

REGISTERED RECORD  
DEPARTMENT OF WASH  
Wash. Water Power

MAY 10 3 31 PM '93

*P. Lowry*  
AUDITOR

116196

GARY H. HARRIS

EXECUTED IN 725<sup>th</sup> COUNTERPARTS C.  
WHICH THIS IS COUNTERPART No 24

BOOK 135 PAGE 186

**THE WASHINGTON WATER POWER COMPANY**

TO

**CITIBANK, N.A.**

As Successor Trustee under  
The Washington Water Power Company's  
Mortgage and Deed of Trust,  
dated as of June 1, 1939

**Twenty-sixth Supplemental Indenture**

Providing among other things for a series  
of bonds designated "Secured Medium-Term  
Notes, Series A (being a series of First Mortgage Bonds)"

Dated as of April 1, 1993

75-0000000-700

Registered	<i>p</i>
Indexed, Dir	<i>p</i>
Indirect	<i>p</i>
Filed	
Mailed	

## TWENTY-SIXTH SUPPLEMENTAL INDENTURE

THIS INDENTURE, dated as of the 1st day of April 1993, between THE WASHINGTON WATER POWER COMPANY, a corporation of the State of Washington, whose post office address is East 1411 Mission Avenue, Spokane, Washington (the "Company"), and CITIBANK, N.A., formerly First National City Bank (successor by merger to First National City Trust Company, formerly City Bank Farmers Trust Company), a national banking association incorporated and existing under the laws of the United States of America, whose post office address is 111 Wall Street, New York, New York (the "Trustee"), as Trustee under the Mortgage and Deed of Trust, dated as of June 1, 1939 (the "Mortgage"), executed and delivered by the Company to secure the payment of bonds issued or to be issued under and in accordance with the provisions of the Mortgage, this indenture (the "Twenty-sixth Supplemental Indenture") being supplemental thereto.

WHEREAS the Mortgage has been appropriately filed or recorded in various official records in the States of Washington, Idaho and Montana; and

WHEREAS pursuant to a written request of the Company made in accordance with Section 103 of the Mortgage, Francis M. Pitt (then Individual Trustee under the Mortgage, as supplemented) ceased to be a trustee thereunder on July 23, 1969, and all of his powers as Individual Trustee have devolved upon the Trustee and its successors alone; 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 has heretofore executed and delivered, in addition to the Mortgage, the indentures supplemental to the Mortgage, and has issued the series of bonds, set forth in Exhibit A hereto; and

WHEREAS, the Mortgage and the First through Twenty-fourth Supplemental Indentures have been appropriately filed or recorded in various official records in the States of Washington, Idaho and Montana, as set forth in the First through Twenty-fifth Supplemental Indentures; and

WHEREAS, the Twenty-fifth Supplemental Indenture, dated as of October 1, 1989, has been appropriately filed or recorded in the various official records in the States of Washington, Idaho and Montana set forth in Exhibit B(1) hereto; and

WHEREAS, for the purpose of confirming or perfecting the lien of the Mortgage on certain of its properties, the Company has heretofore executed and delivered a Short Form

Mortgage and Security Agreement, in multiple counterparts dated as of various dates in 1992, and such instrument has been appropriately filed or recorded in the various official records in the States of California, Montana and Oregon set forth in Exhibit B(2) hereto; and

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 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 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 Twenty-sixth Supplemental Indenture, and the terms of the bonds of the Twenty-fourth 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 Twenty-sixth Supplemental Indenture a valid, binding and legal instrument for the security of the bonds have been performed;

NOW, THEREFORE, THIS INDENTURE WITNESSETH: That the Company, in consideration of the premises and of one dollar to it duly paid by the Trustee at or before the ensembling and delivery of these presents, the receipt whereof is hereby acknowledged, and in further assurance of the estate, title and rights of the Trustee 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 Citibank, N.A., as Trustee under the Mortgage, and to its successor or successors in said trust 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, namely:

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 intent of the foregoing or of any general description contained in this Twenty-sixth 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.

TOGETHER WITH all and singular the tenements, hereditaments and appurtenances belonging or in anywise 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 Twenty-sixth Supplemental Indenture and from the lien and operation of the Mortgage, as supplemented, namely: (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 Twenty-sixth 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 Twenty-sixth 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 the Trustee 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 Trustee, and its 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 set forth in the Mortgage, as supplemented, this Twenty-sixth 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 Trustee and the beneficiaries of the trust with respect to said property, and to the Trustee and its 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 Trustee by the Mortgage as a part of the property therein stated to be conveyed.

The Company further covenants and agrees to and with the Trustee and its successor or successors in such trust under the Mortgage, as follows:

#### ARTICLE I

##### Twenty-fourth Series of Bonds

SECTION 1. (I) There shall be a series of bonds designated "Secured Medium-Term Notes, Series A (being a series of First Mortgage Bonds)" (herein sometimes referred to as the "Twenty-fourth 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 Twenty-fourth Series shall be issued as fully registered bonds in denominations of One Hundred Thousand Dollars and, at the option of the Company, any amount in excess thereof which is an integral multiple of Ten Thousand Dollars (the exercise of such option to be evidenced by the execution and delivery thereof) and shall be dated as in Section 10 of the Mortgage provided. Each bond of the Twenty-fourth Series shall (a) be issued in such principal amount, (b) mature on such date (with respect to each such bond the "Stated Maturity Date") not less than nine months nor more than 30 years from its Original Issue Date (as defined below), (c) bear interest at such rate, computed on the basis of a 360-day year consisting of twelve 30-day months, payable semi-annually on May 1 and November 1 in each

year, commencing November 1, 1993 (each such date being hereinafter called an "Interest Payment Date") and at Maturity (as hereinafter defined) and (d) have such other terms and provisions, all as shall be specified by the Company in a written order, or orders, executed by the Chairman of the Board, the President, any Vice President, the Treasurer or any Assistant Treasurer of the Company, delivered to the Trustee referring to the bonds of the Twenty-fourth Series (each such written order being hereinafter sometimes referred to as a "Company Order"), such specification by such an officer of the Company having been heretofore authorized in a Resolution filed with the Trustee referring to this Twenty-sixth Supplemental Indenture. Each bond of the Twenty-fourth Series shall bear interest from its Original Issue Date, if the date of such bond is prior to the first Interest Payment Date after such Original Issue Date, or, if the date of such Bond is after such first Interest Payment Date, from the Interest Payment Date next preceding the date of such bond. The principal of and premium, if any, and interest on each bond of the Twenty-fourth Series payable at Maturity shall be payable upon presentation thereof at the office or agency of the Company in the Borough of Manhattan, The City of New York, in such coin or currency as at the time of payment is legal tender for public and private debts. The interest on each bond of the Twenty-fourth Series (other than interest payable at Maturity) shall be payable by check, in similar coin or currency, mailed to the registered owner thereof as of the close of business on April 15 or October 15, as the case may be, next preceding each Interest Payment Date (each such date being herein called a "Record Date"); provided, however, that if such registered owner shall be a securities depository, such payment may be made by such other means in lieu of check as shall be agreed upon by the Company, the Trustee and such registered owner; and provided, further, that, if the Original Issue Date of such bond is after a Record Date and before the corresponding Interest Payment Date, interest payable on such Interest Payment Date shall be paid to the person in whose name such bond was initially registered on the Original Issue Date. Interest payable at Maturity shall be paid to the person to whom principal shall be paid.

As used herein, the term "Original Issue Date" shall mean, with respect to any bond of the Twenty-fourth Series, the date of authentication and delivery hereunder of such bond, or, in the case of any particular bond which has been authenticated and delivered upon the registration of transfer or exchange of, or in substitution for, another bond, the date of the original authentication and delivery hereunder of the first bond authenticated and delivered hereunder representing all or a portion of the same obligation as that evidenced by such particular bond; and the term "Maturity" shall mean, with respect to any bond of the Twenty-fourth Series, the date on which the principal of such bond becomes due and payable, whether on the Stated Maturity Date, upon redemption or otherwise.

(II) Bonds of the Twenty-fourth Series may be redeemable in whole at any time, or in part from time to time, prior to the respective Stated Maturity Dates thereof, either at the option of the Company or by the application (either at the option of the Company or pursuant to the requirements of the Mortgage) of cash deposited with the Trustee pursuant to the provi-



sions of Section 38, Section 39 or Section 64 of the Mortgage or with the Proceeds of Released Property, upon notice mailed as provided in Section 52 of the Mortgage, to such extent, at such times, at such prices and upon such terms and conditions, if any, as shall be specified in one or more Company Orders delivered to the Trustee.

(III) At the option of the registered owner, any bonds of the Twenty-fourth 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 which have the same Original Issue Date, Stated Maturity Date, redemption provisions, if any, and which bear interest at the same rate.

Bonds of the Twenty-fourth 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 exchange or transfer of bonds of the Twenty-fourth 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 Twenty-fourth Series; provided, however, that the Company shall not be required to make any transfer or exchange of any bonds of the Twenty-fourth Series for a period of 10 days next preceding any selection of such bonds for redemption, nor shall it be required to make transfers or exchanges of any bonds of the Twenty-fourth Series which shall have been selected for redemption in whole or in part or as to which the Company shall have received a notice for the redemption thereof in whole or in part at the option of the registered owner.

Upon the delivery of this Twenty-sixth Supplemental Indenture, bonds of the Twenty-fourth Series in an aggregate principal amount initially not to exceed \$250,000,000 are to be issued from time to time, and upon issuance and delivery, will be Outstanding, in addition to \$243,700,000 aggregate principal amount of bonds of prior series Outstanding at the date of delivery of this Twenty-sixth Supplemental Indenture.

## ARTICLE II

SECTION 2. The Company reserves the right, subject to appropriate corporate action, but without any consent or other action by holders of bonds of the Twenty-fourth Series, to make such amendments to the Mortgage as shall be necessary in order to make any or all of



the amendments to the Mortgage set forth in paragraphs (1), (2), (3), (4), (5), (6) and (8) of Exhibit C to this Twenty-sixth Supplemental Indenture.

The Company confirms its reservation, contained in Article III of the Fourteenth Supplemental Indenture, dated as of April 1, 1970, of the right, subject to appropriate corporate action but without any consent or other action by holders of bonds of the Twelfth Series (as defined therein), or of any subsequently created series, to make such amendments to the Mortgage as shall be necessary in order to amend Article XVIII of the Mortgage to read as set forth in said Article III of said Fourteenth Supplemental Indenture. In addition, the Company hereby reserves the right, subject to appropriate corporate action but without any consent or other action by holders of bonds of the Twenty-fourth Series, to make such amendments to the Mortgage as shall be necessary in order to make the amendments to the Mortgage set forth in paragraph (7) of Exhibit C to this Supplemental Indenture.

### ARTICLE III

#### Miscellaneous Provisions

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

SECTION 4. The Trustee hereby accepts the trusts hereby declared, provided, created or supplemented and agrees to perform the same upon the terms and conditions herein and in the Mortgage, as supplemented, set forth, including the following:

The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Twenty-sixth 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 Twenty-sixth 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 Twenty-sixth Supplemental Indenture.

SECTION 5. Whenever in this Twenty-sixth 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 Twenty-sixth Supplemental Indenture contained by or on behalf of the Company, or by or on behalf of the Trustee, 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 Twenty-sixth 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 Twenty-sixth Supplemental Indenture or any covenant, condition, stipulation, promise or agreement hereof, and all the covenants, conditions, stipulations, promises and agreements in this Twenty-sixth 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.** The first paragraph of Section 3 of the Mortgage is hereby amended to read as follows:

"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 of the Company, or the Executive Committee or any other duly authorized committee of the Board of Directors, and to be in full force and effect on the date certified."

Section 8 of the Mortgage is hereby amended to insert the words "or rates" after the words "... maturing on such date or dates and bearing interest at such rate . . .", in the first sentence thereof, and after the words "... the designation of the series, the date of the coupon bonds of that series, the rate . . .", in the fourth sentence thereof.

**SECTION 8.** This Twenty-sixth 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.

**SECTION 9.** The titles of the several Articles of this Twenty-sixth Supplemental Indenture shall not be deemed to be any part thereof.

**IN WITNESS WHEREOF,** on the 15th day of April 1993, THE WASHINGTON WATER POWER COMPANY 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 Corporate Secretary or one of its Assistant Corporate Secretaries for and in its behalf, all in The City of Spokane, Washington, as of the day and year first above written; and on the 19th day of April 1993, CITIBANK, N.A., 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 Trust Officers or one of its Trust Officers and its corporate seal to be attested by one of its Trust Officers, all in The City of New York, New York, as of the day and year first above written.



THE WASHINGTON WATER POWER COMPANY

By R. D. Fukai  
Vice President

Attest:

J. V. Shanley  
Assistant Corporate Secretary

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

Dane C. Shore

Phillip G. Robinson

CITIBANK, N.A., AS TRUSTEE

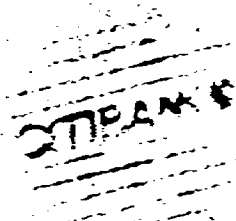
By [Signature]  
Vice President

Attest:

[Signature]  
Trust Officer

Executed, sealed and delivered  
by CITIBANK, N.A., in  
the presence of:

[Signature]  
[Signature]



Official Copy






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

On the 19th day of April 1993, before me personally appeared TIMOTHY D. FINNEGAN, to me known to be a Vice President of CITIBANK, N.A., 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 19th day of April 1993, before me, Peter M. Pavlyshin, a Notary Public in and for the State and County aforesaid, personally appeared TIMOTHY D. FINNEGAN, known to me to be a Vice President of CITIBANK, N.A., 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.

  
Notary Public

PETER M. PAVLYSHIN  
Notary Public, State of New York  
No. 4145-1787  
Qualified in Nassau County  
Cert. filed in New York County  
Commission Expires January 27, 1994



## EXHIBIT A

MORTGAGE, SUPPLEMENTAL INDENTURES  
AND SERIES OF BONDS

<u>MORTGAGE OR SUPPLEMENTAL INDENTURE</u>	<u>DATED AS OF</u>	<u>SERIES</u>	<u>PRINCIPAL AMOUNT ISSUED</u>	<u>PRINCIPAL AMOUNT OUTSTANDING</u>
Original	June 1, 1939	3-1/2% Series due 1964	\$22,000,000	None
First	October 1, 1952	3-3/4% Series due 1982	30,000,000	None
Second	May 1, 1953	3-7/8% Series due 1983	10,000,000	None
Third	December 1, 1955	None		
Fourth	March 15, 1957	None		
Fifth	July 1, 1957	4-7/8% Series due 1987	30,000,000	None
Sixth	January 1, 1958	4-1/8% Series due 1988	20,000,000	None
Seventh	August 1, 1958	4-3/8% Series due 1988	15,000,000	None
Eighth	January 1, 1959	4-3/4% Series due 1989	15,000,000	None
Ninth	January 1, 1960	5-3/8% Series due 1990	10,000,000	None
Tenth	April 1, 1964	4-5/8% Series due 1994	30,000,000	\$30,000,000
Eleventh	March 1, 1965	4-5/8% Series due 1995	10,000,000	10,000,000
Twelfth	May 1, 1966	None		
Thirteenth	August 1, 1966	6 X Series due 1996	20,000,000	20,000,000
Fourteenth	April 1, 1970	9-1/4% Series due 2000	20,000,000	None
Fifteenth	May 1, 1973	7-7/8% Series due 2003	20,000,000	20,000,000
Sixteenth	February 1, 1975	9-3/8% Series due 2005	25,000,000	None
Seventeenth	November 1, 1976	8-3/4% Series due 2006	30,000,000	None
Eighteenth	June 1, 1980	None		
Nineteenth	January 1, 1981	14-1/8% Series due 1991	40,000,000	None
Twentieth	August 1, 1982	15-3/4% Series due 1990-1992	60,000,000	None
Twenty-First	September 1, 1983	13-1/2% Series due 2013	60,000,000	None
Twenty-Second	March 1, 1984	13-1/4% Series due 1994	60,000,000	None
Twenty-Third	December 1, 1986	9-1/4% Series due 2016	80,000,000	80,000,000
Twenty-Fourth	January 1, 1988	10-3/8% Series due 2018	50,000,000	None
Twenty-Fifth	October 1, 1989	7-1/8% Series due 2013	66,700,000	66,700,000
		7-2/5% Series due 2016	17,000,000	17,000,000



**FILING AND RECORDING OF  
TWENTY-FIFTH SUPPLEMENTAL INDENTURE**

**FILING IN STATE OFFICES**

<u>State</u>	<u>Office of</u>	<u>Date</u>	<u>Financing Statement Document Number</u>
Washington	Secretary of State	11/22/89	89-326-0416
Idaho	Secretary of State	11/22/89	43382
Montana	Secretary of State	12/07/89	325100

**RECORDING IN COUNTY OFFICES**

<u>County</u>	<u>Office of</u>	<u>Date</u>	<u>Real Estate Mortgage Records</u>			<u>Financing Statement Document Number</u>
			<u>Document Number</u>	<u>Book</u>	<u>Page</u>	
<u>Washington</u>						
Adams	Auditor	11/21/89	219858	0163	477-491	
Asotin	Auditor	11/21/89	184262			
Benton	Auditor	11/21/89	89-17329	524	1813-1826	
Douglas	Auditor	11/21/89	258289	276	485-499	
Ferry	Auditor	11/21/89	212818	MF		
Franklin	Auditor	11/21/89	468195	0258	345-359	
Garfield	Auditor	11/21/89	89318	747	537-551	
Grant	Auditor	11/21/89	832862			
Grays Harbor	Auditor	11/22/89	891122083	89	28160-28172	
Klickitat	Auditor	11/22/89	216265	259	06-20	
Lewis	Auditor	11/22/89	8910713	427	373-387	
Lincoln	Auditor	11/22/89	383086	58	2674-2688	
Pend Oreille	Auditor	11/21/89	202754	85	845-859	
Skamania	Auditor	11/22/89	108297	116	805-819	
Spokane	Auditor	11/21/89	8911210216	1075	1192-1207	
Stevens	Auditor	11/22/89	8908641	135	2101-2115	
Thurston	Auditor	11/22/89	8911220034	1690	904-918	
Whitman	Auditor	11/21/89	534180			
<u>Idaho</u>						
Beneviah	Recorder	11/22/89	182053			182054
Bonner	Recorder	12/12/89	369906			369907
Boundary	Recorder	11/22/89	0159895	73	154	159896
Clearwater	Recorder	11/21/89	153249			153250
Idaho	Recorder	11/21/89	350867			350868
Kootenai	Recorder	12/11/89	1168990			1168989

RECORDING IN COUNTY OFFICES  
(continued)

County	Office of	Date	Real Estate Mortgage Records			Financing Statement Document Number
			Document Number	Book	Page	
Latah	Recorder	12/11/89	374347			374347
Lewis	Recorder	11/21/89	100902			100952
Nez Perce	Recorder	12/11/89	536594			536594
Shoshone	Recorder	12/14/89	340344			340344
<u>Montana</u>						
Mineral	Clerk & Recorder	11/21/89	70966	Drwr 2	3174-3174G	70967
Rosebud	Clerk & Recorder	11/27/89	64280	75	47-61	64281
Sanders	Clerk & Recorder	11/21/89	192987	77	561	9675

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**FILING AND RECORDING OF  
SHORT FORM MORTGAGE AND SECURITY AGREEMENT**

**FILING IN STATE OFFICES**

<u>State</u>	<u>Office of</u>	<u>Date</u>	<u>Financing Statement Document Number</u>
California	Secretary of State	07/13/92	92153335
Montana	Secretary of State	12/16/92	396028
Oregon	Secretary of State	07/13/92	R 15854

**FILING IN COUNTY OFFICES**

<u>County</u>	<u>Office of</u>	<u>Date</u>	<u>Document Number</u>	<u>Book</u>	<u>Page</u>	<u>Financing Statement Number</u>
<b>California</b>						
El Dorado	Recorder	08/03/92	47912	3836	129-138	
<b>Montana</b>						
Big Horn	Clerk & Recorder	12/07/92	305530	20	954-963	
Broadwater	Clerk & Recorder	12/07/92	125690	25	232-241	
Golden Valley	Clerk & Recorder	12/07/92	71608	M	6713-6723	
Meagher	Clerk & Recorder	12/09/92	101277	F36	859-869	
Rosebud	Clerk & Recorder	12/10/92	71542	80	128-133	
Stillwater	Clerk & Recorder	12/07/92	268980	113	956-966	
Treasure	Clerk & Recorder	12/07/92	73540	12	867-876	
Wheatland	Clerk & Recorder	12/07/92	94663	M	7715-7725	
Yellowstone	Clerk & Recorder	12/11/92	1663882	1387	3386-3400	
<b>Oregon</b>						
Douglas	Recorder	07/20/92	92-13002	1190	839-849	
Jackson	Recorder	07/15/92	92-20692	N/A	N/A	
Josephine	Recorder	07/20/92	92-14941	147	2421-2430	
Klamath	Recorder	07/13/92	47397	M92	15332-15342	
Union	Recorder	07/13/92	142629	N/A	N/A	



**Proposed Amendments to Mortgage**

(1) The amendment of Section 5 of the Mortgage, as amended, to delete the second paragraph thereof and to substitute therefor three paragraphs reading as follows:

In the event that in any certificate filed with the Trustee in connection with any of the transactions referred to in clauses (2), (3), (5), (6) or (7) of this Section, only a part of the Cost or fair value of the Property Additions described in such certificate shall be required for the purposes of such certificate, then such Property Additions shall be deemed to be Funded Property only to the extent so required for the purpose of such certificate.

All Funded Property that shall be abandoned, destroyed, released or otherwise disposed of free of the Lien of this Indenture shall for the purpose of Section 4 hereof be deemed Funded Property retired and for other purposes of this Indenture shall thereupon cease to be Funded Property but as in this Indenture provided may at any time thereafter again become Funded Property. Neither any reduction in the Cost or book value of property recorded in the plant account of the Company, nor the transfer of any amount appearing in such account to intangible and/or adjustment accounts, otherwise than in connection with actual retirements of physical property so abandoned, destroyed, released or disposed of, and otherwise than in connection with the removal of such property in its entirety from plant account, shall be deemed to constitute a retirement of Funded Property.

The Company may make allocations, on a pro-rata or other reasonable basis, for the purpose of determining the extent to which fungible properties, reflected in the same generic class of property in the Company's books of account and not otherwise specifically identified, constitute Funded Property or Funded Property retired.

(2) The deletion of Section 7 of the Mortgage, as amended, in its entirety and the substitution therefor of a new Section 7 reading as follows:

**SECTION 7.** The term "Net Earning 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, stating

(A) the Net Earnings of the Company for a period of twelve (12) consecutive calendar months within the eighteen (18) calendar months immediately preceding the first day of the month in which the application for the authentication and delivery under this Indenture of bonds then applied for is made,

specifying;

(1) its operating revenues (which may include revenues subject when collected or accrued to possible refund at a future date), with the principal divisions thereof;

(2) its operating expenses, with the principal divisions thereof;

(3) the amount remaining after deducting such operating expenses from such operating revenues;

(4) its rental expenses for plants or systems not otherwise deducted from revenues or from other income in such certificate;

(5) the balance remaining after deducting such rental expenses from the amount required to be stated in such certificate by clause (3) of this Section;

(6) its rental revenues from plants or systems not otherwise included in revenues, or in other income (net) in such certificate;

(7) the sum of the amounts required to be stated in such certificate by clauses (5) and (6) of this Section;

(8) its other income (net), which may include any portion of the allowance for funds used during construction or any portion of the allowance for funds used for conservation expenditures (or any analogous amount), in either case, which is not included in "other income" (or any analogous item) in the Company's books of account;

(9) the sum of the amounts required to be stated in such certificate by clauses (7) and (8) of this Subdivision (A);

(10) the amount, if any, by which the aggregate of (a) such other income (net) and (b) that portion of the amount required to be stated in such certificate by clause (7) of this Section which, in the opinion of the signers, is directly derived from the operations of the property (other than paving, grading and other improvements to, under or upon public highways, bridges, parks or other public properties of analogous character) not subject to the Lien of this Indenture at the date of such certificate, exceeds twenty per centum (20%) of the sum required to be stated by clause (9) of this Section;

(11) the Net Earnings of the Company for such period of twelve (12) consecutive calendar months (being the amount remaining after deducting in such certificate the amount required to be stated by clause (10) of this Section from the sum required to be stated by clause (9) of this Section);

(B) the Annual Interest Requirements, being the interest requirements for twelve (12) months upon:

(i) all bonds Outstanding hereunder at the date of such certificate, except any for the refunding of which the bonds applied for are to be issued;

(ii) all bonds then applied for in pending applications, including the application in connection with which such certificate is made;

(iii) all bonds deposited with or held in pledge by the Corporate Trustee under any of the provisions of this Indenture under conditions such that they may be issued or reissued;

(iv) all Prior Lien Bonds which will be Outstanding immediately after the authentication of the bonds then applied for in pending applications, including the application in connection with which such certificate is made; and

(v) the principal amount of all other indebtedness (except indebtedness for the purchase, payment or redemption of which moneys in the necessary amount shall have been deposited with or be held by the Corporate Trustee or the trustee or other holder of a lien prior hereto with irrevocable direction so to apply the same; provided that, in the case of redemption, the notice required therefor shall have been given or have been provided for to the satisfaction of the Corporate Trustee), outstanding in the hands of the public on the date of such certificate and secured by lien prior or equal to the Lien of this Indenture upon property of the Company subject to the Lien of this Indenture, if said indebtedness has been assumed by the Company or if the Company customarily pays the interest upon the principal thereof.

In calculating such Net Earnings, all the Company's expenses for taxes (other than income, profits and other taxes measured by, or dependent on, net income), assessments, rentals, insurance and expenses for current repairs and maintenance, shall be included in its operating expenses, or otherwise deducted from its revenues or other income; provided, however, that there shall not be required to be so included or deducted (A) any provision for renewal, replacement, depreciation, depletion or retirement of property, or for amortization, (B) expenses or provisions for interest on any of its indebtedness or for the amortization of debt discount, expense or loss on reacquired debt for any maintenance and replacement, improvement or sinking fund or other device for the retirement of any indebtedness, (C) expenses or provisions for any non-recurring charge to income of whatever kind or nature (including without limitation the recognition of expense due to the non-recoverability of investment), whether or not recorded as an extraordinary item in the Company's books of account or (D) provisions for any refund of revenues previously collected or accrued subject to possible refund.

In calculating such Annual Interest Requirements (A) if any bonds issued hereunder, Prior Lien Bonds and/or other indebtedness bears interest at a variable rate or rates, the Annual Interest Requirements thereon shall be determined by reference to the rate or rates in effect on the date next preceding the date of the initial authentication and delivery of the bonds then applied for in the application in connection with which the Net Earning Certificate is made, (B) if such bonds then applied for and/or any bonds applied for in any other pending application are to bear interest at a variable rate or rates, the Annual Interest Requirements thereon shall be determined by reference to the



rate or rates to be in effect at the time of the initial authentication and delivery thereof, and (C) the Annual Interest Requirements on bonds issued or to be issued hereunder, Prior Lien Bonds and any other indebtedness shall be determined by reference to the rate or rates at which such obligations are stated by their terms to bear simple interest, without regard to the effective interest cost to the Company of such obligations and without regard to the stated interest rate or rates upon, or the effective interest cost to the Company of, other obligations for which such obligations are or are to be pledged or otherwise delivered as security.

If any of the property of the Company owned by it at the time of the making of any Net Earning Certificate shall have been acquired during or after any period for which Net Earnings of the Company are to be computed, the Net Earnings of such property (computed in the manner in this Section provided for the computation of the Net Earnings of the Company) during such period or such part of such period as shall have preceded the acquisition thereof, to the extent that the same have not otherwise been included and unless such property shall have been acquired in exchange or substitution for property the earnings of which have been included, may, at the option of the Company, be included in the Net Earnings of the Company for all purposes of this Indenture.

Net Earnings, whether of the Company, or of a particular property, shall be determined in accordance with accepted principles of accounting.

(3)(a) The amendment of Section 25 of the Mortgage, as amended, to delete the words "sixty per centum (60%)" from the first sentence thereof and to substitute therefor the words "seventy per centum (70%)";

(b) The amendment of Section 26 of the Mortgage, as amended,

- (i) to delete the words "ten sixths (10/6)" from the first paragraph thereof and to substitute therefor the words "ten sevenths (10/7)";
- (ii) to delete the words "sixty per centum (60%)" from each of clause (c) and clause (d) of the fourth paragraph thereof and to substitute therefor the words "seventy per centum (70%)";
- (iii) to insert immediately following the words "fifteen per centum of" after clause (d) in the fourth paragraph thereof the words "the sum of (1)" and to insert at the end of such paragraph the words "and (2) all Prior Lien Bonds to be Outstanding upon the granting of such application." and
- (iv) to delete the words "fifty per centum (50%)" from the fourth paragraph thereof and to substitute therefor the words "seventy per centum (70%)".

(c) The amendment of Section 38 of the Mortgage, as amended,



- (i) to delete the words "ten sixths (10/6)" from subdivision (2) of the first paragraph thereof, from the third and fourth paragraphs thereof and from clause (B) of the seventh paragraph thereof and substitute therefor, in each case, the words "ten sevenths (10/7)"; and
  - (ii) to delete the words "sixty per centum (60%)" from subdivision (ii) of the ninth paragraph thereof and to substitute therefor the words "seventy per centum (70%)";
- (d) The amendment of Section 59 of the Mortgage, as amended,
- (i) to insert the phrase "ten-sevenths (10/7) of" at the beginning of clause (c) of subdivision (4) of the first paragraph thereof;
  - (ii) to delete the words "sixty per centum (60%)" from the proviso to subdivision (4) of the first paragraph thereof and to substitute therefor the words "seventy per centum (70%)"; and
  - (iii) to delete the words "sixty per centum (60%)" from the second and third paragraphs thereof and to substitute therefor, in each case, the words "seventy per centum (70%)".
- (e) The amendment of Section 61 of the Mortgage, as amended,
- (i) to insert the words "ten sevenths (10/7) of" immediately before the words "the principal amount ..." in subdivision (2) of the first paragraph thereof; and
  - (ii) to delete the words "sixty per centum (60%)" from the second and third paragraphs thereof and to substitute therefor, in each case, the words "seventy per centum (70%)";
- (4) The amendment in its entirety of Section 38 of the Mortgage, as amended, to read as set forth below, and the deletion of all references in the Mortgage to Section 38 to the extent such references are rendered nugatory by such amendment:

"Section 38. The Company will cause (or, with respect to property owned in common with others, make reasonable effort to cause) the Mortgaged and Pledged Property, as an operating system or systems, to be maintained and kept in good repair, working order and condition and will cause (or, with respect to property owned in common with others, make reasonable effort to cause) to be made such repairs, renewals and replacements thereof as, in the judgment of the Company, may be necessary in order that the operation of the Mortgaged and Pledged Property, considered as an operating system or systems, may be conducted in accordance with common industry practice; provided, however, that nothing in this Section shall prevent the Company from discontinuing, or causing or consenting to the discontinuance of, the operation and maintenance of any of

its properties if such discontinuance is, in the judgment of the Company, desirable in the conduct of its business."

After the effectiveness of such amendment, among other things, Funded Property shall not include any Property Additions that have at any time been deemed to have been made the basis of a credit under the provisions of Section 38, as in effect prior to such amendment, or substituted for other Property Additions that have so been deemed to have been made the basis of such a credit.

(5)(a) The amendment of Section 85 of the Mortgage, as amended, to add thereto a second paragraph reading as follows:

Nothing in this Indenture shall prevent any consolidation or merger after the consummation of which the Company would be the surviving or resulting corporation or any conveyance, transfer or lease of any part of the Mortgaged and Pledged Property which does not constitute the entirety, or substantially the entirety, thereof.

; and

(b) The amendment of Section 87 of the Mortgage, as amended, to add thereto a second paragraph reading as follows:

In case the Company shall enter into any transaction contemplated in the second paragraph of Section 85 hereof, unless an indenture executed and delivered by the Company and the Trustee shall otherwise provide, this Indenture shall not become or be a lien upon any of the properties or franchises acquired by the Company in or as a result of such transaction or upon any improvements, extensions or additions thereto or any renewals or replacements thereof.

(6) The amendment of Section 102 of the Mortgage, as amended, to insert immediately after the first paragraph thereof a new paragraph reading as follows:

So long as no event which is, or after notice or lapse of time, or both, would become, a Completed Default (as defined in Section 65 hereof) shall have occurred and be continuing, if the Company shall have delivered to the Trustee (i) an instrument executed by order of its Board of Directors and duly acknowledged by proper officers of the Company appointing a successor Corporate Trustee, Individual Trustee or other trustee, effective as of a date specified therein, and (ii) an instrument of acceptance of such appointment, effective as of such date, by such successor trustee, such trustee shall be deemed to have resigned as contemplated in Section 100, and such successor trustee shall be deemed to have been appointed pursuant to the first paragraph of this Section, all as of such date, and all other provisions of this Article shall be applicable to such resignation, appointment and acceptance except to the extent inconsistent with this paragraph.

follows: (7)(a) The amendment of Section 108 of the Mortgage, as amended, to read as

SECTION 108. The Corporate Trustee may at any time call a meeting of the holders of bonds of one or more, or all, series and it shall call such a meeting on written request of the Company, given pursuant to a Resolution of its Board of Directors, or a resolution of the holders of a majority or more in principal amount of the bonds of such series Outstanding hereunder, considered as one class, at the time of such request. In the event of the Corporate Trustee's failing for ten (10) days to call a meeting after being thereunto requested by the Company or bondholders as above set forth, holders of Outstanding bonds in the amount above specified in this Section or the Company, pursuant to Resolution of its Board of Directors, may call such meeting. Every such meeting called by and at the instance of the Corporate Trustee shall be held in the Borough of Manhattan, The City of New York, or with the written approval of the Company, at any other place in the United States of America, and written notice thereof, stating the place and time thereof and in general terms the business to be submitted, shall be mailed by the Corporate Trustee not less than thirty (30) days before such meeting (a) to each registered holder of bonds of the series in respect of which such meeting is being called, then Outstanding hereunder addressed to him at his address appearing on the registry books, (b) to all other holders of bonds of such series then Outstanding hereunder the names and addresses of whom are preserved by the Corporate Trustee as required by the provisions of Section 132 hereof and (c) to the Company addressed to it at Spokane, Washington (or at such other address as may be designated by the Company from time to time), and, if any bonds of such series shall not be in fully registered form, shall be published by the Corporate Trustee at least once a week for four (4) successive calendar weeks immediately preceding the meeting, upon any secular day of each such calendar week, which need not be the same day of each week, in a Daily Newspaper, printed in the English language, and published and of general circulation in The City of New York; provided, however, that, if such notice by publication shall have been given, the mailing of such notice to any bondholders shall in no case be a condition precedent to the validity of any action taken at such meeting. Any meeting of holders of the bonds of one or more, or all, series shall be valid without notice if the holders of all bonds of such series then Outstanding hereunder are present in person or by proxy and if the Company and the Corporate Trustee are present by duly authorized representatives, or if notice is waived in writing before or after the meeting by the Company, the holders of all bonds of such series Outstanding hereunder and by the Corporate Trustee, or by such of them as are not present in person or by proxy.

(b) The amendment of Section 110 of the Mortgage, as amended, to read as follows:

SECTION 110. Subject to the restrictions specified in Sections 109 and 113 hereof, any registered holder of bonds Outstanding hereunder and any holder of a certificate provided for in Section 109 hereof relating to bonds Outstanding hereunder, in either case of the series in respect of which a meeting shall have been called, shall be entitled in person or by proxy to attend and vote at such meeting as a holder of the bonds registered or certified in the name of such holder without producing such bonds. All others seeking to attend or vote at such meeting in person or by proxy must, if required by any authorized representative of the Corporate Trustee or the Company or by any other bondholder, produce the bonds claimed to be owned or represented at such meeting and every one seeking to attend or vote shall, if required as aforesaid, produce such further proof of bond ownership or personal identity as shall be satisfactory to the



authorized representative of the Corporate Trustee, or if none be present then to the Inspectors of Votes hereinafter provided for. Proxies shall be witnessed or in the alternative may (a) have the signature guaranteed by a bank or trust company or a registered dealer in securities, (b) be acknowledged before a Notary Public or other officer authorized to take acknowledgements, or (c) have their genuineness otherwise established to the satisfaction of the Inspector of Votes. All proxies and certificates presented at any meeting shall be delivered to said Inspectors of Votes and filed with the Corporate Trustee.

(c) The amendment of Section 112 of the Mortgage, as amended, to read as follows:

SECTION 112. The holders of a majority in aggregate principal amount of the bonds Outstanding hereunder of the series with respect to which a meeting shall have been called as hereinbefore provided, considered as one class, shall constitute a quorum for a meeting of holders of bonds of such series; provided, however, that if any action is to be taken at such meeting which this Indenture expressly provides may be taken by the holders of not less than sixty per centum (60%) in principal amount of the bonds of such series Outstanding hereunder, considered as one class, the holders of such percentage in principal amount of the bonds of such series Outstanding hereunder, considered as one class, shall constitute a quorum; and provided, further, that if any action is to be taken at such meeting which this Indenture expressly provides may be taken by the holders of a specified percentage which is less than a majority in principal amount of the bonds of such series Outstanding hereunder, considered as one class, the holders of such specified percentage in principal amount of the bonds of such series Outstanding hereunder, considered as one class, shall constitute a quorum. In the absence of a quorum within one hour of the time appointed for any such meeting, the meeting shall, if convened at the request of holders of bonds of such series, be dissolved. In any other case the meeting may be adjourned for such period or periods as may be determined by the chairman of the meeting prior to the adjournment thereof.

(d) The amendment of Section 113 of the Mortgage, as amended, to read as follows:

SECTION 113. Any modification or alteration of this Indenture and/or of any indenture supplemental hereto and/or of the rights and obligations of the Company and/or the rights of the holders of bonds and/or coupons issued hereunder in any particular may be made at a meeting of bondholders duly convened and held in accordance with the provisions of this Article, but only by resolution duly adopted by the affirmative vote of the holders of sixty per centum (60%) or more in principal amount of the bonds Outstanding hereunder, considered as one class (or, if such modification or alteration shall directly affect the holders of bonds of one or more, but less than all, series then Outstanding hereunder, then the affirmative vote only of the holders of sixty per centum (60%) or more in aggregate principal amount of the bonds of the series so directly affected then Outstanding hereunder, considered as one class), when such meeting is held, and in every case approved by Resolution of the Board of Directors of the Company as hereinafter specified; provided, however, that no such modification or alteration shall, without the consent of the holder of any bond issued hereunder affected thereby, permit (1) the extension of the maturity of the principal of, or interest on, such



bonds, or (2) the reduction in such principal or the rate of interest thereon or any other modification in the terms of payment of such principal or interest, or (3) the creation of any lien ranking prior to, or on a parity with, the Lien of this Indenture with respect to any of the Mortgaged and Pledged Property, or (4) the deprivation of any non-assenting bondholder of a lien upon the Mortgaged and Pledged Property for the security of his bonds (subject only to Excepted Encumbrances) or (5) the reduction of the percentage required by the provisions of this Section for the taking of any action under this Section with respect to any bond Outstanding hereunder. For all purposes of this Article, the Trustees shall be entitled to rely upon an Opinion of Counsel with respect to the extent, if any, as to which any action taken at such meeting affects the rights under this Indenture or under any indenture supplemental hereto of any holders of bonds then Outstanding hereunder.

Bonds owned and/or held by and/or for account of and/or for the benefit or interest of the Company, or any corporation of which the Company shall own twenty-five per centum (25%) or more of the outstanding voting stock, shall not be deemed Outstanding for the purpose of any vote or of any calculation of bonds Outstanding in Article XVI hereof or in this Article XVIII or for the purpose of the quorum provided for in Section 112 of this Article; provided, however, that bonds so owned or held which have been pledged in good faith may be regarded as Outstanding for purposes of this paragraph if the pledgee establishes to the satisfaction of the Corporate Trustee the pledgee's right to vote or give consents with respect to such bonds and that the pledgee is not the Company or a corporation of which the Company shall own twenty-five per centum (25%) or more of the outstanding voting stock. For all purposes of this Indenture, the Corporate Trustee, the Chairman and Secretary of any meeting held pursuant to the provisions of this Article XVIII and the Inspectors of Votes at any such meeting shall (unless the fact is challenged at such meeting by any holder of bonds Outstanding hereunder entitled to vote at such meeting and a contrary fact is established) be entitled conclusively to rely upon a notification in writing by the Company, specifying the principal amount of bonds Outstanding hereunder owned by or held by or for the account of or for the benefit or interest of the Company or any corporation of which the Company shall own twenty-five per centum (25%) or more of the outstanding voting stock, or stating that no such bonds are so owned or held. In case the meeting shall have been called otherwise than on the written request of the Company, the Corporate Trustee shall be entitled conclusively to assume that none of the bonds Outstanding hereunder is so owned or held unless a notification by the Company is furnished as in this paragraph provided or unless the fact is challenged at such meeting by any holder of bonds Outstanding hereunder and a contrary fact is established.

(e) The amendment of Section 116 of the Mortgage, as amended, to read as follows:

SECTION 116. (A) Anything in this Article XVIII contained to the contrary notwithstanding, the Corporate Trustee shall receive the written consent (in any number of instruments of similar tenor executed by bondholders or by their attorneys appointed in writing) of the holders of sixty per centum (60%) or more in principal amount of the bonds Outstanding hereunder, considered as one class (or, if any action proposed to be taken shall directly affect the holders of bonds of one or more, but less than all, series then Outstanding hereunder, then the consent only of the holders of sixty per centum

(60%) or more in aggregate principal amount of bonds of the series so directly affected then Outstanding hereunder, considered as one class), at the time the last such needed consent is delivered to the Corporate Trustee, in lieu of the holding of a meeting pursuant to this Article XVIII and in lieu of all action at such a meeting and with the same force and effect as a resolution duly adopted in accordance with the provisions of Section 113 hereof.

(B) Instruments of consent shall be witnessed or in the alternative may (a) have the signature guaranteed by a bank or trust company or a registered dealer in securities, (b) be acknowledged before a Notary Public or other officer authorized to take acknowledgments, or (c) have their genuineness otherwise established to the satisfaction of the Corporate Trustee.

The amount of bonds payable to bearer, and the series and serial numbers thereof, held by a person executing an instrument of consent (or whose attorney has executed an instrument of consent in his behalf), and the date of his holding the same, may be proved by exhibiting the bonds to and obtaining a certificate executed by (i) any bank or trust or insurance company organized under the laws of the United States of America or of any State thereof, or (ii) any trustee, secretary, administrator or other proper officer of any pension, welfare, hospitalization or similar fund or funds, or (iii) the United States of America, any Territory thereof, the District of Columbia, any State of the United States, any municipality in any State of the United States or any public instrumentality of the United States, or of any State or of any Territory, or (iv) any other person or corporation satisfactory to the Corporate Trustee. A bondholder in any of the foregoing categories may sign a certificate in his own behalf.

Each such certificate shall be dated and shall state in effect that as of the date thereof a coupon bond or bonds bearing a specified serial number or numbers was exhibited to the signer of such certificate. The holding by the person named in any such certificate of any bonds specified therein shall be presumed to continue unless (1) any certificate bearing a later date issued in respect of the same bond shall be produced, (2) the bond specified in such certificate (or any bond or bonds issued in exchange or substitution for such bond) shall be produced, or (3) the bond specified in such certificate shall be registered as to principal in the name of another holder or shall have been surrendered in exchange or a fully registered bond registered in the name of another holder. The Corporate Trustee may nevertheless in its discretion require further proof in cases where it deems further proof desirable. The ownership of registered bonds shall be proved by the registry books.

(C) Until such time as the Corporate Trustee shall receive the written consent of the necessary per centum in principal amount of the bonds required by the provisions of subsection (A) above for action contemplated by such consent, any holder of a bond, the serial number of which is shown by the evidence to be included in the bonds the holders of which have consented to such action, may, by filing written notice with the Corporate Trustee at its principal office and upon proof of holding as provided in subsection (B) above, revoke such consent so far as it concerns such bond. Except as aforesaid, any such action taken by the holder of any bond shall be conclusive and binding upon such holder and upon all future holders of such bond (and any bond issued in lieu thereof or exchanged therefor), irrespective of whether or not any notation of such

consent is made upon such bond, and in any event any action taken by the holders of the percentage in aggregate principal amount of the bonds specified in subsection (A) above in connection with such action shall be conclusively binding upon the Company, the Corporate Trustee and the holders of all the bonds.

(8) The amendment of Section 120 of the Mortgage, as amended, to read as follows:

SECTION 120. Anything in this Indenture to the contrary notwithstanding, without the consent of any holders of bonds, the Company and the Trustees, at any time and from time to time, may enter into one or more indentures supplemental hereto, in form satisfactory to the Trustees, for any of the following purposes:

(a) to evidence the succession of another corporation to the Company and the assumption by any such successor of the covenants of the Company herein and in the bonds, all as provided in Article XV hereof, or

(b) to add one or more covenants of the Company or other provisions for the benefit of all holders of the bonds or for the benefit of the holders of, or to remain in effect only so long as there shall be Outstanding, bonds of one or more specified series, and to make the occurrence of a default in the performance of any of such additional covenants an additional "Completed Default" under Section 65 permitting the enforcement of all or any of the several remedies provided in this Indenture, as herein set forth; provided, however, that in respect of any such additional covenant, such supplemental indenture may provide for a particular period of grace after default (which period may be shorter or longer than those allowed in the case of other defaults) or may provide for an immediate enforcement upon such default, or may (subject to the provisions of applicable law) limit the remedies available to the Trustees upon such default; or to provide that the occurrence of one or more specified events shall constitute additional "Completed Defaults" under Section 65 as if set forth therein, or to surrender any right or power herein conferred upon the Company, which additional "Completed Default" or surrender may be limited so as to remain in effect only so long as bonds of one or more specified series shall remain Outstanding; or

(c) to correct or amplify the description of any property at any time subject to the Lien of this Indenture, or better to assure, convey and confirm unto the Trustees any property subject or required to be subjected to the Lien of this Indenture, or to subject to the Lien of this Indenture additional property; or

(d) to change or eliminate any provision of this Indenture or to add any new provision to this Indenture; provided, however, that no such change, elimination or addition shall adversely affect the interests of the holders of bonds of any series in any material respect; or

(e) to establish the form or terms of bonds of any series as contemplated by Article II; or



(f) to provide for the procedures required to permit the Company to utilize, at its option, a non-certificated system of registration for all or any series of bonds; or

(g) to change any place or places where (1) the principal of and premium, if any, and interest, if any, on all or any series of bonds shall be payable, (2) all or any series of bonds may be surrendered for registration of transfer, (3) all or any series of bonds may be surrendered for exchange and (4) notices and demands to or upon the Company in respect of all or any series of bonds and this Indenture may be served; or

(h) to increase or decrease the amount set forth in Section 20 and Section 121; or

(i) to cure any ambiguity, to correct or supplement any provision herein which may be defective or inconsistent with any other provision herein; or to make any other changes to the provisions hereof or to add other provisions with respect to matters or questions arising under this Indenture, provided that such other changes or additions shall not adversely affect the interests of the holders of bonds of any series in any material respect.

Without limiting the generality of the foregoing, if the Trust Indenture Act of 1939, as in effect at any time and from time to time,

(x) shall require one or more changes to any provisions hereof or the inclusion herein of any additional provisions, or shall by operation of law be deemed to effect such changes or incorporate such provisions by reference or otherwise, this Indenture shall be deemed to have been amended so as to conform to the Trust Indenture Act of 1939 as then in effect, and the Company and the Trustees may, without the consent of any holders of bonds, enter into an indenture supplemental hereto to evidence such amendment hereof; or

(y) shall permit one or more changes to, or the elimination of, any provisions hereof which shall theretofore have been required by the Trust Indenture Act of 1939 to be contained herein or are contained herein to reflect any provisions of the Trust Indenture Act of 1939, this Indenture shall be deemed to have been amended to effect such changes or elimination, and the Company and the Trustees may, without the consent of any holders of bonds, enter into an indenture supplemental hereto to evidence such amendment hereof.