

JOHNSON-COX COMPANY, PRINTERS, TACOMA—42286

Secured hereby.

ARTICLE XVI. EFFECT OF MERGER, CONSOLIDATION Etc.

Section 102. Nothing in this indenture shall prevent any consolidation of the Company with, or merger of the Company into, any corporation having corporate authority to carry on the business mentioned in section 4 of this Indenture or any conveyance, transfer or lease, subject to this Indenture, of all or substantially all of the mortgaged and pledged property owned by the Company, as an entirety to any corporation lawfully entitled to acquire or lease and operate the same; provided, however, and the company covenants and agrees, that such consolidation, merger, conveyance, transfer or lease shall be upon such terms as fully to preserve and in no respect to impair the lien, efficiency or security of this indenture, or any of the rights or powers of the Trustees or the bondholders hereunder and provided further, that any such lease shall be made expressly subject to immediate termination by the Company or by the Trustees at any time during the continuance of a completed default hereunder, and also by the purchase of the property so leased at any sale thereof hereunder, whether such sale be made under the power of sale hereby conferred or under judicial proceedings; and provided further, that, upon any such consolidation, merger, conveyance or transfer, or upon any such lease the term of which extends beyond the date of maturity of any of the bonds secured hereby, the due and punctual payment of the principal and interest of all said bonds according to their tenor and the due and punctual performance and observance of all the covenants and conditions of this indenture to be kept or performed by the Company shall be expressly assumed in writing by the corporation formed by such consolidation or into which such merger shall have been made, or acquiring all or substantially all of the mortgaged and pledged property owned by the Company, as aforesaid, or by the lessee under any such lease the terms of which extends beyond the date of maturity of any of the bonds secured hereby.

Section 103. In case the company as permitted by section 102 hereof, shall be consolidated with or merged into any other corporation, or shall convey or transfer, subject to the lien of this Indenture, all or substantially all of the mortgaged and pledged property owned by the Company, the successor corporation formed by such consolidation, or into which the company shall have been merged, or which shall have received a conveyance or transfer, as aforesaid—upon executing and causing to be recorded an indenture with the Trustees, satisfactory to the Corporate Trustee, whereby such successor corporation shall assume and agree to pay, duly and punctually, the principal of and interest on the bonds issued hereunder in accordance with the provisions of said bonds and coupons and this indenture, and shall agree to perform and fulfill all the covenants and conditions of this indenture to be kept or performed by the Company—shall succeed to and be substituted for the Company with the same affect as if it had been named herein, and shall have and may exercise under this Indenture the same power and rights as the Company, and (without in anywise limiting or impairing by the enumeration of the same the scope and intent of the foregoing general powers and rights) such successor corporation thereupon may cause to be executed, issued and delivered, either in its own name or in the name of Pacific Power & Light Company, as its name shall then exist, in respect of property of the character defined in section 4 and 5 hereof as property additions or subsidiary property additions, such bonds as could or might have been executed, issued and delivered by the Company had it acquired such property of such character by purchase on the date of such consolidation, merger, conveyance or transfer, or had any of its subsidiary companies acquired such subsidiary property ^{by purchase on} the date of such consolidation, merger, conveyance or transfer, and had such consolidation, merger, conveyance or transfer not occurred and upon the order of such successor corporation in lieu of the Company, and subject to