

MORTGAGE RECORD T

SKAMANIA COUNTY, WASHINGTON

ARTICLE 1.

Definitions.

Section 1. The terms specified in the next succeeding eight Sections hereof, numbered from 2 to 9, both inclusive, shall, for all purposes of this Indenture, and of any indenture supplemental hereto, have the meanings in such Sections specified.

Section 2. The term "the Company" shall mean the party of the first part hereto, PACIFIC POWER & LIGHT COMPANY, and subject to the provisions of Article XVI hereof shall also include its successors and assigns. The term "the Trustees" shall mean the parties of the second part hereto, Chemical Bank & Trust Company and Howard B. Smith, and shall also include their respective successors and assigns. The term "the Corporate Trustee" shall mean CHEMICAL BANK & TRUST COMPANY, and shall also include its successors and assigns. The term "the Individual Trustee" shall mean Howard B. Smith and shall also include his successors and assigns. The terms "the lien hereof" and "the lien of this indenture" shall mean the lien created or intended to be created by these presents (including the after-acquired property clauses hereof) and the lien created by any subsequent conveyance or delivery to or pledge (whether made by the Company or any other corporation or any individual or co-partnership) with the Trustees or either or of them hereunder effectively constituting any property a part of the security held by the Trustees or either of them upon the terms and trusts and subject to the covenants, conditions, and uses specified in this Indenture. The term "the mortgaged and pledged property" shall mean as of any particular time the property which at said time is covered or intended to be covered by the lien of this Indenture whether such lien be created by these presents (including the after-acquired property clauses hereof) or by subsequent conveyance or delivery to or pledge (whether made by the Company or any other corporation or any individual or co-partnership) with the Trustees or either of them hereunder or otherwise. The term "outstanding" shall mean as of any particular time with respect to bonds issued or issuable under this Indenture all bonds which theretofore shall have been authenticated and delivered under this Indenture, except (a) bonds theretofore paid, retired, redeemed or canceled and/or for the purchase, payment and/or redemption of which money in the necessary amount shall have been deposited with or shall then be held by the Corporate Trustee with irrevocable direction so to apply the same in accordance with the provisions of this Indenture, (b) bonds deposited with or held in pledge by the Corporate Trustee under any of the provisions of this Indenture, and (c) bonds authenticated and delivered hereunder, upon transfer of which or in exchange or substitution for and/or in lieu of which other bonds have been authenticated and delivered under any of the provisions of this Indenture.

Section 3. The term "resolution" shall mean a resolution certified by the Secretary or an Assistant Secretary of the Company to have been duly adopted by the Board of Directors or Executive Committee of the Company. The term "engineer" shall mean an individual or a copartnership or a corporation engaged in an engineering business or employed by the Company to pass upon engineering questions. The term "Treasurer's certificate" shall mean a certificate signed and verified by the President or a Vice-President and ^{the} Treasurer or an Assistant Treasurer of the Company. The term "engineer's certificate" shall mean a certificate signed and verified by the President or a Vice-President of the Company and by an engineer (who may be an employee of the Company) appointed by the Board of Directors or Executive Committee of the Company and approved by the Corporate Trustee. The term "independent engineer's certificate" shall mean a certificate signed and verified by an engineer appointed by the Corporate Trustee and approved by the Board of Directors or Executive Committee of the Company. The term "opinion of counsel" shall mean an opinion in writing signed by