the Company in the Borough of Manhattan, The City of New York, and such registration noted on such bond. After such registration no transfer of such bond shall be valid unless made at said office or agency by the registered owner in person or by his duly authorized attorney and similarly noted on such bond; but (subject to the provisions of Section 12 of the Mortgage) the same may be discharged from registration by being in like manner transferred to bearer and thereupon transferability by delivery shall be restored; but such bond may again from time to time be registered or transferred to bearer in accordance with the above procedure. Such registration, however, shall not affect the negotiability of the coupons appertaining to such bonds, but every such coupon shall continue to be transferable by delivery merely and shall remain payable to bearer. Fully registered bonds of the Sixth Series shall also be transferable (subject to the provisions of Section 12 of the Mortgage) at said office or agency of the Company.

ARTICLE II.

Dividend Covenant.

SECTION 2. So long as any of the Bonds of the Sixth Series remain Outstanding unless this requirement shall have been waived in writing by the holders of a majority in principal amount of the bonds of the Sixth Series Outstanding at the time of such waiver, the Company covenants that it will not declare or pay any dividend on its common stock or make any other distribution on shares of its common stock (other than dividends or distributions payable solely in shares of its common stock) or acquire (unless acquired without cost to the Company) any shares of the common stock of the Company, if the aggregate amount of all such payments, distributions and the cost of such acquisitions from and after July 1, 1957, shall exceed the aggregate net income of the Company applicable to common stock of the Company from and after July 1, 1957, and prior to such proposed declaration, payment,

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distribution or acquisition, plus Six Million Dollars (\$6,000,000), and plus an amount equal to the proceeds from the sale of common stock subsequent to July 1, 1957.

"Net income of the Company" shall, for the purposes of this Section and without regard to any other provision of the Mortgage, as supplemented, be determined in accordance with the system of accounts employed from time to time by the Company and which is in accordance with generally accepted accounting principles and practices for companies operating properties of like kind and character, provided, however, that the actual amounts deducted out of income for such cumulative period for expenditures and/or accruals for maintenance and/or appropriated for property retirement and/or appropriated for property amortization shall never be less than an amount equal to thirteen and one-half per centum (13½%) of the Gross Operating Revenues of the Company (as defined in Section 38 of the Mortgage) for such cumulative period.

ARTICLE III.

Miscellaneous Provisions.

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

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 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 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 XVI of the Mortgage, as supplemented, shall apply to and form

part of this 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 Seventh Supplemental Indenture.

SECTION 5. Whenever in this Seventh Supplemental Indenture either of the parties hereto is named or referred to, this shall, subject to the provisions of Articles XV and XVI of the Mortgage, as supplemented, be deemed to include the successors and assigns of such party, and all the covenants and agreements in this 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 6. Nothing in this 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 Seventh Supplemental Indenture or any covenant, condition, stipulation, promise or agreement hereof, and all the covenants, conditions, stipulations, promises and agreements in this 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 7. So long as any bonds of the Sixth Series remain Outstanding, unless this requirement shall have been waived in writing by the holders of a majority in principal amount of the bonds of the Sixth Series Outstanding at the time of such waiver, notwithstanding the provisions of the second paragraph of Section 7 of the Mortgage, in any Net Earning Certificate required to be delivered to the Corporate Trustee there shall be included in the operating expenses all interest on customers' deposits and an amount equal to thirteen and one-half per centum (13½%) of the Gross Operating Revenues for the

twelve (12) consecutive calendar months covered by such certificate after deducting from such amount an amount equal to the amount, included in operating expenses, expended for or accrued for repairs and maintenance.

SECTION 8. Section 39 of the Mortgage is hereby amended by inserting the words "and provided further that the Company may not deposit cash prior to August 1, 1963, in anticipation of the requirements of this Section in respect of the 4 3/8 % Series due 1988 other than a requirement becoming due in the current calendar year, if the cash so deposited represents borrowed funds, or is in anticipation of funds to be borrowed, having an interest cost (calculated in accordance with acceptable financial practice) of less than four and three-eighths per centum (4 3/8 %) per annum." after the words "of less than four and one-eighth per centum (4 1/8 %) per annum."

SECTION 9. The Company covenants that, so long as any bonds of the Sixth Series remain Outstanding (unless this requirement shall have been waived in writing by the holders of a majority in principal amount of the bonds of the Sixth Series Outstanding at the time of such waiver), it will not convey or transfer any property which is subject to the lien of the Mortgage to any subsidiary of the Company except in accordance with the provisions of Article XV of the Mortgage or except such property as shall thereupon be released from the lien of the Mortgage under the provisions of Article XI thereof.

SECTION 10. The Company covenants that it will not request the cancellation and discharge of the lien of the Mortgage under the provisions of Section 106 thereof unless it shall have authorized the Corporate Trustee to give to the holders of bonds of the Sixth Series notice by publication in one Daily Newspaper printed in the English language and published and of general circulation in the Borough of Manhattan, The City of New York, that funds for the immediate payment of such bonds and the premium, if any, and interest thereon are on deposit with the Corporate Trustee.

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SECTION 11. This Seventh Supplemental Indenture shall be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 12. The titles of the several Articles of this Seventh Supplemental Indenture shall not be deemed to be any part thereof.

IN WITNESS WHEREOF, on this 28th day of July, 1958, THE WASHINGTON WATER POWER COMPANY, party hereto of the first part, has caused its corporate name to be hereunto affixed, and this instrument to be signed and sealed by its President or one of its Vice-Presidents, and its corporate seal to be attested by its Secretary or one of its Assistant Secretaries for and in its behalf, and CITY BANK FARMERS TRUST COMPANY, one of the parties hereto of the second part, has caused its corporate name to be hereunto affixed, and this instrument to be signed and sealed by its President or one of its Vice-Presidents and its corporate seal to be attested by its Secretary or one of its Assistant Secretaries, and FRANCIS M. PITT, one of the parties hereto of the second part, has for all like purposes hereunto set his hand and affixed his seal, all in The City of New York, New York, as of the day and year first above written.

THE WASHINGTON WATER POWER COMPANY,

By Wm. C. Robinson
President.

Attest:

J. H. Robinson
Secretary.

Executed, sealed and delivered by THE WASHINGTON WATER POWER COMPANY, in the presence of:

J. H. Robinson

.....

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CITY BANK FARMERS TRUST COMPANY,

As Trustee,

By

Vice-President.

Attest:

Assistant Secretary.

Executed, sealed and delivered by CITY BANK
FARMERS TRUST COMPANY, in the presence of:

FRANCIS M. PITT

(L. S.)

Executed, sealed and delivered by FRANCIS M.
PITT, in the presence of:

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

On the 28th day of July, 1958, before me personally appeared K. M. ROBINSON, to me known to be the President of THE WASHINGTON WATER POWER COMPANY, one of the corporations that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said Corporation for the uses and purposes therein mentioned and on oath stated that he was authorized to execute said instrument and that the seal affixed is the corporate seal of said Corporation.

On the 28th day of July, in the year 1958, before me, MORTON BARAD, a Notary Public in and for the State and County aforesaid, personally appeared K. M. ROBINSON, known to me to be the President of THE WASHINGTON WATER POWER COMPANY, one of the corporations that executed the within and foregoing instrument and acknowledged to me that such Corporation executed the same.

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

Morton Barad
Notary Public.

MORTON BARAD
Notary Public, State of New York
No. 24-5170980
Qualified in Kings County
Certs. filed in Bronx, Queens, Nassau,
New York and Westchester Cos.
Term Expires March 30, 1960

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

On the 28th day of July, 1958, before me personally appeared S. L. SMITH, to me known to be a Vice-President of CITY BANK FARMERS TRUST COMPANY, one of the corporations that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said Corporation for the uses and purposes therein mentioned and on oath stated that he was authorized to execute said instrument and that the seal affixed is the corporate seal of said Corporation.

On the 28th day of July in the year 1958, before me, WARREN V. MADDEN, a Notary Public in and for the State and County aforesaid, personally appeared S. L. SMITH, known to me to be a Vice-President of CITY BANK FARMERS TRUST COMPANY, one of the corporations that executed the within and foregoing instrument and acknowledged to me that such Corporation executed the same.

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

Warren V. Madden
.....
Notary Public.

WARREN V. MADDEN
Notary Public, State of New York
Qualified in New York County
No. 31-2539175
Clt. Filed in N. Y. Co.
Commission Expires March 30, 1959


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

On this 28th day of July, in the year 1958, before me WARREN V. MADDEN, a Notary Public in and for the State and County aforesaid, personally appeared FRANCIS M. PITT, known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

On this day personally appeared before me FRANCIS M. PITT, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 28th day of July, 1958.


.....
Notary Public.

WARREN V. MADDEN
Notary Public, State of New York
Qualified in New York County
No. 31-2539175
Clk. Filed in N. Y. Co.
Commission Expires March 30, 1959

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

K. M. ROBINSON, being duly sworn, deposes and says that he is the President of THE WASHINGTON WATER POWER COMPANY, the Mortgagor named in the foregoing instrument, and makes this affidavit for and on its behalf; that said instrument is made in good faith and without any design to hinder, delay or defraud creditors.

K. M. Robinson
.....

Subscribed and sworn to before me }
this 28th day of July, 1958. }

Morton Barad
.....
Notary Public.

MORTON BARAD
Notary Public, State of New York
No. 24-5170980
Qualified in Kings County
Certs. filed in Bronx, Queens, Nassau,
New York and Westchester Cos.
Term Expires March 30, 1960

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

S. L. SMITH, being first duly sworn, upon oath, deposes and says: that he is an officer, to-wit, a Vice-President of CITY BANK FARMERS TRUST COMPANY, a corporation, one of the mortgagees and/or trustees named in the foregoing mortgage and deed of trust, that said mortgage and deed of trust is made in good faith to secure the amount named therein (not in excess of One Hundred and Fifty Million Dollars (\$150,000,000), subject to being increased to an amount not exceeding Five Hundred Million Dollars (\$500,000,000), as therein provided) and without design to hinder, delay or defraud creditors, and that he makes this affidavit on behalf of said City Bank Farmers Trust Company.

Subscribed and sworn to before me }
his 28th day of July, 1958. }

Notary Public.

WARREN V. MADDEN
Notary Public, State of New York
Qualified in New York County
No. 31-2539175
Clt. Filed in N. Y. Co.
Commission Expires March 30, 1959

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

FRANCIS M. PITT, being first duly sworn, upon oath, deposes and says: that he is one of the mortgagees and/or trustees named in the foregoing mortgage and deed of trust; that the mortgage and deed of trust is made in good faith to secure the amount named therein (not in excess of One Hundred and Fifty Million Dollars (\$150,000,000) subject to being increased to an amount not exceeding Five Hundred Million Dollars (\$500,000,000), as therein provided) and without any design to hinder, delay or defraud creditors.

Francis M. Pitt

Subscribed and sworn to before me }
this 28th day of July, 1958. }

Warren V. Madden

Notary Public.

WARREN V. MADDEN
Notary Public, State of New York
Qualified in New York County
No. 31-2539173
Cif. Filed in N. Y. Co.
Commission Expires March 30, 1959

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

S. L. SMITH, being first duly sworn, upon oath, deposes and says: that he is an officer, to-wit, a Vice-President of CITY BANK FARMERS TRUST COMPANY, a corporation, one of the mortgagees and/or trustees named in the foregoing mortgage and deed of trust and that the foregoing mortgage and deed of trust is a true copy of said original mortgage and deed of trust.

Subscribed and sworn to before me }
this 28th day of July, 1958. }

Notary Public.

WARREN V. MADDEN
Notary Public, State of New York
Qualified in New York County
No. 31 2539175
Clt. Filed in N. Y. Co.
Commission Expires March 30, 1959

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

FRANCIS M. PITT, being first duly sworn, upon oath, deposes and says: that he is one of the mortgagees and/or trustees named in the foregoing mortgage and deed of trust; that the foregoing mortgage and deed of trust is a true copy of said original mortgage and deed of trust.

Francis M. Pitt
.....

Subscribed and sworn to before me }
this 28th day of July, 1958.

Warren V. Madden
.....
Notary Public.

WARREN V. MADDEN
Notary Public, State of New York
Qualified in New York County
No. 31-2539175
Clt. Filed in N. Y. Co.
Commission Expires March 30, 1959

Unofficial Copy

RECORDED
JUL 30 1958
CLERK OF THE COUNTY OF NEW YORK

Secretary