

COUPONS AND OF THIS INDENTURE, AND FOR ENFORCING THE TERMS, PROVISIONS, COVENANTS AND STIPULATIONS HEREIN AND IN THE BONDS SET FORTH, AND UPON THE TRUSTS, USES AND PURPOSES, AND SUBJECT TO THE COVENANTS, AGREEMENTS AND CONDITIONS HEREINAFTER SET FORTH AND DECLARED.

ARTICLE ONE.

DEFINITIONS; AND EFFECT OF INSTRUMENTS FILED WITH TRUSTEES.

SECTION 1. THE TERMS HEREINBELOW IN THIS SECTION MENTIONED SHALL, FOR ALL PURPOSES OF THIS INDENTURE, BE TAKEN TO HAVE THE MEANINGS HEREINAFTER SET FORTH.

(A) THE TERM "COMPANY" SHALL MEAN AND INCLUDE NOT ONLY PEOPLES WEST COAST HYDRO-ELECTRIC CORPORATION, THE PARTY OF THE FIRST PART HERETO, BUT ALSO ANY SUCCESSOR CORPORATION WHICH SHALL BECOME SUCH IN THE MANNER HEREINAFTER IN ARTICLE FOURTEEN PRESCRIBED.

(B) THE TERMS "TRUSTEES", "CORPORATE TRUSTEE" AND "INDIVIDUAL TRUSTEE" SHALL MEAN, RESPECTIVELY, THE TRUSTEES, CORPORATE TRUSTEE OR INDIVIDUAL TRUSTEE UNDER THIS INDENTURE FOR THE TIME BEING, INCLUDING NOT ONLY BANKERS TRUST & SAVINGS BANK AND A. L. WARNER, THE PARTIES OF THE SECOND PART HERETO, BUT ALSO ANY SUCCESSOR TRUSTEE WHICH OR WHO SHALL BECOME SUCH IN THE MANNER HEREINAFTER IN SECTIONS 95 OR 96 PRESCRIBED.

(C) THE TERM "RESOLUTION OF THE BOARD" SHALL MEAN A COPY OF A RESOLUTION DULY CERTIFIED BY THE SECRETARY OR AN ASSISTANT SECRETARY OF THE COMPANY UNDER ITS CORPORATE SEAL TO HAVE BEEN DULY ADOPTED BY THE BOARD OF DIRECTORS OF THE COMPANY, AT A MEETING THEREOF DULY CALLED AND HELD AND AT WHICH A QUORUM WAS PRESENT, AND TO BE STILL IN FULL FORCE AND EFFECT.

(D) THE TERMS "WRITTEN ORDER OF THE COMPANY," "WRITTEN REQUEST OF THE COMPANY," "WRITTEN CONSENT OF THE COMPANY" AND "CERTIFICATE OF THE COMPANY," SHALL MEAN, RESPECTIVELY, A WRITTEN ORDER, REQUEST, CONSENT OR CERTIFICATE SIGNED BY THE PRESIDENT OR A VICE-PRESIDENT AND BY THE TREASURER OR AN ASSISTANT TREASURER OF THE COMPANY.

(E) THE TERM "OPINION OF COUNSEL," SHALL, UNLESS THE CONTEXT SHALL INDICATE A DIFFERENT MEANING, MEAN A WRITTEN OPINION OF COUNSEL SELECTED BY THE COMPANY AND ACCEPTABLE TO THE CORPORATE TRUSTEE, WHO MAY BE COUNSEL FOR THE COMPANY.

(F) THE WORDS "BOND," "BONDHOLDER," AND "HOLDER" INCLUDE THE PLURAL AS WELL AS THE SINGULAR NUMBER, AND VICE VERSA, UNLESS OTHERWISE EXPRESSLY INDICATED, AND UNLESS THE CONTEXT SHALL INDICATE A DIFFERENT MEANING, THE WORDS "BONDHOLDER" AND "HOLDER" SHALL BE DEEMED TO INCLUDE BOTH THE BEARER OF A BEARER BOND NOT REGISTERED AS TO PRINCIPAL AND THE REGISTERED OWNER OF A REGISTERED BOND WITHOUT COUPONS AND A BEARER BOND REGISTERED AS TO PRINCIPAL.

(G) BONDS OWNED LEGALLY OR EQUITABLY BY THE COMPANY SHALL NOT BE DEEMED TO BE "OUTSTANDING" FOR THE PURPOSE OF COMPUTING THE AMOUNT OF BONDS IN RESPECT OF WHICH ANY DEMAND, REQUEST, CONSENT, WAIVER OR NOTICE PROVIDED FOR HEREIN MAY BE GIVEN. THE WORD "AMOUNT" WHEN USED WITH RELATION TO THE AMOUNT OF BONDS OUTSTANDING SHALL BE TAKEN TO MEAN THE PRINCIPAL AMOUNT OF SUCH BONDS, UNLESS THE CONTEXT SHALL OTHERWISE INDICATE.

(H) THE TERM "PRIOR LIEN" MEANS AND INCLUDES ANY MORTGAGE OR OTHER LIEN PRIOR TO THE LIEN OF THIS INDENTURE UPON PROPERTY HEREAFTER ACQUIRED BY THE COMPANY, EXISTING ON SAID PROPERTY, AND/OR PLACED THEREON TO SECURE UNPAID PORTIONS OF THE PURCHASE PRICE, AT THE TIME OF SUCH ACQUISITION.

(I) THE TERM "REFUNDABLE BONDS" MEANS AND INCLUDES ANY BONDS SECURED BY A PRIOR LIEN ON ADDITIONAL PROPERTY (AS SAID TERM IS DEFINED IN SECTION 18 HEREOF), WHICH SHALL,