

SIERRA PACIFIC POWER COMPANY

TO

THE NEW ENGLAND TRUST COMPANY

AND

LEO W. HUEGLE

AS TRUSTEES.

Indenture of Mortgage

Dated as of December 1, 1940.

First Mortgage Bonds

This is a Chattel Mortgage as well as a Mortgage upon Real Estate and Other Property.

SIERRA PACIFIC POWER COMPANY

INDENTURE OF MORTGAGE

Dated as of December 1, 1940

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This is a Chattel Mortgage as well as a Mortgage upon Real Estate and Other Property.

INDENTURE, dated for convenience as of the first day of December, 1940, by and between SIERRA PACIFIC POWER COMPANY (formerly known as The Truckee River General Electric Company and also as Truckee River Power Company), a corporation duly organized and existing under the laws of the State of Maine (hereinafter sometimes called the "Company"), party of the first part, and THE NEW ENGLAND TRUST COMPANY, a corporation duly organized and existing under and by virtue of the laws of the Commonwealth of Massachusetts, and having its principal place of business in the City of Boston, Massachusetts, and Leo W. Huegle (both of whom are hereinafter sometimes called the "Trustees", the former being hereinafter sometimes called the "Trustee" and the latter the "Individual Trustee" or "Co-Trustee" and the address of each of whom is 135 Devonshire Street, Boston, Massachusetts), parties of the second part.

WHEREAS, the Company deems it necessary from time to time to borrow money for its corporate purposes and to issue its bonds therefor and also deems it necessary from time to time to issue its bonds for refunding and other corporate purposes, as hereinafter provided, and to mortgage and pledge its property hereinafter described to secure the payment of all said bonds, and to that end has authorized the issue of its bonds, not limited in aggregate principal amount except as hereinafter otherwise provided, to be issued in one or more series, to be designated generally as its First Mortgage Bonds (hereinafter called the "Bonds"), all such Bonds to be authenticated by the certificate of the Trustee, the Bonds of each particular series to bear such date, to mature on such date, to bear interest at such rate and to contain such other specifications and provisions as are hereinafter in this Indenture provided or permitted; and

WHEREAS, the coupon Bonds of the initial series (hereinafter sometimes called the "Bonds of Series A" or "Series A Bonds"), the coupons appertaining thereto and the Trustee's authentication certificate thereon are to be substantially in the forms following, respectively:

[FORM OF COUPON BOND OF SERIES A]

No. M

\$1000

SIERRA PACIFIC POWER COMPANY

Incorporated under the laws of the State of Maine

First Mortgage Bond, Series A $3\frac{1}{4}\%$

Due December 1, 1970

SIERRA PACIFIC POWER COMPANY, a Maine corporation (hereinafter sometimes called the "Company" which term shall include any successor corporation as defined in the Indenture hereinafter mentioned), for value received, hereby promises to pay to the bearer or, in case this bond be registered, to the registered owner hereof, One Thousand Dollars on December 1, 1970, and to pay interest thereon from December 1, 1940, at the rate of three and one-quarter per centum ($3\frac{1}{4}\%$) per annum, semi-annually on the first day of June and on the first day of December in each year until payment of the principal hereof, payable until maturity only upon surrender of the respective coupons attached hereto as they severally become due.

Both principal of and interest on this bond will be paid, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, at the principal office of The New England Trust Company (hereinafter sometimes called the "Trustee") in the City of Boston, Massachusetts, or its successor in trust, or at the option of the bearer of the coupons, such interest will be paid at the office or agency of the Company in the Borough of Manhattan, City and State of New York.

This bond is one of the bonds, of a series designated as Series A, of an authorized issue of bonds of the Company, known as First Mort-

gage Bonds, not limited as to maximum aggregate principal amount except as otherwise provided in the Indenture hereinafter mentioned, all issued or issuable in one or more series (which several series may be of different denominations, dates and tenor) under and equally secured (except insofar as a sinking fund established in accordance with the provisions of said Indenture may afford additional security for the bonds of any specific series) by an Indenture dated as of December 1, 1940, duly executed and delivered by the Company to The New England Trust Company and Leo W. Huegle, as Trustees, to which Indenture and indentures supplemental thereto (herein sometimes collectively called "said Indenture") reference is hereby made for a description of the property mortgaged and pledged as security for said bonds, the rights and remedies and limitations on such rights and remedies of the bearer or registered owner of this bond in regard thereto, the terms and conditions upon which said bonds and the coupons appurtenant thereto are secured thereby, the terms and conditions upon which additional bonds and coupons may be issued thereunder and the rights, immunities and obligations of the Trustees under said Indenture.

Said Indenture, among other things, provides that no bondholder or bondholders may institute any suit, action or proceeding for the collection of this bond, or any coupon appurtenant thereto or claim for interest thereon, or to enforce the lien of said Indenture, if and to the extent that the institution or prosecution thereof or the entry of a judgment or a decree therein would, under applicable law, result in the surrender, impairment, waiver or loss of the lien of said Indenture upon any property subject thereto.

The bonds of this series are subject to redemption prior to maturity at the option of the Company, as a whole at any time or in part from time to time, at the following percentages of the principal amount thereof:

107% to and including November 30, 1943;

106% on December 1, 1943 and thereafter to and including November 30, 1946;

105½% on December 1, 1946 and thereafter to and including November 30, 1949;

105% on December 1, 1949 and thereafter to and including November 30, 1952;

104½% on December 1, 1952 and thereafter to and including November 30, 1954;

104% on December 1, 1954 and thereafter to and including November 30, 1956;

103½% on December 1, 1956 and thereafter to and including November 30, 1958;

103% on December 1, 1958 and thereafter to and including November 30, 1960;

102½% on December 1, 1960 and thereafter to and including November 30, 1962;

102% on December 1, 1962 and thereafter to and including November 30, 1964;

101½% on December 1, 1964 and thereafter to and including November 30, 1966;

101¼% on December 1, 1966 and thereafter to and including November 30, 1967;

101% on December 1, 1967 and thereafter to and including November 30, 1968;

100¾% on December 1, 1968 and thereafter to and including November 30, 1969;

100¼% on December 1, 1969 and thereafter prior to maturity;

together in any case with interest accrued thereon to the date of redemption; upon prior notice (unless such notice is waived by all bondholders) given by publication at least once each week for three (3) successive calendar weeks (the first publication to be not less than thirty (30) days nor more than ninety (90) days prior to the redemption date) in a newspaper, printed in the English language and published and of general circulation in the City of Boston, Massachusetts, and in a like newspaper published and of general circulation in the Borough of Manhattan, City and State of New York; provided, how-

over, that the bonds of this series shall be subject to redemption in part from time to time in like manner for the sinking and improvement fund hereinafter mentioned, and with the money received by the Trustee if all or substantially all of the properties of the Company, or certain classes of business thereof, are sold to or taken through the exercise of the right of eminent domain or the right to purchase by any municipal or governmental body or agency as provided in said Indenture, at the following percentages of the principal amount thereof: at 103% to and including November 30, 1951, thereafter at 102½% to and including November 30, 1959, thereafter at 101½% to and including November 30, 1963, thereafter at 101% to and including November 30, 1967, thereafter at 100½% to and including November 30, 1969 and thereafter at 100¼% to and including November 30, 1970, together in any case with interest accrued thereon to the date of redemption, all as more fully provided in said Indenture. If this bond is called for redemption and payment duly provided for as specified in the Indenture, this bond shall cease to be entitled to the lien of said Indenture from and after the date payment is so provided and shall cease to bear interest from and after the date fixed for redemption.

The bonds of this series are entitled to the benefit of the sinking and improvement fund for bonds of this series provided for in said Indenture.

To the extent permitted and as provided in said Indenture, modifications or alterations of said Indenture, or of any indenture supplemental thereto and of the bonds issued thereunder and of the rights and obligations of the Company and the rights of the bearers or registered owners of the bonds and coupons, may be made with the consent of the Company and with the written approvals or consents of the bearers or registered owners of not less than seventy-five per centum (75%) in principal amount of the bonds outstanding, and unless all of the bonds then outstanding under said Indenture are affected in the same manner and to the same extent by such modification or alteration, with the written approvals or consents of the bearers or registered owners of not less than seventy-five per centum (75%) in principal amount of the bonds of each series outstanding, provided, however, that no such alteration or modification shall, without the written approval or consent of the bearer or registered owner of any bond affected thereby, (a) impair or affect the right of such bearer or registered owner to receive

payment of the principal of and interest on such bond, on or after the respective due dates expressed in such bond, or to institute suit for the enforcement of any such payment on or after such respective dates, except that the holders of not less than seventy-five per centum (75%) in principal amount of the bonds outstanding may consent on behalf of the bearers or registered owners of all of the bonds to the postponement of any interest payment for a period of not exceeding three (3) years from its due date, or (b) reduce the percentage of the principal amount of the bonds upon the consent of which modifications or alterations may be effected as aforesaid.

This bond shall pass by delivery, except that it may be registered as to principal from time to time at the option of the bearer on registration books to be kept for the purpose at the principal office of the Trustee, such registration being noted hereon, and if so registered shall pass only by transfer upon such books by the registered owner or his duly authorized attorney, similarly noted hereon, unless such transfer shall have been made and registered to bearer and noted hereon, in which case it shall again pass by delivery until again registered. Such registration of this bond as to principal shall not affect the negotiability of its coupons, which shall remain payable to bearer, be treated as negotiable and pass by delivery, whether or not this bond is registered.

In case an event of default as defined in said Indenture shall occur, the principal of this bond may become or be declared due and payable before maturity in the manner and with the effect provided in said Indenture. The holders, however, of certain specified percentages of the bonds at the time outstanding, including in certain cases specified percentages of bonds of particular series, may in the cases, to the extent and under the conditions provided in said Indenture, waive defaults thereunder and the consequences of such defaults.

In case all or substantially all of the electric properties of the Company are sold to or taken through the exercise of the right of eminent domain or the right to purchase by any municipal or governmental body or agency, the principal of this bond will, upon receipt by the Company of payment or compensation, become due and payable before maturity at the then applicable sinking and improvement fund redemption price aforesaid.

It is part of the contract herein contained that each bearer or registered owner hereof by the acceptance hereof waives all right of recourse to any personal liability of any incorporator, stockholder, offi-

cer or director, past, present or future, of the Company, as such, or of any predecessor or successor corporation, howsoever arising, for the collection of any indebtedness hereunder; and as a part of the consideration for the issue hereof releases from all such liability each such incorporator, stockholder, officer or director, all as provided in said Indenture.

Neither this bond nor any of the coupons for interest hereon shall become or be valid or obligatory for any purpose until the authentication certificate endorsed hereon shall have been signed by the Trustee.

IN WITNESS WHEREOF, SIERRA PACIFIC POWER COMPANY has caused these presents to be executed in its name and behalf by its President or a Vice President and its corporate seal, or a facsimile thereof, to be hereunto affixed and attested by its Secretary or an Assistant Secretary, and has likewise caused the annexed coupons to be authenticated by a facsimile of the signature of its Treasurer, all as of the first day of December, 1940.

SIERRA PACIFIC POWER COMPANY,

By.....

Vice President.

Attest:

Secretary.

[FORM OF THE BONDS OF SERIES A INTEREST COUPON]

\$16.25

No.

On the first day of _____, 19____, Sierra Pacific Power Company will pay to the bearer upon surrender of this coupon at the principal office of The New England Trust Company, in the City of Boston, Massachusetts, or at the office of its successor, or, at the option of the bearer, at the office or agency of the Company in the Borough of Manhattan, City and State of New York, Sixteen dollars and twenty-five cents (\$16.25) in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, being six months' interest then due on its First Mortgage Bond, Series A $3\frac{1}{4}\%$ due December 1, 1970, No. _____, unless said bond shall have been duly called for previous redemption and payment duly provided therefor.

Treasurer.

[FORM OF AUTHENTICATION CERTIFICATE]

This bond is one of the bonds of the series designated therein, referred to in the within-mentioned Indenture.

THE NEW ENGLAND TRUST COMPANY,
Corporate Trustee,

By
Secretary.

; and

WHEREAS, all acts and proceedings required by law and by the charter and by-laws of the Company necessary to make the Bonds, when executed by the Company, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal obligations of the Company, and to constitute this Indenture a valid and binding mortgage and deed of trust for the security of the Bonds, in accordance with its and their terms, have been done and performed; and the execution and delivery of this Indenture and the issue of the Bonds as herein provided have been in all respects duly authorized;

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

That, in order to secure equally and ratably the payment of the principal and interest of the Bonds issued hereunder and secured hereby at any time outstanding, according to their tenor and effect, and the performance of all the covenants and conditions herein and in said Bonds contained, said Sierra Pacific Power Company for and in consideration of the premises and of the purchase and acceptance of said Bonds by the holders thereof, and of the sum of one dollar (\$1.00) and of other valuable consideration to it duly paid by the Trustees at or before the execution and delivery of these presents, the receipt whereof is hereby acknowledged, has executed and delivered these presents, and has granted, bargained, sold, conveyed, transferred, pledged, assigned, remised, released, mortgaged, set over and confirmed, and by these presents does grant, bargain, sell, convey, transfer, pledge, assign, remise, release, mortgage, set over and confirm unto the Trustees and their successors and assigns that part of the property hereinafter described not situated in the State of California, and unto

the Individual Trustee and his successors and assigns that part of the property hereinafter described situated in the State of California (all of the property hereinafter described (except the property described in Part X hereof) being hereinafter sometimes called the mortgaged property, mortgaged and pledged property or trust estate), to wit:

DESCRIPTION OF MORTGAGED PROPERTY.

PART I.

REAL PROPERTY IN THE STATE OF NEVADA.

The following described pieces, parcels or tracts of land, rights of way, easements and rights and interests in and to land lying and being in the State of Nevada, together with all improvements of every description thereon situate or in anywise incident or appertaining thereto:

CHURCHILL COUNTY, NEVADA.

(1) The following described property situated in Hazen Townsite, Churchill County, Nevada, which the Southern Pacific Land Company conveyed to the Sierra Pacific Power Company, by deed dated November 4, 1935, recorded in Book 21 at Page 14, of the Deed records of Churchill County, Nevada:

All of Lot Fourteen (14), Block One (1), in Central Pacific Railway Company's First Addition to the Town of Hazen, according to the plat and subdivision thereof filed in the office of the County Recorder of Churchill County, Nevada, on June 28, 1917 in Book One (1) of Town Plats, Page 36.

(2) The following described property situated in Hazen Townsite, Churchill County, Nevada which G. W. Likes, County Treasurer and Trustee of Churchill County, State of Nevada, conveyed to the Sierra Pacific Power Company by deed dated December 14, 1935; Recorded in Book 21 at Page 23 of the Deed Records of Churchill County, Nevada:

All of Lot Thirteen (13) in Block One (1) of the Hazen Townsite, according to the plat on file in the office of the County Recorder of Churchill County, Nevada.

DOUGLAS COUNTY, NEVADA.

(1) The following described property situated in Douglas County, Nevada, which Truckee River General Electric Company conveyed to

Sierra Pacific Power Company by deed dated March 21, 1912, recorded in Book O, at Page 324, of the Deed Records of Douglas County, Nevada:

Lot 1 in Block 3 of North Addition to Minden.

(2) The following described property situated in Douglas County, Nevada, which Minden Butter Manufacturing Company, Incorporated, conveyed to Sierra Pacific Power Company by deed dated January 22, 1929 and recorded in Book S, at Page 524, of the Deed Records of Douglas County, Nevada.

Lots 2, 3, 4, and 5, in Block 3, Townsite of Minden, Douglas County, Nevada.

LANDER COUNTY, NEVADA.

(1) The following described property situated in Lander County, Nevada, which Nevada Valleys Power Company conveyed to Sierra Pacific Power Company by deed dated July 1, 1930, recorded in Book 58 Page 156 of the deed records of Lander County, Nevada:

(a) Lots 1 to 24 inclusive in Block 5, Town of Battle Mountain, County of Lander, as said lots and blocks are so designated on that certain map entitled "Battle Mountain, Lander County, Nevada, etc." filed in the Office of the County Recorder of Lander County on June 1, 1914, which property is described in deed from W. G. Adams and Beulah Adams, his wife, dated March 20, 1918, and recorded in Book 54 of Deeds, Page 477 Records of Lander County, Nevada.

LYON COUNTY, NEVADA.

(1) The following described property situated in Lyon County, Nevada, which Truckee River General Electric Company conveyed to Sierra Pacific Power Company by deed dated March 21, 1912, recorded in Book R, at Page 484, of the Deed Records of Lyon County, Nevada:

Lot 6 in Block 19 Bovard Tract of Yerington.

(2) The following described property situated in Lyon County, Nevada, which Truckee River General Electric Company conveyed to Sierra Pacific Power Company by deed dated July 20, 1912, recorded in Book R, at page 604, of the Deed Records of Lyon County, Nevada:

Beginning at a point situated at the southwesterly corner of the lot on the south side of Silver Street owned and occupied by Albert Baroni as a residence, and running thence southerly forty

(40) feet; thence at right angles easterly fifty (50) feet; thence northerly forty (40) feet to the southeasterly corner of the lot of Albert Baroni aforesaid; thence westerly fifty (50) feet to the place of beginning.

ORMSBY COUNTY, NEVADA.

(1) The following described property situated in Ormsby County, Nevada, which Truckee River General Electric Company conveyed to Sierra Pacific Power Company by deed dated March 21, 1912, recorded in Book 36, at Page 267, of the Deed Records of Ormsby County, Nevada:

Block 28 in Van Winkle & Proctor's Addition to Carson City; *excepting* therefrom a portion of said block described as follows:

All of Lots 1, 2, 3, 4, 5, 6 and 10 and the Westerly twenty-eight feet, four inches (28 feet and 4 inches) of Lots 7, 8 and 9 in Block 28 of the Van Winkle and Proctor Division of Carson City, Nevada. The parcel is bounded on the west by North Carson street, with a frontage of one hundred seventy feet (170 feet); on the north by 4th Avenue with a frontage of one hundred thirteen feet four inches (113 feet 4 inches); on the south by 3rd Avenue, with a frontage of one hundred thirteen feet four inches (113 feet 4 inches) and on the east by property of the Sierra Pacific Power Company for a distance of one hundred seventy feet (170 feet).

(2) The following described property situated in Ormsby County, Nevada, which the City of Carson, a duly organized and existing municipality of the State of Nevada, acting by and through the President and Clerk of its Board of City Trustees, duly authorized by an order of the Board of Trustees of Carson City entered upon its minutes of December 12, 1933, conveyed to the Sierra Pacific Power Company by deed dated January 22, 1934, recorded in Book 42 at page 230 of the Deed Records of Ormsby County, Nevada:

All that certain piece or parcel of land lying and situated in the southeast quarter (SE $\frac{1}{4}$) of Section 8, T. 15 N., R. 20 E., M.D.M., Ormsby County, Nevada; commencing at the South one-quarter (S $\frac{1}{4}$) corner of Section 8, T. 15 N., R. 20 E., M.D.M., and running thence N. $50^{\circ} 23' E.$ 78 feet to the true point of beginning; running thence north 200 feet, thence East 200 feet, thence South 200 feet, thence west 200 feet to the point of beginning, containing in all 0.918 acres.

PERSHING COUNTY, NEVADA.

(1) The following described property situated in Pershing County, Nevada, which Nevada Valleys Power Company conveyed to Sierra Pacific Power Company by deed dated July 1, 1930, recorded in Book 4 Page 229 of the Deed Records of Pershing County, Nevada:

(a) Lot 12, Block C, Lower Rochester, Rochester Mining District, Pershing County, Nevada.

(b) Lot 19, Block 3, East Rochester Townsite, Pershing County, Nevada, excepting all minerals and mineral rights and the right to operate and mine the same, described in deed from George Farris to Nevada Valleys Power Company, dated May 11, 1915, recorded in Book 50 of Deeds, Page 258, Humboldt County, Nevada, Records.

(c) In the City of Lovelock, County of Pershing, State of Nevada, the Westerly 61 feet of Lots 7 and 8 in Block 3 of the original town of Lovelock as the same is designated and platted on the official map thereof on file and of record in the office of the County Recorder of Pershing County, Nevada, and to which reference is hereby made, which property is described in deed from Sidney B. Hill and Bessie Hill, his wife, to Nevada Valleys Power Company, dated July 14, 1919, and recorded in Book 1, Pages 66 and 67 of Deeds, Pershing County, Nevada records.

(d) Beginning at a point on the East side of the SW $\frac{1}{4}$ of the SE $\frac{1}{4}$ of Section 27, T. 27 N., R. 31 E., M.D.B. & M., 660 feet north from the Southeast corner of said SW $\frac{1}{4}$ of SE $\frac{1}{4}$ of Section 27; running thence northerly along the East side of said SW $\frac{1}{4}$ of SE $\frac{1}{4}$ of Section 27, 208.7 feet to a point; thence westerly parallel to the north boundary of the tract heretofore deeded to the United States Government by the aforesaid Grantor 208.7 feet to a point; thence Southerly 208.7 feet to the north side of Government tract above mentioned; thence easterly along the north boundary of said government tract 208.7 feet to the place of beginning, containing one (1) acre. Reserving a right-of-way 32 feet wide along the east side of tract for use as a road to the above mentioned Government tract until such time as said road provided for and deeded to Government shall, on account of other streets or roads being provided, be no longer needed, at which time said right-of-way shall revert to Grantee. Which property is described in deed from W. C. Pitt to Nevada Valleys Power Company in deed dated

April 17th, 1915, and recorded in Book 50 at Page 232, Deed Records of Humboldt County, Nevada.

(2) The following described land situated in Pershing County, Nevada, which Vernon D. Armstrong and Hazel V. Armstrong conveyed to the Sierra Pacific Power Company, by deed dated June 7, 1937, recorded in Book 7 at page 82, of Deed Records of Pershing County, Nevada:

The northwest one-quarter (NW $\frac{1}{4}$) of the northwest one-quarter (NW $\frac{1}{4}$) of Section 34, Township 34 North, Range 35 East, M.D.B. & M., containing 40 acres.

(3) The following described land situated in the Town of Lovelock, Pershing County, Nevada, which W. R. Chadwick and Josephine M. Chadwick, conveyed to the Sierra Pacific Power Company, by deed dated August 11, 1930, recorded in Book 4 at page 287 of the Deed Records of Pershing County, Nevada:

Lots 1 and 2 in Block E of the Northern Addition to the Town of Lovelock (now the City of Lovelock), Pershing County, Nevada (formerly Humboldt County) as the same appears on the official map or plat of said Northern Addition now on file and of record in the office of the County Recorder of Humboldt County at Winnemucca, Nevada.

WASHOE COUNTY, NEVADA.

(1) The following described property situated in Washoe County, Nevada, which Truckee River General Electric Company conveyed to Sierra Pacific Power Company by deed dated March 21, 1912, recorded in Book 40, at Page 295, of the Deed Records of Washoe County, Nevada:

(a) That certain dam site in and across the Truckee River located in the Northeast quarter of Section 19, Township 19 North, Range 18 East, and a right of way from the dam site to the power house of Verdi Lumber Company in or near the Southeast quarter of Section 18, Township 19 North, Range 18 East, together with all water rights formerly owned by the Verdi Lumber Company in and to any of the waters and flow of the Truckee River at all points between the railroad bridge of the Central Pacific Railway Company across the said Truckee River at Fleish (on or near the section line between Sections 29 and 30 in Township 19 North, Range 18 East, Mount Diablo Base and Meridian) and the dam and head-gate of the ditch formerly of the Washoe Power & Development Company (near the North line of Section 16, in Town-

ship 19 North, Range 18 East, M. D. B. & M.) including the appropriation and claim of water made in the name of Verdi Lumber Company by J. F. Condon, President and duly recorded and also including all water rights and privileges held or claimed by Verdi Lumber Company with relation to the lands now or formerly of William Elliott and G. H. Foulks and of the Inyo Marble Company and of any other proprietor upon said Truckee River.

(b) All that certain lot, piece or parcel of land situated in the County of Washoe and State of Nevada and bounded and described as follows, to-wit: That triangular fraction of land in the Lonkey Addition to the town of Verdi, Washoe County, Nevada, and bounded on the north by the section line between Sections 8 and 17, Township 19 North, Range 18 East, M. D. B. & M. and bounded on the Southwest by the County Road, and on the Southeast by Sixth Street of said Lonkey Addition; said triangular fraction being about eight feet long on the County Road, ten feet on Sixth Street and contains forty square feet, more or less; also all the right, title and interest of Sierra Pacific Power Company in and to said Sixth Street in said Lonkey Addition to said town of Verdi.

(c) All that certain lot, piece or parcel of land situated in the County of Washoe and State of Nevada in the Southeast quarter of the Southeast quarter of Section 19, Township 19 North, Range 18 East, M. D. B. & M. and more particularly described as follows, to-wit: Beginning at a point 401.8 feet West of the Northeast corner of the Southeast quarter of the Southeast quarter of Section 19, which corner is 1320 feet South of the quarter corner between Sections 19 and 20 and running thence on the Northern boundary of the said Southeast quarter of the Southeast quarter of Section 19, 918.2 feet; thence South on the Western boundary 1320 feet; thence East on the Southern boundary 1193.7 feet; thence North 8° West 1332.9 feet to the point of beginning, containing 30.63 acres of land more or less; together with a right of way 16 feet in width for a road across the adjoining land now or formerly of Pietro Quilici and Girolomo Ricci for the purpose of access to or egress from the above described land and also the right to use the adjoining lands situate West of the Central Pacific Railway Company for handling of timber and building material; excepting from the foregoing land an 80 foot right of way conveyed to the State of Nevada for a state highway by Sierra Pacific Power Company by deed dated August 4, 1924.

(d) All that certain lot, piece or parcel of land situated in the County of Washoe, and State of Nevada, in the Northeast quarter of the Northeast quarter of Section 30, Township 19 North, Range 18 East, M. D. B. & M. more particularly described as follows: Beginning at the Northeast corner of the Northeast quarter of the Northeast quarter of Section 30, and running thence West 1320 feet more or less; thence South 1320 feet more or less; thence East 1185 feet more or less to the center of the Truckee River; thence in a Northwesterly direction down the center of the said Truckee River 675 feet more or less to the Northerly boundary of the South half of the Northeast quarter of the Northeast quarter of Section 30; thence East 265 feet more or less to the section line between Sections 29 and 30; thence North 660 feet to the point of beginning; containing 36.97 acres of land more or less, excepting from the foregoing land an 80 foot right of way conveyed to the State of Nevada for a state highway by Sierra Pacific Power Company by deed dated August 4, 1924.

(e) A right of way for a ditch through the Northeast quarter of the Southeast quarter of Section 19, Township 19 North, Range 18 East, M. D. B. & M. the center line of said ditch being more particularly described as follows: Beginning at a point on the Southern boundary of the said Northeast quarter of the Southeast quarter of said Section 19, 450 feet more or less West from the Southeast corner of said Northeast quarter of the Southeast quarter of Section 19 and running thence in a direction a little East of North 970 feet more or less; thence in a general Northerly direction 400 feet more or less, the center line to pass near a spring situated near the Southerly line of the Southeast quarter of the Northeast quarter of said Section 19 and about 350 feet West of the East line of said last named 40 acre tract, said ditch to be 35 feet more or less in width at the water level and capable of carrying at least 500 cubic feet of water per second of time; also the right to occupy the lands adjoining the sides of said ditch for the purpose of constructing and repairing said ditch, and to place any excavated material from the ditch section, or that may be required by Sierra Pacific Power Company when cleaning or removing from the ditch any sediment, debris or any matter that may be deposited in the ditch; also the right to pass through the land adjoining said ditch for the purpose of maintaining, operating or repairing said ditch.

(f) All the right, title, interest and estate of Sierra Pacific Power Company in and to the following described lands: The South half of the Northeast quarter of Section 19, Township 19 North, Range 18 East, M. D. B. & M. which lies between the right of way of the Central Pacific Railway Company and the Truckee River.

(g) All that certain lot, piece or parcel of land being a fractional part of Lots 1, 2, 3 and 4, of Block E. of Lonkey's Addition to the town of Verdi, County of Washoe, State of Nevada, and bounded as described as follows, to-wit: Beginning at the Northwest corner of Lot 1, Block E. of the Lonkey Addition to the town of Verdi, County of Washoe, State of Nevada, and running thence Southeasterly 5 feet on the Western boundary of said Lot 1, thence Northeasterly and parallel to 6th Street, 180 feet more or less to a point on the Southern boundary of Section 8, Township 19 North, Range 18 East, M. D. B. & M. and thence running West, along said section line to its intersection with the Southern boundary of 6th Street, thence along the Southern boundary of 6th Street, 170 feet more or less to the point of beginning.

(h) All that certain lot, piece or parcel of land situated in the County of Washoe and State of Nevada more particularly described as follows, to-wit: A strip of land 100 feet wide across the property now or formerly of California Sugar and White Pine Agency, being 50 feet on each side of the center line hereinafter described or its extension across adjacent lands now or formerly of California Sugar and White Pine Agency: Beginning at a point 185.85 feet West of a point on the Section line between Sections 17 and 18, Township 19, North, Range 18 East, M. D. B. & M., said point on the Section line between Sections 17 and 18 being 1860 feet South of the section corner common to Sections 7, 8, 17 and 18, and running thence N. $10^{\circ} 25'$ East 382.63 feet to a point of curve, thence curving to the right with a radius of 573.7 feet (through an arc of $12^{\circ} 3'$) a distance of 120.5 feet to the point of tangency; thence North $22^{\circ} 29'$ East 1011.69 feet to the second point of curve; thence curving to the right with a radius of 573.7 feet (through an arc $34^{\circ} 23'$) a distance of 343.67 feet to the point of tangency; thence North $56^{\circ} 51'$ East 28.7 feet more or less, to a point on the Western boundary of Block "J" of the recorded plat of the townsite of Verdi, Washoe County, Nevada, which point is South $56^{\circ} 51'$ West 289.27 feet from the point on the Section line between Sections 8 and 17, the last men-

tioned point being 797.4 feet Easterly from the section corner common to Sections 7 and 8, 17 and 18, Township 19 North, Range 18 East, M. D. B. & M. excepting a roadway running across this property, and also excepting from the foregoing land an 80 foot right of way conveyed to the State of Nevada for a state highway, by Sierra Pacific Power Company by deed dated August 4, 1924.

(i) All those certain lots, pieces or parcels of land situated in the County of Washoe and State of Nevada more particularly described as follows, to-wit: Lots 4, 5, and 6 in Block "J" as shown on the recorded plat of the townsite of Verdi, Washoe County, Nevada, excepting a roadway running across Lot 6.

(j) Lot 13 in Block "B" in the Town of Verdi.

(k) The Northeast quarter of the Southeast quarter of Section 31, Township 19 North, Range 18 East, M. D. B. & M.

(l) A fractional part of the Northwest quarter of the Southeast quarter and the Southwest quarter of the Northeast quarter of Section 31, Township 19 North, Range 18 East, M. D. B. & M., as lies East of the Central Pacific Railway Company, excepting from the foregoing land an 80 foot right of way for a public highway conveyed to the State of Nevada by Sierra Pacific Power Company by deed dated August 4, 1924.

(m) The Southeast quarter of the Northeast quarter and the Northeast quarter of the Northeast quarter of Section 31, Township 19 North, Range 18 East, M. D. B. & M. excepting from the foregoing land an 80 foot right of way for a public highway conveyed to the State of Nevada by Sierra Pacific Power Company by deed dated August 4, 1924.

(n) The Northwest quarter of the Northwest quarter of Section 32, Township 19 North, Range 18 East, M. D. B. & M.

(o) The East half of the Southeast quarter of Section 30, Township 19 North, Range 18 East, M. D. B. & M. excepting therefrom about 5 acres described as: Beginning at the North end of an iron bridge of the Central Pacific Railway Company and running thence Northeasterly along the railroad to the section line between Sections 29 and 30; thence Northerly to the quarter section corner; thence Westerly 100 feet; thence Southerly at a uniform distance of 66 feet from the Truckee River to a point opposite the North end of the bridge and thence Easterly to the point of beginning, excepting therefrom an 80 foot right of way for a public highway

conveyed to the State of Nevada by Sierra Pacific Power Company by deed dated August 4, 1924.

(p) The West half of the Southwest quarter of Section 29, Township 19 North, Range 18 East, M. D. B. & M.

(q) That lot, piece or parcel of land bounded on the West by the Eastern boundary of the County Road on the North by the Section line between Sections 8 and 17, on the South and East by a line 5 feet Southerly of the Southern boundary of 6th street situated in the Town of Verdi, Washoe County, Nevada, and being in Section 17, Township 19 North, Range 18 East, M. D. B. & M.

(2) The following described property situated in Washoe County, Nevada, which Reno Power Light and Water Company conveyed to Sierra Pacific Power Company by deed dated December 28, 1915, recorded in Book 47, at Page 104, of the Deed Records of Washoe County, Nevada:

All the right, title and interest of Sierra Pacific Power Company in and to that certain lot, piece or parcel of land lying and being in the County of Washoe, State of Nevada, and more particularly described as follows, to-wit: The SW $\frac{1}{4}$ and fractional part of the SE $\frac{1}{4}$ of Sec. 8, Township 19 North, Range 18 East, M. D. B. & M. lying South of the high water mark on the Northern bank of the Truckee River, (except in NE $\frac{1}{4}$ of the SW $\frac{1}{4}$ North of the Truckee River, the Company's title is limited to a strip ten feet wide along the north bank of the said Truckee River), containing 240 acres more or less from which certain lots in the "Katz Addition to the Town of Verdi", have been sold, and which are described as follows: Beginning at a point on the Southern boundary of said Section 8, at its intersection with the County Road, at a distance of 579.7 feet, East from the section corner common to Sections 7 and 8, 17 and 18; Township 19 North, Range 18 East and running thence North 30° 6' West 450 feet; thence South 89° 58' West 340 feet; thence South 30° 6' East 450 feet; thence North 89° 58' East along the Section line 340 feet to point of beginning; also certain lots described as beginning at a point on the Eastern boundary of the County Road which point is North 30° 6' West 100 feet, more or less from the intersection of the section line between Sections 8 and 17 and said County Road and which intersection is 655.81 feet from the section corner common to Sections 7 and 8, 17 and 18 and running thence North 89° 58' E. 100 feet; thence North 30° 6' West 100 feet; thence South 89° 58' West 100

feet; thence South $30^{\circ} 6'$ East 100 feet to point of beginning; also a certain lot in the $SE\frac{1}{4}$ of the $SW\frac{1}{4}$ of said Section 8, which has not been surveyed; also a strip of land conveyed to the State of Nevada, by Sierra Pacific Power Company by deed dated August 4, 1924, for highway purposes.

(3) The following described property situated in Washoe County, Nevada, which Reno Power Light and Water Company conveyed to Sierra Pacific Power Company by deed dated June 30, 1922, recorded in Book 61 at Page 170, of the Deed Records of Washoe County, Nevada.

(a) 1.10 A. out of Lot 2 in $NW\frac{1}{4}$ of Sec. 15, Tp. 19 N. R. 19 E. described as beginning at the center of the South end of the Electric Light Bridge over the Truckee River; thence due South 263 ft.; thence N. $67^{\circ} 57'$ E. 518.67 ft.; thence due N. 125 ft. to the South Bank of River; thence W. to point of beginning, West 30 ft. reserved for roadway.

(b) Part of Lot 6 of Sec. 10, Tp. 19 N. R. 19 E. described as beginning at the SE corner of Sec. 10; thence W 225 ft.; thence N to Truckee River; thence easterly along south bank of E. line of Sec. 10; thence S. to beginning.

(c) Part of Lot 6 of Sec. 10, Tp. 19 N. R. 19 E. described as beginning on the S line of Sec. 10, 965 ft. 6 in. W. from SE corner; thence N 8° E 58 ft.; N $85^{\circ} 30'$ E 312 ft., N 76° E 130 ft. to Truckee River; thence E along River Bank 67 ft.; S. 76° W. 193 ft.; S $85^{\circ} 30'$ W 194 ft.; S 8° W 33 ft. to South line of Section, W. 25 ft. to beginning, excepting a right of way for a bridge and approaches conveyed to the City of Reno by Sierra Pacific Power Company by deed dated December 8, 1924, over the easterly portion of a parcel of land in Lot 6, Sec. 10, Township 19 North, Range 19 East, M. D. B. & M., Washoe County, Nevada, more particularly described as follows; Beginning at the Southeast corner of Section 10, Township 19 North, Range 19 East, M. D. B. & M., said Section corner being common to Sections 10, 11, 14 and 15 in said Township and Range; thence along the section line between Sections 10 and 15, a distance of 598.2 feet more or less, said section line bearing South $87^{\circ} 58'$ West; thence North $1^{\circ} 51'$ West a distance of 83.7 feet more or less to a point, said point being on the center line of the bridge at its easterly end as now constructed.

(d) 1.131 A. out of Frac. part $NE\frac{1}{4}$ of Sec. 15, Tp. 19 N. R. 19 E described as beginning at corner No. 1, a monument on Sec.

line between 10 and 15, whence the section corner common to Secs. 10, 11, 14 and 15, Tp. 19 N. Range 19 E. bears N. $87^{\circ} 58' E.$ 101.10 ft.; running thence S $87^{\circ} 58' W$ 34.90 ft. to a monument for corner; thence S $29^{\circ} 25' W$ 5.91 ft. to a monument for corner; thence S $85^{\circ} 07' W$ 340.34 ft. to a monument for corner; thence S $0^{\circ} 25' E$ 138.70 ft. to a monument for corner; thence N. $88^{\circ} 54' E$ 282.84 ft. to a monument for corner; thence N $28^{\circ} 53' E$ 192.72 ft. to the point of beginning.

(e) A portion of Sec. 15 Tp. 19 N. R. 19 E. described as follows: Beginning at corner No. 1, identical with the NW corner of Reno sub-station property, whence section corner, common to Secs. 10, 11, 14 and 15, Tp. 19 N. Range 19 E. bears N $85^{\circ} 21' E.$ 479.5 ft.; thence S $87^{\circ} 29' W.$ 393.60 ft. to a monument; thence N $0^{\circ} 27' W$ 5 ft. to a monument near the NE corner of penstock regulator; thence S $88^{\circ} 27' W$ 68 ft. to a monument for corner; thence N. $2^{\circ} 02' W$ 19.80 ft. to a monument on said line between sections 10 and 15, from which corner common to Secs. 10, 11, 14 and 15 bears N $87^{\circ} 58' E.$ 940.50 ft. distant; thence S $87^{\circ} 58' W$ along said section line 59.95 ft. to a monument for corner; thence S $2^{\circ} 0' E$ 14 ft. to a monument for corner; thence S $87^{\circ} 56' W$ 131.33 ft. to a monument for corner at or near the west end of the North Spillway; thence S $79^{\circ} 35' W$ 127.57 ft. to a monument for a corner on N line of the land occupied by the flume now or formerly of Reno Power, Light and Water Company; thence along said north line of the land occupied by the flume; S $72^{\circ} 25' W$ 25.92 ft.; thence S $69^{\circ} 46' W.$ 25.89 ft.; thence S $66^{\circ} 23' W.$ 25.92 ft.; thence S $63^{\circ} 21' W$ 25.65 ft.; thence S $61^{\circ} 59' W$ 25.39 ft.; thence S $60^{\circ} 42' W$ 25.40 ft.; thence S $59^{\circ} 16' W$ 25.39 ft.; thence S $58^{\circ} 04' W.$ 25.32 ft.; thence S $57^{\circ} 08' W$ 25.41 ft.; thence S $55^{\circ} 16' W$ 25.34 ft.; thence S $54^{\circ} 49' W$ 25.20 ft.; thence S $53^{\circ} 54' W$ 25.22 ft. to a monument; thence S $53^{\circ} 20' W.$ 90.27 ft. to a monument; thence S $52^{\circ} 11\frac{1}{2}' W.$ 80.31 ft. to a monument; thence S. $51^{\circ} 23' W$ 374.52 ft. to a monument; thence S $51^{\circ} 50\frac{1}{2}' W$ 149.62 ft. to a monument which is placed 120 ft. more or less northeasterly from the Southwest end of the flume now or formerly of Reno Power, Light and Water Company, leading from the ditch to the penstock; thence N $87^{\circ} 58' E$ along said boundary line 28.86 ft. to a monument on the south of the land occupied by said flume; thence along south line of the land occupied by said flume N $51^{\circ} 56' E$ 126.17 ft. to a monument for corner; thence N $51^{\circ} 23' E$ 374.50 ft. to a monument for corner; thence N $52^{\circ} 11\frac{1}{2}' E$ 80.02 ft. to a monument; thence N. $53^{\circ} 13' E$ 90 ft. to a monument for

corner; thence N 53° 54' E 25 ft.; thence N 54° 49' E 25 ft.; thence N 55° 16' E. 25 ft.; thence N 57° 08' E 25 ft.; thence N 58° 04' E. 25 ft.; thence N. 59° 16' E 25 ft.; thence N 60° 42' E 25 ft.; thence N 61° 59' E 25 ft.; thence N 63° 21' E 25 ft.; thence N 66° 23' E 25 feet; thence N 69° 46' E 25 ft.; thence N 72° 25' E 25 ft. to a monument for corner; thence N 86° 58' E 253.63 ft. to a monument for corner; thence S 82° 05' E 51.17 ft. to a monument for corner; thence N 1° 25' W 6 ft. to a monument for corner near the SW corner of the penstock regulator; thence N 89° 20' E 59.99 ft. to a monument for corner, near the SE corner of the penstock regulator; thence N 0° 27' W 5 ft. to a monument for corner; thence N 87° 30' E 410.20 ft. to a monument for corner on the south side of pipe line, and on the west boundary line of the Reno sub-station property; thence N. 0° 25' W 18.75 ft. to the point of beginning.

(f) 30 A. out of the SW $\frac{1}{4}$ of NE $\frac{1}{4}$ and NW $\frac{1}{4}$ of SE $\frac{1}{4}$ of Sec. 3, Tp. 19 N. R. 19 E described as beginning at the E bank of the Highland Ditch at a point which is S 14° 57' E 1603 ft. from the quarter corner on the N line of Sec. 3; thence southwesterly along said ditch to the center N and S line of said Sec. 3; thence S 897 ft. 2 in. E 917 ft., N. 1615.21 ft., westerly 504 ft. 2 in. to point of beginning, excepting 12 acres of land more or less conveyed to H. J. Pratt by Sierra Pacific Power Company by deed dated December 7, 1923, recorded in Book 64, at Page 80, of the Deed Records of Washoe County, Nevada, and described as follows: Beginning at a point which is South 2284.3 ft. from the quarter corner common to Section 3 Township 19 North, Range 19 East, and Section 34, Township 20 North, Range 19 East, thence South 879.6 ft.; thence at a right angle East 450 ft.; thence North 10° 15' East 651 ft.; thence North 46° 50' West 117 ft.; thence North 4° 00' East 315 ft.; thence North 73° 45' West 295 ft.; thence South 35° 05' West 53 ft.; thence South 44° 10' West 271 ft. to the point of beginning containing 12 acres more or less, but excepting therefrom that certain irrigation ditch of an approximate capacity of 7 cubic feet of water per second extending to the irrigation reservoir of the J. N. Evans Estate Company and the right of way for said ditch and the right to enter upon said parcel of land for the purpose of maintaining said ditch.

(g) 1 acre out of the SE $\frac{1}{4}$ of NE $\frac{1}{4}$ of Sec. 3, Tp. 19 N. R. 19 E described as beginning at a point N. 60° 24' W 910 ft. from the quarter section corner between Sections 2 and 3; thence S 86° 50'

W 360 ft. S. 2° 40' W 121 ft. 6 in. N 86° 50' E 360 ft. N 2° 40' E 121 ft. 6 in. to point of beginning.

(h) 13.80 A. out of the E½ of Sec. 3, Tp. 19 N. R. 19 E used for Highland Ditch Reservoir and described as beginning 1.71 chains N of the SE corner of NE¼ of Sec. 3; thence N 61° 45' W 13.57 chains S 2° 15' W 17 chains N 73° 30' E 13.11 chains N 6.84 chains to point of beginning.

(i) 10 A. out of the N½ of SE¼ of Sec. 16, Tp. 19 N. R. 18 E. and described as commencing at the center of Sec. 16, Tp. 19 N., R. 18 E. M. D. B. & M., and running thence east on the North line of the SE¼ of said Sec. 16, 885 ft. to the point of beginning; thence running south at right angles 660 ft.; thence running east at right angles 660 ft.; thence running north at right angles 660 ft.; thence running west at right angles 660 ft. to the place of beginning.

(j) 3 A. more or less out of SW¼ of SE¼ of Sec. 9, T. 19 N. R. 18 E. all lying south of the Truckee River.

(k) 115 A. more or less of the NE¼ of Sec. 16, Tp. 19 N. R. 18 E described as beginning at the section corner common to Secs. 9, 10, 15 and 16, Tp. 19 N. R. 18 E. and running thence along the section line between Secs. 9 and 16, N. 88° 54' W 1640.8 ft.; thence S 12° 52' W 76.47 ft.; thence S 71° 13' W 208.56 ft.; thence S 24° 14' W 362.34 ft.; thence S 40° 55' W 495.0 ft.; thence S 7° 24' E 514.8 ft.; thence S 26° 30' E 1342.54 ft.; thence S 88° 03' E 1584.59 ft. to the quarter corner between Secs. 15 and 16; thence N 1° 45' E 2581.78 ft. to the point of beginning and being a fractional part of the NE¼ of Sec. 16, Tp. 19 N. R. 18 E; excepting therefrom 9.963 acres conveyed on April 30, 1915 to Central Pacific Railway Company and subject to an easement of the same date to the Central Pacific Railway Company for right of way across a portion of the property described, also excepting a right of way for a highway conveyed to the State of Nevada by Sierra Pacific Power Company by deed dated June 13, 1923, and also subject to an easement dated July 27, 1925 granted to Bell Telephone Company of Nevada by Sierra Pacific Power Company for a right of way across a portion of the property described.

(l) 2 A. more or less out of the NE¼ of SE¼ of Sec. 16 Tp. 19 N. R. 18 E described as bounded on the N by the flume now or formerly of the Washoe Power & Development Company and on the E by the Section line between Secs. 15 and 16, Tp. 19 N. R. 18 E.

on the S by a line 3 ft. southerly of a drainage ditch and on the W by the land now or formerly of the Reno Power, Light and Water Company.

(m) A parcel of land beginning at a point in the center of the Truckee River, which point is 670 ft. more or less N. of the Section line between Secs. 14 and 23, Tp. 19 N. R. 18 E. and 455 ft. more or less E of the Section line between Secs. 14 and 15, Tp. 19 N. R. 18 E. and running thence southerly $29^{\circ} 55'$ W. 500 ft.; thence S. $82^{\circ} 55'$ E. 200 ft.; thence N. $35^{\circ} 19'$ E. 181.66 ft.; thence S. $88^{\circ} 18'$ E. 328.5 ft.; thence N. $61^{\circ} 4'$ E 74 ft.; thence N $32^{\circ} 16'$ E. 396 feet; thence N 51° E 32.5 ft.; thence N. $10^{\circ} 2'$ W. 138 ft. to center rail post on E side of the bridge now or formerly of Washoe Power & Development Company across the Truckee River; thence in a southerly direction on the center line of the Truckee River a distance of 690 ft. more or less to point of beginning, containing 6.8 A. more or less.

(n) The fractional part of Lot 12 and the fractional part of the south half of Lot 11, Block "W" of Reno, which lie north of Mill Ditch, excepting therefrom that portion of Lot 12 conveyed to C. E. Mack by Reno Power, Light and Water Company by deed dated June 13, 1917 to which reference is hereby made for a more particular description thereof.

(o) Lots 17 and 18, Block 9 of Robinson's Addition to Sparks.

(p) An easement for right of way 75 ft. in width for Washoe Power Ditch across $S\frac{1}{2}$ of Sec. 15 and $SW\frac{1}{4}$ of Sec. 14, Tp. 19 N. R. 18 E., the center line of which begins at a point on Section line common to Secs. 15 and 16, 402.7 ft. S from quarter corner between Secs. 15 and 16; thence on center line S $49^{\circ} 25'$ E 452.05 ft.; thence S $57^{\circ} 12'$ E 197.74 ft.; thence S $40^{\circ} 40'$ E 469.49 ft.; thence S $59^{\circ} 26'$ E 364.94 ft.; thence S $51^{\circ} 27'$ E 238.68 ft.; thence S $68^{\circ} 49'$ E 136.46 ft.; thence S $37^{\circ} 45'$ E 321.32 ft.; thence S $59^{\circ} 23'$ E 326.90 ft.; thence N $88^{\circ} 7'$ E 79.77 ft.; thence N $54^{\circ} 49.5'$ E 247.57 ft.; thence N $65^{\circ} 8'$ E 342.65 ft.; thence S $82^{\circ} 30'$ E 113.07 ft.; thence S $65^{\circ} 24.5'$ E 448.26 ft.; thence S $35^{\circ} 3'$ E 790.04 ft.; thence S $50^{\circ} 10'$ E 214.40 ft.; thence S $62^{\circ} 45'$ E 116.17 ft.; thence S $86^{\circ} 6'$ E 256.19 ft.; thence N $79^{\circ} 38'$ E 1346.90 ft.; thence N $72^{\circ} 54'$ E 199.94 ft.; to penstock of Washoe Power Plant.

(q) An easement for right of way 75 ft. in width for flume line across $NE\frac{1}{4}$ of $SE\frac{1}{4}$ of Sec. 16, Tp. 19 N. R. 18 E. the center line

of which commences at a point on E side line of Sec. 16, about 460 ft. S. of quarter section corner between Secs. 15 and 16; running thence toward NW corner of said NE $\frac{1}{4}$ of SE $\frac{1}{4}$ about 1000 ft. to boundary of E side of lands now or formerly of Reno Power, Light and Water Company.

(r) All of Block 3 of Morrill's Addition to Reno.

(s) Filter plant site consisting of 0.37 A. more or less in S $\frac{1}{2}$ of NE $\frac{1}{4}$ of Sec. 3, Tp. 19 N. R. 19 E. described as beginning at a point N 74° W. 1363 ft. from quarter corner common to Secs. 2 and 3; said corner being located just E. of Highland Reservoir on boundary of City of Reno (also said point of beginning is N 37° 57' W 2133 ft. from $\frac{1}{8}$ corner next S from about quarter corner and common to Secs. 2 and 3 on boundary to City of Reno); running thence N 100 ft.; thence E 160 ft.; thence S 100 ft.; thence W 160 ft. to point of beginning.

(t) An unused right of way across a portion of Sec. 6, Tp. 19 N. R. 20 E. described as beginning at the water tank site located on Block 4 and extending easterly across a portion of Block 4 and E along or near the center of Overland Street to and across Block 7 to W line of Sec. 5, a distance of 1700 ft. more or less, intersecting section line between Secs. 5 and 6 at an angle of 90° and distant 170 ft. N. of SW corner of Sec. 5.

(u) A strip of land 40 ft. in width, extending along the extreme S side of the NE $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Sec. 2, T. 19 N. R. 19 E. M. D. B. & M., the said strip beginning on the Western boundary line of said 40 A tract, extending E to, stopping at, and intersecting the "Long Valley Wagon Road," or what is now known as North Sierra Street.

(v) That certain ditch known and designated as the Highland Ditch on the North side of Truckee River heading at or near the railroad bridge near Verdi and more particularly described in two instruments recorded in the office of the County Recorder of Washoe County, State of Nevada, in Book F of Miscellaneous Records at Page 164 and the other in Book F of Miscellaneous Records at Page 569, to which reference is hereby made for a more particular description thereof.

(w) That certain ditch and dam known as the Electric Light Ditch and Dam situated on the South Side of the Truckee River in Reno running through the lands now or formerly of Joseph

Frey and Murray Brothers and more particularly described in the certificates of location, recorded in Volume F on Page 393 of the Miscellaneous Records in the office of the Recorder of Washoe County, Nevada, to which reference is hereby made for a more particular description thereof.

(4) The following described property situated in Washoe County, Nevada, which Hunter Creek Water Company conveyed to Sierra Pacific Power Company by deed dated June 30, 1922, and recorded in Book 61 at Page 177 of the Deed Records of Washoe County, Nevada.

That certain lot, piece or parcel of land situated in Washoe County, Nevada, more particularly described as follows: Reservoir property consisting of 23 acres in the Northwest quarter of Section 20, Township 19 North, Range 19 East, described as commencing at a point 741 feet South of the Northeast corner of Section 19, Township 19 North, Range 19 East, said point being on the Section line between Sections 19 and 20; thence South 89° 30' East 600.7 feet; thence South 73° 06' East 630 feet; thence South 2° 53' East 745 feet; thence South 80° 16' West 1269.2 feet; thence North 6° 30' East 1147 feet; to the point of beginning. Also all the waters flowing and to flow in Hunter Creek, so-called.

(5) The following described property situated in Washoe County, Nevada, which Angela Besso, Guardian et al, conveyed to Sierra Pacific Power Company by deed dated June 26, 1924, recorded in Book 65 at Page 75 of the Deed Records of Washoe County, Nevada.

Those certain perpetual rights of way and easements through and across certain property known as the "Besso Ranch" all of said property being in the South half of the Northeast quarter and the Northeast quarter of the Northeast quarter of Section 17, Township 19 North, Range 19 East, M. D. B. & M.

(6) The following described property situated in Washoe County, Nevada, which Nevada Developers, Inc., conveyed to Sierra Pacific Power Company by deed dated November 28, 1928, recorded in Book 75 at Page 468, of the Deed Records of Washoe County, Nevada:

All right, title and interest of the Company in and to an easement for a right of way more particularly described as follows: The Easterly 5 feet of Lots 8 to 12 inclusive of Block 6, of Newlands Manor Subdivision of Blocks 1 to 7 inclusive of Newlands Heights Addition to the City of Reno, Washoe County, Nevada, according to the official map or plat thereof on file in the office of

the County Recorder of Washoe County Nevada, excepting therefrom that portion thereof conveyed to Nevada Developers, Inc., by Sierra Pacific Power Company and Bell Telephone Company of Nevada by deed dated December 31, 1928, bounded and described as follows: The easterly 5 feet of the westerly 10 feet of Lots 1 to 7 inclusive of Block 6; also the southerly 5 feet of Lot 2 and the adjacent northerly 5 feet of Lot 3 in Block 6; also the southerly 5 feet of Lots 7 and 21 and the adjacent northerly 5 feet of Lots 8 and 20 in Block 5; all in Newlands Manor Subdivision of Blocks 1 to 7 inclusive, of Newlands Heights Addition to the City of Reno, Nevada.

(7) The following described property situated in Washoe County, Nevada, which Nevada Developers, Inc., conveyed to Sierra Pacific Power Company by deed dated February 28, 1928, recorded in Book 73 at page 186, of the Deed Records of Washoe County, Nevada.

All of the right, title and interest of the Company in and to an easement for a right of way across certain property situate in the County of Washoe, State of Nevada, to wit:

Portions of lots lying in Newlands Manor, Newlands Heights Addition to the City of Reno, as shown by amended plat of said Newlands Heights Addition filed with the County Recorder of Washoe County.

And more particularly described as follows, to-wit:

The southerly eight feet of Lots 1 to 9 inclusive, Block 3, and the adjacent northerly five feet of Lots 10 to 18 inclusive of said Block 3.

The southerly five feet of Lots 1 to 8 inclusive of Block 2, and the adjacent northerly five feet of Lots 9 to 15, inclusive of said Block 2.

The southerly five feet of Lots 1 to 6 inclusive of Block 1, and the adjacent northerly five feet of Lots 7 to 12 inclusive of said Block 1.

The southerly five feet of Lots 7 and 21 of Block 5 and the adjacent northerly five feet of Lots 8 and 20 of said Block 5.

The westerly ten feet of Lots 1 to 7 inclusive of Block 6; also the southerly five feet of Lot 2 of Block 6 and the adjacent northerly five feet of Lot 3 of said Block 6.

The northwesterly ten feet of Lots 2 to 15 inclusive and Lot 21 of Block 7; the northerly ten feet of Lots 19, 20 and 21 of said

Block 7; also a ten foot strip along the easterly line of Lot 19, Block 7, beginning ten feet south of the northerly line of said Lot 19 and running thence south a distance of 90 feet; also the southerly five feet of Lot 10, Block 7 and the adjacent northerly five feet of Lot 11 of said Block 7; also the southerly five feet of Lot 4, Block 7 and the adjacent northerly five feet of Lot 5 of said Block 7.

(8) The following described property situated in the City of Reno, Washoe County, Nevada, which George A. Campbell and Mercy S. Campbell conveyed to Sierra Pacific Power Company by deed dated November 16, 1929, recorded in Book 81 at Page 439 of the Deed Records of Washoe County, Nevada:

(a) Commencing at a point from which the northeast corner of Section 12, T. 19 N., R. 19 E., M. D. B. & M., bears N. 70° 14' E, 571.7 feet and running thence east a distance of 100 feet to the true point of beginning; running thence southerly parallel with the east line of said Section 12, a distance of 98 feet, more or less, to the northerly line of the right-of-way of the State Highway between Reno and Sparks, thence easterly along the northerly line of said right-of-way, a distance of 50 feet, thence northerly, parallel with the east line of said Section 12, a distance of 98 feet; thence west a distance of 50 feet more or less to the point of beginning. Reserving however, unto the predecessors in interest of the aforesaid grantors, their heirs and assigns, the right to lay and maintain water and gas pipes over said land to connect the main lines traversing said property.

(b) Commencing at a point from which the northeast corner of Section 12, T. 19 N., R. 19 E., M. D. B. & M., bears N. 70° 14' E, 571.7 feet and running thence east a distance of 150 feet to the true point of beginning; thence running southerly, parallel with the east line of said Section 12, a distance of 98 feet, more or less to the northerly line of the right-of-way of the State Highway between Reno and Sparks; thence easterly along the northerly line of said right-of-way, a distance of 59.7 feet; thence northerly, parallel with the east line of said Section 12, a distance of 97 feet; thence west a distance of 59.7 feet, more or less to the point of beginning.

Reserving however, unto the predecessors in interest of the aforesaid grantors, their successors and assigns, the right to lay and maintain water and gas pipes over said land to connect with the main lines traversing said property.

(9) The following described property situated in the City of Reno, Washoe County, Nevada, which Nevada National Ice and Cold Storage Company conveyed to Sierra Pacific Power Company, by deed dated March 28th, 1930, recorded in Book 81, at Page 303, of the Deed Records of Washoe County, Nevada.

The West one-half of Lots 14, 15, and 16, Block Six (6), "Morrill-Smith Addition to Reno" according to the Official Map thereof, filed in the Office of the County Recorder, Washoe County, Nevada, August 15th, 1904.

(10) The following described parcels of land situated in the NE $\frac{1}{4}$ of Section 15, T. 19 N., R. 19 E., M. D. B. & M., in Washoe County, Nevada, which Samuel W. Murray and Elizabeth Murray conveyed to Sierra Pacific Power Company by deed dated April 2nd, 1930, recorded in Book 81 at Page 389, of the Deed Records of Washoe County, Nevada:

Parcel No. 1. Beginning at a point on the west line of the Reno Substation lot of Sierra Pacific Power Company, from which point the northeast corner of Section 15, T. 19 N., R. 19 E., M. D. B. & M. bears N. 83° 07' E. 481.2 feet; running thence S. 0° 25' E. 40 feet; thence S. 87° 24' W. 775.2 feet; thence S. 57° 35' W. 444.8 feet; thence S. 51° 32' W. 446.92 feet; thence S. 87° 58' W. 67.38 feet; thence N. 51° 56' E. 126.17 feet; thence N. 51° 23' E. 374.5 feet; thence N. 52° 11½' E. 80.02 feet; thence N. 53° 13' E. 90.0 feet; thence N. 53° 54' E. 25 feet; thence N. 54° 49' E. 25 feet; thence N. 55° 16' E. 25 feet; thence N. 57° 08' E. 25 feet; thence N. 58° 04' E. 25 feet; thence N. 59° 16' E. 25 feet; thence N. 60° 42' E. 25 feet; thence N. 61° 59' E. 25 feet; thence N. 63° 21' E. 25 feet; thence N. 66° 23' E. 25 feet; thence N. 69° 46' E. 25 feet; thence N. 72° 25' E. 25 feet; thence N. 86° 58' E. 253.63 feet; thence S. 82° 05' E. 51.17 feet; thence N. 1° 25' W. 6.0 feet; thence N. 89° 20' E. 59.99 feet; thence N. 0° 27' W. 5.0 feet; thence N. 87° 30' E. 410.20 feet to the point of beginning, containing 1.67 acres more or less.

Parcel No. 2. Beginning at a point which is the southeast corner of the Reno Substation property of the Sierra Pacific Power Company, from which point the northeast corner of Section 15, T. 19 N., R. 19 E., M. D. B. & M. bears N. 48° 24' E. 259.5 feet running thence along the southerly boundary line of said Reno Substation property, S. 33° 54' W. 282.90 feet to the southwest corner of said Reno Substation property thence S. 0° 25' E. 97.5 feet;

thence N. 88° 54' E. 227.8 feet; thence N. 28° 53' E. 112.55 feet; to the point of beginning, containing 0.56 acres more or less.

Also a right of way for ingress to and egress from the above described property over a strip of land twenty-five feet in width and extending from the County Road, which runs north and south along the western limits of the City of Reno, to the western end of Parcel No. 2, said strip to be 12.5 feet on each side of a center line described as follows:

Beginning at a point which bears S. 0° 25' E. 12.5 feet from the southwest corner of the above described Parcel No. 2; running thence N. 88° 54' E. parallel to the south line of said Parcel No. 2, 261.9 feet; thence N. 83° 32' E. 208.3 feet, more or less, to the existing County Road.

(11) The following described property situated in the City of Reno, Washoe County, Nevada, which George A. Campbell and Mercy S. Campbell conveyed to Sierra Pacific Power Company by deed dated February 27, 1930, recorded in Book 81 at Page 438, of the Deed Records of Washoe County, Nevada.

All of Lot One, All of Lot Two and the West six (6) feet of Lot Three in Block Two of "Victoria Park Tract," Reno, Washoe County, Nevada, according to the Amended plat thereof filed in the office of the County Recorder of Washoe County, State of Nevada, on May 6th, 1907.

(12) The following described property situated in the City of Reno, Washoe County, Nevada, which Earle W. Hart conveyed to Sierra Pacific Power Company by deed dated July 9, 1936, and recorded in Book 106 at page 218 of the Deed Records of Washoe County, Nevada:

All of Lot One (1) in Block Twenty-three (23) of "University Terrace Addition", Reno, Nevada, according to the official map thereof filed in the office of the County Recorder of Washoe County, Records of Washoe County, State of Nevada, on December 30, 1926.

(13) The following described property situated in Washoe County, Nevada, which Unknown Owners by D. W. Dunkle, Treasurer, and Ex-officio Tax Receiver of Washoe County, Nevada, conveyed to the Sierra Pacific Power Company by deed dated September 10, 1937, and recorded in Book 112 at page 132 of the Deed Records of Washoe County, Nevada:

That certain lot, piece or parcel of land situated in Washoe County, Nevada, more particularly described as follows: Begin-

ning at a point on the north boundary line of Section 16, 1640 feet westerly from the northeast corner of Section 16, thence south $12^{\circ} 52'$ West 76.47 feet, thence south $71^{\circ} 13'$ west to a point on the north boundary line of the C.P.R.R. Right of Way, thence westerly along said boundary line to a point on the west line of the northwest quarter of the northeast quarter, Section 16, thence northerly to a point on the north boundary line of said section, thence easterly to the point of beginning, containing 1.15 acres more or less. This property in Section 16, Township 19 North, Range 18 East, M.D.B.M.

(14) The following described property situated in Washoe County, Nevada which J. N. Evans, Incorporated conveyed to the Sierra Pacific Power Company by deed dated October 6, 1938 and recorded in Book 119 at page 127 of Deed Records of Washoe County, Nevada:

(a) Settling basin site, that certain lot, piece or parcel of land situated in a fractional part of the southeast one-quarter ($SE\frac{1}{4}$) of the northeast one-quarter ($NE\frac{1}{4}$) and a fractional part of the northeast one-quarter ($NE\frac{1}{4}$) of the southeast one-quarter ($SE\frac{1}{4}$) of Section 3, Township 19 North, Range 19 East, M. D. B. & M.

Beginning at a point on the existing westerly property line of the Sierra Pacific Power Company property as conveyed by J. N. Evans to Reno Water Company, August 23, 1889, recorded in Book 14, page 271 of Deed Records of Washoe County, Nevada, from which point the one quarter section corner common to Sections 2 and 3, T. 19 N., R. 19 E., M.D.B. & M. bears S. $67^{\circ} 42' 59''$ E. 861.12 feet, more or less; and running thence S. $2^{\circ} 20' 00''$ W., 350.00 feet, along said existing westerly property line of the above mentioned Sierra Pacific Power Company property; thence S. $86^{\circ} 50' 00''$ W., 360.00 feet; thence N. $2^{\circ} 20' 00''$ E. 350.00 feet, more or less, to a point on the existing southerly line of Sierra Pacific Power Company property as conveyed by J. N. Evans to the Nevada Power, Light and Water Company dated July 19, 1902; thence N. $86^{\circ} 50' 00''$ E., 360 feet along said existing southerly line of Sierra Pacific Power Company property to the point of beginning, containing 2.89 acres more or less.

(b) An used right of way across a portion of the east half ($E\frac{1}{2}$) of the southeast one-quarter ($SE\frac{1}{4}$) of Section 3, T 19 N.,

R. 19 E., M.D.M., described as follows: Beginning at a post located on the J. N. Evans Inc. property, from which post the one-quarter section corner common to Sections 2 and 3, T. 19 N., R. 19 E., M.D.B. & M. bears N. $54^{\circ} 51' 49''$ E., 1033.94 feet, more or less, and running thence N. $2^{\circ} 54' 30''$ E., 572.39 feet, more or less, to a point on the south line of the above described property.

Also beginning at the before-mentioned post and running thence N. $74^{\circ} 02' 30''$ E., 526.53 feet, more or less, to a point on the existing Highland Reservoir drain pipe.

Also beginning at the before-mentioned post and running thence S. $23^{\circ} 31' 14''$ W., 1012 feet more or less to a point on the northerly bank of Peavine Creek.

(15) The following described property in Washoe County, Nevada, which J. N. Evans, Incorporated, conveyed to the Sierra Pacific Power Company by deed dated January 30, 1939, recorded in Book 121 at Page 102 of the Deed Records of Washoe County, Nevada:

(a) Beginning at a point on the existing property line of the property of the Company from which point the one quarter section corner common to Sections 2 and 3, T. 19 N., R. 19 E., M.D.B. & M. bears S. $60^{\circ} 24'$ E., 910.00 feet, more or less; and running thence S. $86^{\circ} 50'$ W. 360.00 feet along the north line of a parcel of land conveyed to Nevada Power Light and Water Company by J. N. Evans by deed dated July 19, 1902 and recorded in Book 23 of Deeds, page 157, Records of Washoe County, Nevada; thence S. $2^{\circ} 40'$ W. 67.22 feet along the west line of the above-mentioned conveyance; thence N. $89^{\circ} 27'$ W. 5.06 feet, more or less, to the southeast corner of a parcel of land as conveyed to George A. Campbell by Elizabeth M. Evans by deed dated January 18, 1915 and recorded in Book 45 of Deeds, page 356, Records of Washoe County, Nevada; thence North 100.00 feet along the east line of the said last mentioned conveyance to the northeast corner of said conveyance as recorded in Book 45 of Deeds, page 356, thence N. $87^{\circ} 13' 18''$ E. 259.94 feet; thence N. $70^{\circ} 11' 53''$ E. 117.31 feet, more or less, to a point on the west line of a parcel of land as conveyed to Reno Water Company by J. N. Evans, by deed dated August 23, 1889, and recorded in Book 14 of Deeds, page 271, Records of Washoe County, Nevada; thence S. $02^{\circ} 15'$ W., along said west line, 65.40 feet, more or less, to the point of beginning, containing 0.322 acres, more or less.

(b) Beginning at a point on the existing east property line of the property of the Company, as conveyed to Reno Water Company by J. N. Evans by deed dated August 23, 1889 and recorded in Book 14 of Deeds, page 271, Records of Washoe County, Nevada, said point being located on the east line of Section 3, T. 19 N., R. 19 E., M.D.B. & M., and from which point the one quarter section corner common to Sections 2 and 3, T. 19 N., R. 19 E., M.D.B. & M. bears S. $0^{\circ} 07' W.$ 112.86 feet, more or less; and running thence N. $61^{\circ} 45' W.$, 850.83 feet along the northerly line of said parcel of land conveyed to Reno Water Company by J. N. Evans by deed dated August 23, 1889 and recorded in Book 14 of Deeds, page 271, Records of Washoe County, Nevada; thence N. $83^{\circ} 43' 18'' E.$, 64.35 feet; thence S. $61^{\circ} 47' 16'' E.$, 777.64 feet, more or less, to a point on said east line of said Section 3; thence S. $0^{\circ} 07' W.$, 42.58 feet, more or less, along said east line of said Section 3, to the point of beginning, containing 0.692 acres, more or less.

(c) Beginning at a point on the existing east line of the property of the Company, as conveyed to Reno Water Company by J. N. Evans by deed dated August 23, 1889 and recorded in Book 14 of Deeds, page 271, Records of Washoe County, Nevada, said point being on the east line of Section 3, T. 19 N., R. 19 E., M.D.B. & M., and from which point the one quarter section corner common to Sections 2 and 3, T. 19 N., R. 19 E., M.D.B. & M., bears N. $0^{\circ} 07' E.$, 338.58 feet, more or less; and running thence S. $73^{\circ} 30' W.$ 865.26 feet along the southerly line of the above conveyance to Reno Water Company by J. N. Evans thence N. $85^{\circ} 50' 58'' E.$, 71.16 feet; thence N. $73^{\circ} 43' 48'' E.$, 794.32 feet, more or less, to a point on the above mentioned east line of said Section 3; thence N. $0^{\circ} 07' E.$, along said east line of said Section 3 a distance of 15.65 feet, more or less, to the point of beginning, containing 0.320 acres, more or less.

(d) Beginning at the southwest corner of the property of the Company, as conveyed to Reno Water Company by J. N. Evans by deed dated August 23, 1889 and recorded in Book 14 of Deeds, page 271, Records of Washoe County, Nevada, from which corner the one quarter section corner common to Sections 2 and 3, T. 19 N., R. 19 E., M.D.B. & M., bears N. $55^{\circ} 06' 04'' E.$, 1017.11 feet, more or less, and running thence N. $2^{\circ} 15' E.$ 558.54 feet, more or less, along the west line of the above-mentioned conveyance to a point on the south line of that certain parcel of land as conveyed to Sierra Pacific Power Company by J. N. Evans Incorporated

by deed dated October 6, 1938, and recorded in Book 119 of Deeds, page 127, Records of Washoe County, Nevada, thence S. $86^{\circ} 50'$ W. 20.07 feet along the southerly line of said last mentioned conveyance to Sierra Pacific Power Company by J. N. Evans, Incorporated; thence S. $2^{\circ} 15'$ W., 553.87 feet; thence S. $79^{\circ} 50' 15''$ E., 20.18 feet, more or less, to the point of beginning, containing 0.255 acres, more or less.

(16) The following described property, situated in the southwest one quarter (SW $\frac{1}{4}$) of the northwest one quarter (NW $\frac{1}{4}$) of Section 20, T. 19 N., R. 19 E., M.D.M., in Washoe County, Nevada, which Mrs. Lizzie Scolari conveyed to the Sierra Pacific Power Company by deed dated December 29, 1938 recorded in Book 125, at page 574, of the Deed Records of Washoe County, Nevada:

Beginning at a point on the west line of the above mentioned Section 20, said point being the southwest corner of that certain piece or parcel of land as conveyed to the Truckee River General Electric Company by the Hunter Creek Water Company by deed dated June 30, 1922 and recorded in Volume 61 of Deeds, page 177, Records of Washoe County, Nevada; said point being south 1888 feet from the northwest (NW) corner of said Section 20; running thence N. $80^{\circ} 16'$ E. 1269.2 feet along the southerly boundary line of the above-mentioned conveyance; thence S. $2^{\circ} 53'$ E. 207.4 feet; thence S. $80^{\circ} 16'$ W. 1281.63 feet; to a point on the west line of said Section 20; thence N. $00^{\circ} 30'$ E. 209.25 feet to the point of beginning, containing 6.05 acres.

(17) The following described property situated in the northeast one quarter (NE $\frac{1}{4}$) of the northeast one quarter (NE $\frac{1}{4}$) of Section 15, T. 19 N., R. 19 E., M. D. M. in Washoe County, Nevada, which Samuel W. Murray and Elizabeth Murray conveyed to the Sierra Pacific Power Company by deed dated May 16, 1940, recorded in Book 130, at page 277, of the Deed Records of Washoe County, Nevada.

Beginning at a point which is the southeast corner of a tract of land decded to Sierra Pacific Power Company by Samuel W. Murray and Elizabeth Murray, by deed dated April 2, 1930 and recorded in Book 81 of Deeds, page 389, Records of Washoe County, State of Nevada; identified in said deed as Parcel #1; from which point the northeast corner of Section 15, T. 19 N., R. 19 E., M. D. B. & M. bears N. $78^{\circ} 26'$ E., 487.33 feet, more or less; and running thence along the southerly line of the above mentioned tract of land, S. $87^{\circ} 24'$ W., 775.20 feet; thence S. $2^{\circ} 36'$ E., 300.00

feet; thence N. 87° 24' E., 918.01 feet, more or less, to a point on the east line of the property of Samuel W. Murray and Elizabeth Murray; which line is described as being N. 19° 21' E., 82.55 feet, in deed recorded in Book 89 of Deeds, page 290, Records of Washoe County, State of Nevada; thence along the above described east line of the property of Samuel W. Murray and Elizabeth Murray, N. 19° 21' E., 11.07 feet; thence further along the east line of the property of Samuel W. Murray and Elizabeth Murray in a northerly direction, as it is further described in said deed recorded in Book 89 of Deeds, page 290, Records of Washoe County, State of Nevada; which line is also the west line of a parcel of land heretofore conveyed to Mrs. Marie Gomez by deed recorded in Book 58 of Deeds, page 21, Records of Washoe County, State of Nevada; a distance of 84.00 feet, more or less, to the northwest corner of the said Gomez property; thence along the southerly line of the property of Samuel W. Murray and Elizabeth Murray (which line is also the northerly line of the above mentioned Gomez property) N. 84° 02' E., 62.49 feet, more or less, to its intersection with the south line of a strip of land granted to Sierra Pacific Power Company for right of way purposes, as described in deed recorded in Book 81 of Deeds, page 389, Records of Washoe County, State of Nevada; thence along the south line of said strip of land granted to Sierra Pacific Power Company for right of way purposes, S. 88° 54' W., 256.11 feet; thence along the west line of said strip of land granted to Sierra Pacific Power Company for right of way purposes; and along the west line of a tract of land deeded to Sierra Pacific Power Company by Samuel W. Murray and Elizabeth Murray by deed dated April 2, 1930 and recorded in Book 81 of Deeds, page 389, Records of Washoe County, State of Nevada, identified in said deed as Parcel #2; and along the west line of a tract of land deeded to Sierra Pacific Power Company by deed recorded in Book 38 of Deeds, page 312, Records of Washoe County, State of Nevada; N. 0° 25' W., 202.55 feet, more or less, to the point of beginning, containing 5.69 acres, more or less.

Excepting and reserving from the above-described tract of land a right of way for a road over a strip of land 25.00 feet in width, being 12.50 feet in width on each side of a center line which is described as follows:

Beginning at a point on the north line of the tract of land described above, which line is also the south line of a strip of land granted to Sierra Pacific Power Company for right of way pur-

posos, as described in deed recorded in Book 81 of Deeds, page 389, Records of Washoe County, State of Nevada; from which point the northeast corner of Section 15, T. 19 N., R. 19 E., M. D. B. & M., bears N. $44^{\circ} 42'$ E., 417.43 feet, more or less; and running thence S. $24^{\circ} 10'$ W., 86.68 feet; thence S. $19^{\circ} 21'$ W., 16.63 feet, more or less, to a point on the south line of the above-described tract of land.

(18) The following described property situated in the County of Washoe, Nevada, which Mario Belli and Erminia S. Belli, his wife, conveyed to the Sierra Pacific Power Company by deed dated August 29, 1930, and recorded in Book 83 at page 497 of the Deed records at Washoe County, Nevada:

Beginning at a point in center of the Truckee River, from which point the South one-quarter corner of Section 14, T. 19, N., R. 18 E., M.D.B. & M. bears S. $81^{\circ} 47'$ E. 2955 feet more or less; running thence S. $7^{\circ} 05'$ E. 211.1 feet; thence S. $72^{\circ} 05'$ E. 349.2 feet; thence N. $89^{\circ} 09'$ E. 167.67 feet; thence N. $77^{\circ} 53'$ E. 148.5 feet, to the Northwesterly corner of land now or formerly owned by E. Canepa; thence continuing N. $77^{\circ} 53'$ E. along the Northerly line of the land of said E. Canepa 291.2 feet; thence along said property line of E. Canepa N. $86^{\circ} 44'$ E. 244.9 feet; thence along said property line of E. Canepa N. $77^{\circ} 21'$ E. 149.2 feet; thence along the Westerly line of the land of said E. Canepa N. $24^{\circ} 25'$ W. 128.3 feet; thence along said Westerly property line N. $32^{\circ} 25'$ E. 360.49 feet; thence along said Westerly property line N. $12^{\circ} 57'$ E. 40.9 feet, more or less, to concrete monument for corner on the property now owned by Sierra Pacific Power Company; thence along the Easterly line of the land of said Sierra Pacific Power Company, S. $51^{\circ} 00'$ W. 32.50 feet; thence along said Easterly property line of Sierra Pacific Power Company S. $32^{\circ} 16'$ W. 396.00 feet; thence along the Southerly line of land belonging to Sierra Pacific Power Company S. $61^{\circ} 04'$ W. 74.00 feet; thence along the said Southerly property line of Sierra Pacific Power Company N. $88^{\circ} 18'$ W. 328.50 feet; thence along the said Southerly property line of Sierra Pacific Power Company S. $35^{\circ} 19'$ W. 181.66 feet; thence along the said Southerly property line of Sierra Pacific Power Company N. $82^{\circ} 55'$ W. 200.00 feet, to the Southwest corner of the Washoe Power House property of Sierra Pacific Power Company; thence along the Westerly line of the said land of Sierra Pacific Power Company N. $29^{\circ} 55'$ E. 553 feet, more or less, to the center of the Truckee River; thence Southwesterly along the center of the Truckee River 910 feet, more or less, to the point

of beginning, containing 6 acres, more or less; excepting therefrom a strip of land 75 feet in width conveyed by Stefano Capurro to Washoe Power and Development Company for ditch purposes, by deed dated February 5th, 1904, and recorded in Book 25, Page 25 deed records of Washoe County. Also reserving unto E. Canepa, his Heirs and assigns the right to use a certain roadway as set forth in that certain deed from Louis Cardella, Steve Capurro and G. Largomarsino to E. Canepa, dated June 5th, 1919, and recorded in Book 53 of Deeds, Page 495, Records of Washoe County, Nevada, reading as follows: "Together also with the right to the use of the wagon road now leading from the south approach to the bridge crossing the Truckee River near Mogul, Nevada, to the ranch house of the parties of the first part".

(19) The following described property situated in the City of Reno, County of Washoe, Nevada, which C. L. Richards and Elizabeth Richards, his wife, conveyed to the (Truckee River Power Company) Sierra Pacific Power Company by deed dated June 16, 1926, and recorded in Book 69 at page 338 of the Deed records of Washoe County, Nevada:

Commencing at a point 12 feet south of the south line of the right of way of the English Mill Ditch and 16 feet west of the Section line between Sections 10 and 11, Township 19 North, Range 19 East, M. D. B. & M.; running thence westerly, parallel with the south line of the right of way of said ditch and 12 feet distant therefrom, 25 feet; thence southerly, parallel with the section line between said Sections 10 and 11, a distance of 244 feet, more or less, to the present north line of Jones Street; thence easterly, along the north line of Jones Street, a distance of 25 feet to a point 16 feet west of the section line between said Sections 10 and 11, T. 19 N. R. 19 E.; thence north, parallel with said section line and 16 feet distant therefrom, 244 feet, more or less, to the point of beginning. Together with a right of way for road purposes over the 12 foot strip of land immediately adjoining the above described premises on the north.

PART II.

REAL PROPERTY IN THE STATE OF CALIFORNIA.

The following described pieces, parcels or tracts of land, rights of way, easements and rights and interests in and to land lying and being in the State of California, together with all improvements of every

description thereon stationed or in anywise incident or appertaining thereto:

EL DORADO COUNTY, CALIFORNIA.

(1) The following described property situated in El Dorado County, California, which Thomas E. Steele and Millie E. Steele conveyed to the Sierra Pacific Power Company by deed dated May 10, 1937, recorded in Book 154 at page 383 of the Official Records of El Dorado County, California:

Being the south ninety-five (95) feet of Lot Eleven (11) in Block Twenty-two (22), according to the Official Map of Al Tahoe, recorded with the County Recorder of said El Dorado County, California, November 21, 1917.

(2) The following described property situated in El Dorado County, California, which Louis H. Bannister and Lenore K. Bannister conveyed to the Sierra Pacific Power Company by deed dated May 14, 1931, recorded in Book 122 of Official Records, at page 240, Records of El Dorado County, California:

Being the south ninety-five (95) feet of Lot Nine (9) and Lot Ten (10), in Block Twenty-two (22) according to the Official Map of Al Tahoe, recorded with the County Recorder of El Dorado County, California, November 21, 1917.

NEVADA COUNTY, CALIFORNIA.

(1) The following described property situated in Nevada County, California, which Truckee River General Electric Company conveyed to Sierra Pacific Power Company by deed dated March 21, 1912, recorded in Book 115, at Page 225 et seq. of the Deed Records of Nevada County, California.

(a) Lots 11 and 12 in Section 30, Township 18 North, Range 18 East, M. D. B. & M., containing 75.17 acres more or less.

(b) All that portion of Lots 5-8 inclusive of Section 30, Township 18 North, Range 18 East, M. D. B. & M., lying Northerly of a line drawn Easterly and Westerly through a point a distance of 32.6 feet Northerly from a certain iron bolt, which bolt is a distance of 57.6 feet Southerly from the Farad Dam so-called which crosses the Truckee River near and Northerly from the mill and works now or formerly of the Floriston Pulp and Paper

Company, saving and excepting therefrom the following described property, commencing at a point on the Easterly and Westerly division line aforesaid, distance thereon 5 feet Westerly from the Westerly track of the railroad, which track is nearest to the Easterly bank of the Truckee River; thence following said track of the railroad in a Northerly direction and at a uniform distance of 5 feet Westerly therefrom to a line passing Easterly and Westerly through a certain stone monument, the location of which is hereinafter described; thence Easterly 416 feet; thence at right angles Southerly to the Easterly and Westerly division line aforesaid; thence Westerly along said division line to the point of beginning. The location of the said stone monument is ascertained as follows: Commencing at the iron bolt hereinbefore referred to, thence running North 59° 38' East 344.27 feet; thence North 46° 23' East 353.1 feet; thence North 15° 38' East 351.55 feet to said stone monument; subject, however, to a reservation granting to Floriston Land & Power Company the reservoir in or about the Northerly portion of Lots 6 and 7, together with the land upon which the reservoir is situated and the land surrounding the same, to a uniform distance of 25 feet from the exterior boundaries of said reservoir, also the bed and banks of the stream flowing into the reservoir so far as the same are located in Lots 6 and 7; together with a strip of land upon each side of said stream at a uniform width of three feet and the right to maintain in the present location a pipe line by which water may be conveyed from the reservoir to the premises of the Floriston Land & Power Company and the Floriston Pulp and Paper Company; reserving also to the Floriston Land & Power Company and the Floriston Pulp and Paper Company a right of way for a road, flume or other purposes, not exceeding 25 feet in width extending over the lands of Sierra Pacific Power Company in Lots 6, 7, 11 and 12, and also excepting a right of way for highway purposes across a portion of Lot 6 conveyed to the State of California by Sierra Pacific Power Company by deed dated July 23, 1926.

(c) Lots 1, 2, 3 and 4, Section 19, Township 18 North, Range 18 East, M. D. B. & M., excepting therefrom that portion thereof conveyed to the State of California by Sierra Pacific Power Company by deed dated July 23, 1926, for a state highway.

(d) The North half of the Southeast quarter, the East half of the Northwest quarter, the Northeast quarter of the Southwest

quarter and the Northeast quarter of Section 13, Township 18 North, Range 17 East, M. D. B. & M.

(e) The North half of the Northeast quarter, the Southwest quarter of the Northeast quarter, the Northwest quarter of the Southeast quarter, the East half of the Southwest quarter, the South half of the Southeast quarter, the Northeast quarter of the Southeast quarter and the Southeast quarter of the Northeast quarter of Section 12, Township 18 North, Range 17 East, M. D. B. & M., excepting therefrom an 80 foot strip of land conveyed to the State of California by deed dated July 23, 1926 for a state highway, also excepting therefrom a portion of the East half of the East half of Section 12, Township 18 North, Range 17 East, M. D. B. & M., conveyed to the Central Pacific Railway Company by deed dated April 29, 1915 and being more particularly described as follows, to-wit: Beginning at a point on the Easterly boundary line of the original right of way of the Central Pacific Railway Company's railroad, as originally constructed, that is distant 150 feet, measured Easterly at a right angle from, at or near a point on the located "L" center line of the Central Pacific Railway Company's railroad known as Engineer Survey Station "L" 212 plus 87.0 said point of beginning also bears South $14^{\circ} 25\frac{1}{4}'$ West a distance of 1371.7 feet from the Northeast corner of the Southeast quarter of said Section 12; thence in a Northerly direction along and on said Easterly boundary line of said original right of way to a point that is distant 150 feet, measured Easterly at a right angle from, at or near a point on said located "L" center line known as Engineer Survey Station "L" 236 plus 31.0, said last mentioned point on said Easterly boundary line of said original right of way also bears North $49^{\circ} 04'$ West a distance of 1098.1 feet from the Southeast corner of the Northeast quarter of said Section 12; thence in a Southerly direction parallel to and at a uniform distance of 150 feet Easterly at a right angle from said located "L" center line, to the point of beginning, and containing an area of 3.648 acres, more or less.

(f) That portion of Lot 1 in Section 18, Township 18 North, Range 18 East, M. D. B. & M. which lies North of the Truckee River.

(2) The following described property situated in Nevada County, California, which Central Pacific Railway Company and United States Trust Company of New York conveyed to Sierra Pacific Power Com-

pany by deed dated February 5, 1927, recorded in Book 143 at Page 179 of the Deed Records of Nevada County, California:

NW $\frac{1}{4}$ of NW $\frac{1}{4}$ and S $\frac{1}{2}$ of N $\frac{1}{2}$ of Section 35, T. 18 N., R. 17 E. M. D. B. & M., containing 200 acres more or less; subject to Right-of-Way 25 feet in width for electric transmission line and the right to cut and remove all timber standing or lying within 75 feet on each side of the center line of the Right-of-Way conveyed to Truckee River Power Company by deed dated October 25, 1923; also subject to Right-of-Way 80 feet in width for State Highway, conveyed to State of California by deed dated November 20, 1924, also subject to Right-of-Way 20 feet in width for pole line over northwest quarter of NW $\frac{1}{4}$ of said Section 35, conveyed to The Pacific Telephone and Telegraph Company by deed dated April 27, 1925.

Excepting and reserving from the foregoing conveyance a strip of land 400 feet wide, lying equally on each side of each main-track, side-track, spur, switch and branch line of Central Pacific Railway Company as same are now or may hereafter be constructed upon, across or adjacent to said lands.

(3) The following described property situated in Nevada County, California, which P. M. Doyle and Katherine E. Doyle conveyed to the Sierra Pacific Power Company by deed dated October 9, 1931, recorded in Book 13 at page 87 et seq., of the Official Records of Nevada County, California:

The North half of the Northeast quarter of the Northwest quarter (N $\frac{1}{2}$ of NE $\frac{1}{4}$ of NW $\frac{1}{4}$) of Section 14, excepting two hundred feet on each side of the center line of the right of way of the Central Pacific Railroad, also that portion of the South half of the Southwest quarter of the Southeast quarter of the Southwest quarter (S $\frac{1}{2}$ of SW $\frac{1}{4}$ of SE $\frac{1}{4}$ of SW $\frac{1}{4}$) of Section Eleven (11) that lies South of the right of way of the Central Pacific Railroad, all in Township Seventeen (17) North, Range Sixteen (16) East, containing about twenty-five acres.

*Lots 21 and 22 of
Moody's Extension to
the Town of Truckee;
and all*

Also all of the unsold portion of the South half of the Northeast quarter of the Northwest quarter (S $\frac{1}{2}$ of NE $\frac{1}{4}$ of NW $\frac{1}{4}$) of Section Fourteen (14) and of that portion of the Northwest quarter of the Northwest quarter (NW $\frac{1}{4}$ of NW $\frac{1}{4}$) of said Section Fourteen (14) that lies south of the right of way of the Central Pacific Railroad in Township Seventeen (17) North, Range Sixteen (16) East, M.D.B. & M. known as Moody's Extension to

the town of Truckee, County of Nevada, State of California. Together with all improvements thereon, belonging to P. M. Doyle and Katherine E. Doyle, including the dam, flume, two turbine wheels, power plant and machinery, together with the water right on the above-described premises.

(4) The following described property situated in the town of Truckee, County of Nevada, California, which William Henry, Mrs. James E. Henry, Roland Wright, Josephine Genasci, and Frank G. Finnegan, as Trustees in liquidation of the Trout Creek Ice Company, conveyed to the Sierra Pacific Power Company by deed dated July 23, 1935, recorded in Book 28 at page 16, et seq., of the Official Records of Nevada County, California:

(a) Beginning at a point on the North boundary of Section Fifteen, T. 17 N., R. 16 E., M.D.B. & M., said point being 461.77 feet westerly from the southeast corner of Section 10 T. 17 N., R. 16 E., M.D.B. & M., thence North $24^{\circ} 34'$ West a distance of 89.05 feet, more or less; thence South $65^{\circ} 26'$ West 68.50 feet; thence South $24^{\circ} 34'$ East 59.62 feet, more or less, to a point on the North boundary of said Section 15, T. 17 N. R. 16 E.; thence along said North boundary of said Section 15 to point of beginning, containing in all .21 acres, more or less. Conveyed to Truckee River Power Company (by change of name Sierra Pacific Power Company) by Joseph H. Sanders, Viena Mae Sanders, his wife, Lee Gebhart and Hazel Gebhart, his wife, by deed dated April 1, 1924, and recorded on the 13th day of May, in Book 136 of Deeds, at page 434 et seq., Records of Nevada County, California.

(b) Beginning at a point on the south boundary of Section 10, T. 17 N., R. 16 E., M.D.B. & M. which point is on the West property line of A. Geovanini, and from which point the southeast corner of said Section 10 bears N. $89^{\circ} 08\frac{1}{2}'$ E. 456.37 feet; running thence N. $19^{\circ} 00'$ W. 182.15 feet, to the Northwest corner of the property of Chas. Carron, thence S. $77^{\circ} 55'$ W. 87.75 feet; thence S. $17^{\circ} 57'$ E. 163.6 feet to a point on the south boundary of said Section 10, which point is also on the easterly line of the lot of George Andrich; thence N. $89^{\circ} 08\frac{1}{2}'$ E. 92.31 feet along the Section line to the point of beginning, containing 0.28 acres, more or less. Conveyed to Sierra Pacific Power Company by Joseph H. Sanders, Viena Mae Sanders, his wife, Lee Gebhart and Hazel Gebhart, his wife, by deed dated August 18, 1929, and recorded on the 26th day of September, 1929, in Book 4 of Official Records at page 241 et seq., Records of Nevada County, California, *excepting from the foregoing any property owned of record by Emilia Giovannoni.*

(5) The following described property situated in the town of Truckee, County of Nevada, California, which George Andrich conveyed to the Sierra Pacific Power Company by deed dated August 29, 1935, recorded in Book 26, at page 299, of Official Records of Nevada County, California:

Commencing at a point on the true line between Sections 10 and 15, a distance of 518.2 feet west of the section corner common to Sections 10, 11, 14 and 15, Township 17 North, Range 16 East, M.D.B. & M., which said line bears South $89^{\circ} 8\frac{1}{2}'$ West, and which point is a spike driven on the property line of property of George Andrich on the north side of Church Street in Truckee, County of Nevada; thence South $89^{\circ} 8\frac{1}{2}'$ West 58.6 feet; thence North $17^{\circ} 51\frac{1}{2}'$ West 21.1 feet; thence North $72^{\circ} 8\frac{1}{2}'$ East 56 feet; thence South $17^{\circ} 51\frac{1}{2}'$ East 38 feet to the point of beginning, containing .04 of an acre, more or less.

(6) The following described property situated in the town of Truckee, County of Nevada, California, which George Andrich conveyed to the Sierra Pacific Power Company by deed dated September 12, 1935, recorded in Book 26 of Official Records of Nevada County, California, at page 329 et seq.:

The east one (1) foot of Lot 20; all of Lots 21 and 22 and the west five (5) feet of Lot 23, all in Block "E" of the Town of Truckee, California.

(7) The following described property situated in the town of Truckee, County of Nevada, California, conveyed by William T. Garland, Tax Collector of the County of Nevada, California, to Truckee River Power Company (by change of name Sierra Pacific Power Company) by deed dated April 1, 1924, recorded in Book 137 at page 188 of Deed Records of Nevada County, California:

In Truckee, Lot North side of Church Street, bounded on North by Section Line, on West by Lot of Mrs. E. A. Franzini.

Excepting and reserving from the foregoing conveyance that portion conveyed by Truckee River Power Company (by change of name Sierra Pacific Power Company) to Joseph H. Sanders and his wife, Viena Mae Sanders, by deed dated September 30, 1924, recorded in Book 137 at page 424 of Deeds records of Nevada County, California.

NEVADA AND SIERRA COUNTIES, CALIFORNIA.

(1) The following described property situated partly in Nevada County and partly in Sierra County, California, which Truckee River General Electric Company conveyed to Sierra Pacific Power Company by deed dated March 21, 1912, recorded in Book 115, at Page 225, of the Deed Records of Nevada County, California, and in Book 23, at Page 256 of the Deed Records of Sierra County, California.

(a) Section 1 in Township 18 North, Range 17 East, M. D. B. & M., located partly in Nevada County and partly in Sierra County, California, excepting therefrom an 80 foot strip of land conveyed to the State of California by deed dated July 23, 1926 for a state highway.

(b) Lots 1, 2, 3, 4, 6 and 7 and that portion of Lots 5 and 8 as lie West of the Central Pacific Railroad in Section 7, Township 18 North, Range 18 East, M. D. B. & M., and situated partly in Sierra County and partly in Nevada County, California, excepting therefrom a strip of land across Lots 3, 4, 5, 7 and 8 conveyed to the State of California by deed dated July 23, 1926 for a state highway.

(c) Lots 11 and 12 in Section 7, Township 18 North, Range 18 East, M. D. B. & M., situated partly in Nevada County and partly in Sierra County, California, excepting therefrom an 80 foot strip of land conveyed to the State of California by deed dated July 23, 1926 for a state highway.

(d) Lot 18 in Section 7, Township 18 North, Range 18 East, M. D. B. & M., located partly in Sierra County and partly in Nevada County, California.

(2) The following described property situated partly in Nevada County and partly in Sierra County, California, which Hobart Estate Company conveyed to Sierra Pacific Power Company by deed dated November 15, 1937, particularly described as follows:

(a) That certain real property situate in the County of Nevada, State of California, described as follows, to wit:

That portion of Lot 4 (being the Northwest $\frac{1}{4}$ of Northwest $\frac{1}{4}$) of Section 2 situate within the limits of Nevada County; that

portion of Lot 1 of Section 3 situate within the limits of Nevada County; Lot 2, Southeast $\frac{1}{4}$ of Northeast $\frac{1}{4}$, Lots 3 and 4, Northeast $\frac{1}{4}$ of Southwest $\frac{1}{4}$, South $\frac{1}{2}$ of Southwest $\frac{1}{4}$, and the Southeast $\frac{1}{4}$ of said Section 3; those portions of Lots 1 and 2 of Section 4 situate within the limits of Nevada County, and Lots 5, 6, 7, 8, 9 and 10 of said Section 4; Southeast $\frac{1}{4}$ of Northeast $\frac{1}{4}$ and Southeast $\frac{1}{4}$ of Section 5; and Northwest $\frac{1}{4}$ of Section 9, all in Township 18 North, Range 15 East, M. D. B. & M.

(b) That certain real property situate in the County of Sierra, State of California, described as follows, to wit:

That portion of Lot 4 (being Northwest $\frac{1}{4}$ of Northwest $\frac{1}{4}$) of Section 2 situate within the limits of Sierra County; that portion of Lot 1 of Section 3 situate within the limits of Sierra County; and those portions of Lots 1 and 2 of Section 4 situate within the limits of Sierra County, all in Township 18 North, Range 15 East, M. D. B. & M.; Lot 1 of the Southeast $\frac{1}{4}$, Northeast $\frac{1}{4}$ of Southeast $\frac{1}{4}$, and West $\frac{1}{2}$ of Southeast $\frac{1}{4}$ of Section 33; Northeast $\frac{1}{4}$, North $\frac{1}{2}$ of Northwest $\frac{1}{4}$, Southeast $\frac{1}{4}$ of Northwest $\frac{1}{4}$, Lots 1 and 2 of Southeast $\frac{1}{4}$, North $\frac{1}{2}$ of Southwest $\frac{1}{4}$, and Lots 3 and 4 of Southwest $\frac{1}{4}$ of Section 34; Northwest $\frac{1}{4}$, Northeast $\frac{1}{4}$, Southeast $\frac{1}{4}$, East $\frac{1}{2}$ of Southwest $\frac{1}{4}$, and Lots 1 and 2 of Southwest $\frac{1}{4}$ of Section 35, all in Township 19 North, Range 15 East, M. D. B. & M.

Together with all right, title, estate and interest which the Company may have in and to that certain private telephone line from Independence Lake to Hobarts Mills, and all rights and easements which the Company may have to maintain and use the said telephone line.

PLUMAS COUNTY, CALIFORNIA.

(1) The following described property situated in Plumas County, California, which The Western Realty Company conveyed to Sierra Pacific Power Company by deed dated June 21, 1929, recorded in Volume 62, Page 98 of the Deed Records of Plumas County, California:

Beginning at the southeasterly corner of Lot 8, in Block 4, as said lot and block are delineated and so designated upon that certain map entitled "Official Plat of Roberts Lumber Company's Addition to Portola Townsite", etc., filed for record September 6th, 1910, in the office of the County Recorder of said County of Plumas; thence south $28^{\circ} 52'$ East a distance of 210.0 feet to the

southeasterly corner of Lot 3, in Block 1; thence north $61^{\circ} 11'$ east a distance of 360.0 feet; thence north $28^{\circ} 52'$ west 210 feet; and thence south $61^{\circ} 11'$ West a distance of 360 feet to the point of beginning; containing 1.736 acres, more or less.

SIERRA COUNTY, CALIFORNIA.

(1) The following described property situated in Sierra County, California, which Truckee River General Electric Company conveyed to Sierra Pacific Power Company by deed dated March 21, 1912, recorded in Book 23 at Page 256 of the Deed Records of Sierra County, California.

(a) Lots 2, 3, 4 and the South half of Lot 5 in Section 6, Township 18 North, Range 18 East, M. D. B. & M.

(b) Lots 1, 6, 7, 8 and 14, Section 6, Township 18 North, Range 18 East, M. D. B. & M.

(c) Lots 15 and 16 and North half of Lot 17 and Lots 18 and 19 in Section 6, Township 18 North, Range 18 East, M. D. B. & M., excepting therefrom an 80 foot strip of land across a portion of Lots 15 and 16 and 17 conveyed to the State of California by deed dated July 23, 1926 for a state highway.

(d) All of Section 36, Township 19 North, Range 17 East, M. D. B. & M.

(e) Lots 1 and 2 and the South half of Lot 3 in Section 31, Township 19 North, Range 18 East, M. D. B. & M., except the Easterly portion of Lot 1 in Washoe County, Nevada, excepting therefrom an 80 foot strip of land across a portion of Lots 1 and 2 conveyed to the State of California by deed dated July 23, 1926, for a state highway.

PART III.

TRANSMISSION LINES IN NEVADA.

The following described transmission lines in the State of Nevada, together with all lots, parcels and tracts of lands, rights of way, easements, rights and interests in and to land, privileges and appurtenances in anywise incident or appertaining thereto and the wires, cables, poles, cross arms, guys, anchors, braces, conduits, stubs, transformers, trans-

mitters, receiving sets, insulators, switches, switchboards, batteries, generators, foundations and other property real, personal or mixed and other fixtures or appurtenances in anywise incident or appertaining to said transmission lines hereinafter described:

1. A 60,000 volt transmission line known as the "Washoe-Summit Line" beginning at the Washoe Power Plant located in the SW $\frac{1}{4}$ of SW $\frac{1}{4}$, Sec. 14, T. 19 N., R. 18 E., M. D. B. & M., and running thence westerly through Sections 15, 22, 21, 20, 29, 30 and 31 of said township and range in Washoe County to the Nevada-California State boundary line, a distance of 5.20 miles, more or less.

2. A 60,000 volt transmission line known as the "Second Interconnecting Line" beginning at the Verdi Plant on the Truckee River, near the town of Verdi, Nevada, in the SE $\frac{1}{4}$ of Sec. 8, T. 19 N., R. 18 E., M. D. B. & M., running thence in a southwesterly direction traversing Sections 8, 17, 18, 19, 30 and 31 of said township and range to the Nevada-California state boundary line, a distance of 4.09 miles, more or less.

3. A 60,000 volt double circuit, double pole transmission line in Washoe County, Nevada, beginning at the Verdi Plant on the Truckee River, near the town of Verdi, Nevada, in the SE $\frac{1}{4}$ of Sec. 8, T. 19 N., R. 18 E., M. D. B. & M., running thence in a southeasterly direction traversing Sections 8, 9, 16, 15 and 14, T. 19 N., R. 18 E., M. D. B. & M., to the substation at Washoe Power Plant in the SW $\frac{1}{4}$ of SW $\frac{1}{4}$ of Section 14, a distance of 2.85 miles, more or less.

4. A 23,000 volt transmission line beginning at a point on the Nevada-California state boundary line in Sec. 31, T. 19 N., R. 18 E., M. D. B. & M., continuing thence in Washoe County, Nevada, traversing Sections 31 and 30, to the Fleish Power House in the SE $\frac{1}{4}$ of SE $\frac{1}{4}$, Sec. 30, T. 19 N., R. 18 E., comprising a total distance of 1.09 miles, more or less.

5. A 23,000 volt transmission line extending from Fleish Power Plant in the SE $\frac{1}{4}$ of SE $\frac{1}{4}$ of Sec. 30, T. 19 N., R. 18 E., M. D. B. & M. in Washoe County, traversing Sections 30, 29, 20, 21, 22, 23, and 14 to Washoe Power Plant in the SW $\frac{1}{4}$ of SW $\frac{1}{4}$ of Sec. 14, T. 19 N., R. 18 E., a distance of 4.55 miles, more or less.

6. A 23,000 volt transmission line beginning at the Fleish Power Plant in the SE $\frac{1}{4}$ of SE $\frac{1}{4}$ of Sec. 30, T. 19 N., R. 18 E., M. D. B. & M., traversing Sections 30, 29, 20, 21, 22, 23 and 14 to Washoe Power Plant

in the SW $\frac{1}{4}$ of SW $\frac{1}{4}$ of Sec. 14 of T. 19 N., R. 18 E., M. D. B. & M., a distance of 4.55 miles, more or less.

PART IV.

TRANSMISSION LINES IN CALIFORNIA.

The following described transmission lines in the State of California, together with all lots, parcels and tracts of land, rights of way, easements, rights and interests in and to land, privileges and appurtenances in anywise incident or appertaining thereto and the wires, cables, poles, cross arms, guys, anchors, braces, conduits, stubs, transformers, transmitters, receiving sets, insulators, switches, switchboards, batteries, generators, foundations and other property real, personal or mixed and other fixtures or appurtenances in anywise incident or appertaining to said transmission lines hereinafter described:

1. A 60,000 volt transmission line beginning at a point on the California-Nevada State Boundary Line, in Section 31, T. 19 N., R. 18 E., M. D. B. & M., continuing thence in Nevada County, California, traversing Section 31, T. 19 N., R. 18 E., M. D. B. & M., Sections 6, 7, 19, 30 and 31 of T. 18 N., R. 18 E., Sections 12, 13, 25, 36, 35 and 34, T. 18 N., R. 17 E., Sections 3, 4, 5, 8 and 7 of T. 17 N., R. 17 E., Sections 12, 11, 10 and 15 of T. 17 N., R. 16 E., to the Truckee Substation located in the SE $\frac{1}{4}$ of SE $\frac{1}{4}$ of Section 10 and NE $\frac{1}{4}$ of NE $\frac{1}{4}$ of Section 15, T. 17 N., R. 16 E., running thence from said Truckee Substation traversing Sections 9, 8 and 7 of T. 17 N., R. 16 E., Sections 12, 11, 10, 15, 9, 16, 17 and 20 to Summit Substation located in the NE $\frac{1}{4}$ of NE $\frac{1}{4}$ of Section 20, T. 17 N., R. 15 E., M. D. B. & M. where connection is made with the Pacific Gas and Electric Company, a total distance of 28.45 miles, more or less.

2. A 60,000 volt transmission line known as the "Second Interconnecting Line" beginning at a point on the California-Nevada State Boundary Line, in Section 31, T. 19 N., R. 18 E., M. D. B. & M. continuing thence in Nevada County, California, traversing Section 31, T. 19 N., R. 18 E., M. D. B. & M., Sections 6, 7, 19, 30 and 31 of T. 18 N., R. 18 E., Sections 1, 12, 13, 25, 36, 35, 34, 33, 28, 29, 32 and 31 of T. 18 N., R. 17 E., Sections 1, 11, 10 and 15 of T. 17 N., R. 16 E., to the Truckee Substation located in the SE $\frac{1}{4}$ of SE $\frac{1}{4}$ of Section 10 and the NE $\frac{1}{4}$ of NE $\frac{1}{4}$ of Section 15, T. 17 N., R. 16 E., M. D. B. & M. running

thence from said Truckee Substation traversing Sections 9, 8 and 7 of T. 17 N., R. 16 E., Sections 12, 11, 10, 15, 9, 16, 17 and 20 to the Summit Substation located in the NE $\frac{1}{4}$ of NE $\frac{1}{4}$ of Section 20, T. 17 N., R. 15 E., M. D. B. & M. where connection is made with the Pacific Gas and Electric Company, a total distance of 26.00 miles, more or less.

3. A 23,000 volt transmission line, beginning at Farad Power Plant located in the SE $\frac{1}{4}$ of SE $\frac{1}{4}$ of Section 12, T. 18 N., R. 17 E., M. D. B. & M. in Nevada County, California, running thence in a northerly direction in the Truckee River Canyon, traversing Sections 12 and 1, of said Township and Range; Sections 7 and 6, T. 18 N., R. 18 E. to a point on the California-Nevada State Boundary line in Section 31, T. 19 N., R. 18 E., a distance of 4.23 miles, more or less.

PART V.

HIGH TENSION DISTRIBUTION LINES IN CALIFORNIA.

The following described high tension distribution lines in the State of California, together with all lots, parcels and tracts of land, rights of way, easements, rights and interests in and to land, privileges and appurtenances in anywise incident or appertaining thereto and the wires, cables, poles, cross arms, guys, anchors, braces, conduits, stubs, transformers, transmitters, receiving sets, insulators, switches, switchboards, batteries, generators, foundations and other property real, personal or mixed and other fixtures or appurtenances in anywise incident or appertaining to said high tension distribution lines herein-after described.

1. A 60,000 volt distribution line in the Counties of Nevada, Sierra and Plumas, California, beginning at the Truckee Substation in SE $\frac{1}{4}$ of SE $\frac{1}{4}$ of Section 10 and the NE $\frac{1}{4}$ of NE $\frac{1}{4}$ of Section 15, T. 17 N., R. 16 E., M. D. B. & M. running thence in a northerly direction, traversing Sections 10, 11, 2 and 1 of T. 17 N., R. 16 E., Sections 36, 25, 24, 13, 12 and 1 of T. 18 N., R. 16 E., Section 1 of T. 18 N., R. 17 E., Sections 31, 30, 19, 18, 7 and 6 of T. 19 N., R. 17 E., Sections 31 and 30 of T. 20 N., R. 17 E., Sections 25, 24, 13, 14, 11, 2 and 3 of T. 20 N., R. 16 E., Sections 33, 28, 29, 20, 19 and 18 of T. 21 N., R. 16 E. to a point in the N $\frac{1}{2}$ of Section 13, on the western edge of the Town of Loyalton, Sierra County, California, running thence in a northwesterly direction

across Sierra Valley, traversing Sections 13, 12, 11, 2, 3 and 4 of T. 21 N., R. 15 E., Sections 33, 32, 29, 30 and 19 of T. 22 N., R. 15 E., Sections 24, 13, 14, 11, 10, 9, 4, 5 and 6 of T. 22 N., R. 14 E., Section 31 of T. 23 N., R. 14 E. and Section 1 of T. 22 N., R. 13 E., M. D. B. & M. to the Portola Substation situate on the easterly edge of the town limits in the NE $\frac{1}{4}$ of Section 1, T. 22 N., R. 13 E., M. D. B. & M., a distance of 41.9 miles, more or less.

2. A 13,000 volt distribution line in Nevada and Placer Counties, California, beginning at the Truckee Substation in Truckee, California, and running in a southerly direction along the Truckee River, traversing Sections 15, 16, 21, 28 and 33 of T. 17 N., R. 16 E., Sections 4, 9, 16, 21, 22, 28, 27 and 34 of T. 16 N., R. 16 E., Sections 3, 2, 11 and 12 of T. 15 N., R. 16 E. and Section 7 to the Tahoe City Switchyard situate in the NW $\frac{1}{4}$ of NW $\frac{1}{4}$ of said Section 7 of T. 15 N., R. 17 E., M. D. B. & M. a distance of 14.6 miles, more or less.

3. A 13,000 volt distribution line running northeasterly in Placer County, California, beginning at the Tahoe City switchyard, traversing Sections 7, 6 and 5 of T. 15 N., R. 17 E., Sections 31, 32, 33, 28, 21, 22, 15, 14 and 13, of T. 16 N., R. 17 E., Section 19 of T. 16 N., R. 18 E., M. D. B. & M. to the Nevada State Line, a distance of 11.413 miles, more or less.

4. A 13,000 volt distribution line in Placer and El Dorado Counties, California, beginning at the Tahoe City switchyard and running in a southerly and easterly direction along the shore of Lake Tahoe, traversing Sections 7 and 8 of T. 15 N., R. 17 E., Sections 13, 24, 25 and 36 of T. 15 N., R. 16 E.; Sections 1 and 12 of T. 14 N., R. 16 E.; Sections 7, 8, 17, 20, 29, 32 and 33 of T. 14 N., R. 17 E.; Sections 4, 9, 16, 15, 21, 22, 27, 26, 35 and 36 of T. 13 N., R. 17 E.; Sections 5 and 6, T. 12 N., R. 18 E.; and Sections 31, 32, 33, 34 and 27, T. 13 N., R. 18 E., M. D. B. & M., to the California-Nevada State Line, a distance of 26.85 miles, more or less.

5. A 13,000 volt distribution line in El Dorado County, California, running southerly from a point on the Tahoe City-Camp Richardson 13 K.V. distribution line in the SW $\frac{1}{4}$ of the NE $\frac{1}{4}$ of Section 36, T. 13 N., R. 17 E. traversing said Section 36, Sections 1, 12, 13, 14 and 23, T. 12 N., R. 17 E., M. D. B. & M. to a point on the southwesterly shore line of Fallen Leaf Lake, a distance of 5.27 miles, more or less.

6. A 13,000 volt distribution line beginning at a point on the Truckee-Tahoe City line in the SE $\frac{1}{4}$ of SE $\frac{1}{4}$ of Section 16, T. 17 N.,

R. 16 E., M. D. B. & M. and running thence westerly traversing Sections 16, 17 and 18 of T. 17 N., R. 16 E.; and Sections 13 and 14 of T. 16 N., R. 15 E. to Donner Lake Camp located in the NW $\frac{1}{4}$ of NE $\frac{1}{4}$ of Section 14, T. 17 N., R. 15 E., a distance of 4.78 miles, more or less.

7. A 13,000 volt distribution line beginning at a point in the NW $\frac{1}{4}$ of NW $\frac{1}{4}$ of Section 4, T. 12 N., R. 18 E., M. D. B. & M., running thence south traversing Sections 4, 9, 16, 20 and 29 of T. 12 N., R. 18 E., to Myers Station situated in the NE $\frac{1}{4}$ of SW $\frac{1}{4}$ of Section 29, T. 12 N., R. 18 E., a distance of 6.92 miles, more or less.

PART VI.

HIGH TENSION DISTRIBUTION LINES IN NEVADA.

The following described high tension distribution lines in the State of Nevada, together with all lots, parcels and tracts of lands, rights of way, easements, rights and interests in and to land, privileges, and appurtenances in anywise incident or appertaining thereto and the wires, cables, poles, cross arms, guys, anchors, braces, conduits, stubs, transformers, transmitters, receiving sets, insulators, switches, switchboards, batteries, generators, foundations and other property real, personal or mixed and other fixtures or appurtenances in anywise incident or appertaining to said distribution lines hereinafter described:

1. A 60,000 volt, double circuit, double pole, distribution line in Washoe and Storey Counties, Nevada, beginning at the Washoe Plant in the SW $\frac{1}{4}$ of SW $\frac{1}{4}$ of Section 14, T. 19 N., R. 18 E., M. D. B. & M., running thence in a southeasterly direction traversing Sections 14, 23 and 24 of T. 19 N., R. 18 E.; Sections 14, 23 and 24 of T. 19 N., R. 18 E.; Sections 19, 30, 29, 28, 33 and 34 of T. 19 N., R. 19 E.; Sections 3, 2, 11, 12 and 13 of T. 18 N., R. 19 E.; Sections 18, 19, 20, 29, 28, 33 and 34 of T. 18 N., R. 20 E.; Sections 3, 2, 1 and 12 of T. 17 N., R. 20 E.; Sections 7, 18, 17, 20, 21, 28 and 29 to the Virginia City Substation in the E $\frac{1}{2}$ of Section 29, T. 17 N., R. 21 E., M. D. B. & M., a distance of 21.66 miles, more or less.

2. A 60,000 volt, single circuit distribution line beginning at the Virginia City Substation in the E $\frac{1}{2}$ of Section 29, T. 17 N., R. 21 E., M. D. B. & M., running thence southeasterly to a point near the Thompson Smelter, traversing Sections 29, 28, 21, 22, 27, 26, 23 and 25 of T.

17 N., R. 21 E.; Sections 30, 29, 28, 33, 34, 35 and 36 of T. 17 N., R. 22 E.; Sections 31 and 32 of T. 17 N., R. 23 E.; Sections 5, 4, 9, 10, 11, 14, 13 and 24 of T. 16 N., R. 23 E.; Sections 4, 3, 2, 11 and 12 of T. 15 N., R. 24 E.; Sections 7, 18 and 17 of T. 15 N., R. 25 E.; thence southerly traversing Sections 17, 20, 29 and 32 of T. 15 N., R. 25 E.; Sections 5, 8, 17, 20, 29 and 32 of T. 14 N., R. 25 E.; Sections 5, 6, 7, 8, 17, 18, 19, 30 and 31 of T. 13 N., R. 25 E. to the Bluestone Substation situated in the NE $\frac{1}{4}$ of Section 31, T. 13 N., R. 25 E., M. D. B. & M., a distance of 41.33 miles, more or less.

3. A 60,000 volt distribution line, beginning at Virginia City Substation in the E $\frac{1}{2}$ of Section 29, T. 17 N., R. 21 E., M. D. B. & M. running thence southeasterly, traversing Sections 29, 28, 21, 22, 27, 26, 23 and 25 of T. 17 N., R. 21 E.; thence northeasterly traversing Sections 30, 29, 28, 21, 22, 23 and 24 of T. 17 N., R. 22 E.; Sections 18, 17, 16, 9, 10, 11, 2 and 1 of T. 17 N., R. 23 E.; Section 6 of T. 17 N., R. 24 E.; Sections 31, 32, 33, 28, 27, 26, 23 and 24 of T. 18 N., R. 24 E.; Sections 19, 18, 17, 16, 15, 10, 11 and 12 of T. 18 N., R. 25 E.; Sections 7, 6 and 5 of T. 18 N., R. 26 E.; Sections 32 and 33 of T. 19 N., R. 26 E., M. D. B. & M. to Lahontan Power Plant, a distance of 28.9 miles, more or less.

4. A 60,000 volt distribution line, in Churchill and Pershing Counties, Nevada, beginning at Lahontan Power Plant in Section 33, T. 19 N., R. 26 E., M. D. B. & M. and running in a northeasterly direction, traversing Sections 33, 34, 27, 22, 23, 14, 11 and 2 of T. 19 N., R. 26 E.; Sections 35, 26, 25, 24 and 13 of T. 20 N., R. 26 E.; Sections 18, 7, 8, 5 and 4 of T. 20 N., R. 27 E.; Sections 32, 33, 27, 28, 22, 14, 11, 12 and 1 of T. 21 N., R. 27 E.; Section 36 of T. 22 N., R. 27 E.; Sections 31, 30, 19, 20, 17, 8 and 5 of T. 22 N., R. 28 E.; Sections 32, 29, 20, 17, 8, 9 and 4 of T. 23 N., R. 28 E.; Sections 33, 34, 27, 26, 25 and 24 of T. 24 N., R. 28 E.; Sections 19, 18, 17, 16, 9, 10, 3 and 2 of T. 24 N., R. 29 E.; Sections 35, 36, 25, 24, 13 and 12 of T. 25 N., R. 29 E.; Sections 7, 6 and 5 of T. 25 N., R. 30 E.; Sections 32, 33, 28, 27, 26, 25 and 24 of T. 26 N., R. 30 E.; Sections 19, 18, 17, 8, 9 and 4 of T. 26 N., R. 31 E.; Sections 33, 34, 27, 26, 25 and 24 of T. 27 N., R. 31 E.; Sections 19, 18, 17, 8, 9 and 4 of T. 27 N., R. 32 E.; Sections 33, 34, 27, 26, 23, 24 and 13 of T. 28 N., R. 32 E.; Sections 18, 7, 8, 5, 4, 3, 10, 11, 14 and 13 of T. 28 N., R. 33 E.; Section 18 of T. 28 N., R. 34 E. to Rochester Substation, a distance of 81.5 miles, more or less.

5. A 60,000 volt distribution line in Pershing County, Nevada, beginning at Rochester Canyon in Section 4 of T. 28 N., R. 33 E., M. D. B. & M. and running in a northerly direction, traversing Sections 33, 28,

21, 16, 9 and 4 of T. 29 N., R. 33 E.; Sections 33, 28, 21, 16, 9 and 4 of T. 30 N., R. 33 E.; Sections 33, 28, 21, 16, 15, 10 and 3 of T. 31 N., R. 33 E.; Sections 34, 35, 26, 23, 24, 13 and 12 of T. 32 N., R. 33 E.; Sections 7, 6 and 5 of T. 32 N., R. 34 E.; Sections 32, 28, 27, 22, 15, 14, 11, 2 and 3 of T. 33 N., R. 33 E. and Section 35 of T. 34 N., R. 34 E., to Tungsten Substation, a distance of 34.3 miles, more or less.

6. A 60,000 volt distribution line beginning at a point on the Rochester-Tungsten Line in Section 11 of T. 33 N., R. 34 E., running northeasterly, traversing Sections 11 and 1 of T. 33 N., R. 34 E.; Sections 31, 32, 33, 28, 27, 26 and 24 of T. 34 N., R. 35 E.; Sections 18, 8 and 5 of T. 34 N., R. 36 E.; Sections 33, 34, 35, 25 and 24 of T. 35 N., R. 36 E.; Sections 30, 19, 20, 16, 15, 12, 11 and 1 of T. 35 N., R. 37 E.; Sections 6 and 5 of T. 35 N., R. 38 E. and Sections 32 and 29 of T. 36 N., R. 38 E. to Winnemucca Substation, a distance of 25.99 miles, more or less.

7. A 60,000 volt distribution line beginning at Winnemucca Substation in Section 29 of T. 36 N., R. 38 E. and running northeasterly, traversing Sections 29, 32, 33, 28, 27, 22, 14, 13 and 12 of T. 36 N., R. 38 E.; Sections 7, 8, 5, 4, 3, 10, 11, 12 and 13 of T. 36 N., R. 39 E.; Sections 18, 17, 20, 21, 22, 27, 23, 24 and 13 of T. 36 N., R. 40 E.; Sections 18, 7, 8, 5 and 4 of T. 36 N., R. 41 E.; Sections 34, 26, 25 and 24 of T. 37 N., R. 41 E.; Sections 19, 18, 17, 8, 9 and 4 of T. 37 N., R. 42 E.; Sections 33, 28, 21, 15, 16, 9 and 4 of T. 38 N., R. 42 E., and Section 33 of T. 39 N., R. 42 E. to Gatchell Mine Substation, a distance of 38.14 miles, more or less.

8. A 60,000 volt distribution line beginning at a point on the Winnemucca-Gatchell Line in the NE $\frac{1}{4}$ of SW $\frac{1}{4}$ of Section 11, T. 36 N., R. 39 E., and running southeasterly, traversing Sections 11, 14, 23, 26, 25 and 36 of T. 36 N., R. 39 E.; Section 31 of T. 36 N., R. 40 E.; Sections 6, 7, 18, 19, 30 and 31 of T. 35 N., R. 40 E.; Sections 1, 12 and 13 of T. 34 N., R. 39 E., and Sections 6 and 18 of T. 34 N., R. 40 E. to the Crown Mine located in the SW $\frac{1}{4}$ of Section 18, T. 34 N., R. 40 E., a distance of 14.01 miles, more or less.

9. A 60,000 volt distribution line beginning at the Virginia City Substation in the E $\frac{1}{2}$ of Section 29, T. 17 N., R. 20 E., M. D. B. & M. and running thence in a southwesterly direction traversing Sections 29 and 32 of T. 17 N., R. 20 E.; Sections 5, 9, 16, 21, 20, 29 and 30 of T. 16 N., R. 21 E.; Section 36 of T. 16 N., R. 20 E.; and Sections 1, 2, 3, 9 and 8 of T. 15 N., R. 20 E., to the Carson City Substation located in

the SW $\frac{1}{4}$ of SE $\frac{1}{4}$ of Section 8, T. 15 N., R. 20 E., M. D. B. & M., a distance of 14.0 miles, more or less.

10. A 60,000 volt distribution line beginning at a point on the Virginia City-Carson City line in the NW $\frac{1}{4}$ of Section 16, T. 16 N., R. 21 E., M. D. B. & M., and running thence southeasterly traversing Sections 16, 15, 22 and 23 of T. 16 N., R. 21 E. to the Minevada Corporation Substation located in the SE $\frac{1}{4}$ of Section 23 of T. 16 N., R. 21 E., M. D. B. & M., a distance of 2.78 miles, more or less.

11. A 23,000 volt distribution line known as the Washoe-Reno number 9 line, extending from the Washoe Power Plant situate in the SE $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Section 14, T. 19 N., R. 18 E., M. D. B. & M. running thence in an easterly direction along the Truckee River, traversing Sections 14 and 13 of T. 19 N., R. 18 E., Sections 18, 17, 16 and 15 to the Reno Substation (and power plant) situate on the Truckee River on the westerly edge of the City of Reno, Washoe County, Nevada, in the NE $\frac{1}{4}$ of the NE $\frac{1}{4}$ of Section 15, and the SE $\frac{1}{4}$ of the SE $\frac{1}{4}$ of Section 10, T. 19 N., R. 19 E., M. D. B. & M., a distance of 6.7 miles, more or less.

12. A 23,000 volt distribution line extending from the Washoe Power Plant, running thence in an easterly direction, traversing Sections 14 and 13 of T. 19 N., R. 18 E. and Sections 18, 17, 8, 9, 10 and 15 of T. 19 N., R. 19 E. to the Reno Substation, a distance of 6.7 miles, more or less.

13. A 23,000 volt, double circuit, single pole distribution line in Washoe County, extending easterly from Reno Substation on certain streets of the City of Reno and Sparks to the Sparks Substation, traversing Sections 15, 14, 13 and 12 of T. 19 N., R. 19 E.; Sections 7, 8 and 5 of T. 19 N., R. 20 E. to the Sparks Substation, a distance of 5.7 miles, more or less.

14. A 23,000 volt distribution line beginning at Washoe Power Plant located in the SE $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Section 14, T. 19 N., R. 18 E., M. D. B. & M., and running thence southeasterly traversing Sections 23, 26 and 25 of T. 19 N., R. 18 E.; Sections 30, 29, 28 and 33 of T. 19 N., R. 19 E.; Sections 3, 10, 11, 13 and 24 of T. 18 N., R. 19 E.; Sections 19, 29, 28, 33 and 34 of T. 18 N., R. 20 E.; Sections 3, 2 and 1 of T. 17 N., R. 20 E.; Sections 6, 7, 8, 17, 20 and 29 to Virginia City Substation, situated in E $\frac{1}{2}$ of Section 29, T. 17 N., R. 21 E., a distance of 22.07 miles, more or less.

15. A 23,000 volt, single pole, double circuit distribution line extending in a southerly direction, in Storey and Lyon Counties, from the Virginia City Substation, traversing Sections 29 and 32 of T. 17 N., R. 21 E.; Sections 5, 8, 9 and 16 of T. 16 N., R. 21 E., M. D. B. & M. to Dayton Junction, a distance of 4.7 miles, more or less.

16. A 23,000 volt single circuit, single pole distribution line in Lyon, Ormsby and Douglas Counties, beginning at Dayton Junction and running southerly, traversing Sections 16, 21, 20, 29, 30 and 31 of T. 16 N., R. 21 E.; Section 36 of T. 16 N., R. 20 E.; Sections 1, 2, 11, 10, 9, 16, 17, 20, 29 and 32 of T. 15 N., R. 20 E.; Sections 5, 4, 8, 9, 17, 20, 29 and 32 of T. 14 N., R. 20 E.; Sections 5, 8, 17, 20, 29 and 32 of T. 13 N., R. 20 E.; Section 5 of T. 12 N., R. 20 E., M. D. B. & M. to the Minden Substation a distance of 24.8 miles, more or less.

17. A 23,000 volt, single circuit, single pole distribution line extending southeasterly in Lyon and Douglas Counties, beginning at Dayton Junction and traversing Sections 16, 21, 22, 23, 24 and 25 of T. 16 N., R. 21 E.; Sections 30 and 31 of T. 16 N., R. 22 E.; Sections 6, 5, 4, 9, 10, 11, 14, 13 and 24 of T. 15 N., R. 22 E.; Sections 19, 20, 29, 28, 33 and 34 of T. 15 N., R. 23 E.; Sections 3, 2, 1 and 12 of T. 14 N., R. 23 E.; Sections 7, 18, 19, 30 and 31 of T. 14 N., R. 24 E.; Sections 6, 7, 18, 17, 20, 21, 28, 27, 34, 35 and 36 of T. 13 N., R. 24 E.; Section 31 of T. 13 N., R. 25 E. to the Bluestone Substation, a distance of 34.7 miles, more or less.

18. A 23,000 volt distribution line in Washoe County, Nevada, running in a southwesterly direction from the Reno Power Station traversing portions of Sections 15, 14, 22, 21 and 28 of T. 19 N., R. 19 E., M. D. B. & M., a distance of 3.6 miles, more or less.

19. A 23,000 volt distribution line, beginning at Ludwig in the SE $\frac{1}{4}$ of Section 27, T. 13 N., R. 24 E., M. D. B. & M., Lyon County, Nevada, extending in a southwesterly direction and traversing Sections 33 and 34, T. 13 N., R. 24 E.; Sections 4, 5, 7 and 8, T. 12 N., R. 24 E.; Sections 13, 14, 23, 26 and 35, T. 12 N., R. 23 E.; Sections 2, 11 and 14, T. 11 N., R. 23 E., to the Smith Valley Substation, a distance of 12.5 miles, more or less.

20. A 23,000 volt distribution line beginning at a point on the Reno-Washoe Line at a point in the NE $\frac{1}{4}$ of SE $\frac{1}{4}$ of Section 9, T. 19 N., R. 19 E., M. D. B. & M. and running thence in a northeasterly direction traversing Sections 9, 4 and 3 of T. 19 N., R. 19 E.; Sections 34, 35 and 36 of T. 20 N., R. 19 E.; Sections 1 and 12 of T. 19 N., R. 19 E.,

and certain streets of the City of Reno to Sutro Substation situated in the NW $\frac{1}{4}$ of NE $\frac{1}{4}$ of Section 12, T. 19 N., R. 19 E. a distance of 5.5 miles, more or less.

21. A 23,000 volt distribution line beginning at a point on the Carson-Minden Line in the SE $\frac{1}{4}$ of Section 19, T. 13 N., R. 20 E., M. D. B. & M. and running thence in a southeasterly direction, traversing Sections 19, 20, 28, 27, 26, 25 and 36 of T. 13 N., R. 20 E.; Sections 31 and 32 of T. 13 N., R. 21 E.; Sections 5, 4, 9, 10, 11, 14, 23, 24 and 25 of T. 12 N., R. 21 E. to the Nevada Tungsten Corporation Mine situated in the NE $\frac{1}{4}$ of SW $\frac{1}{4}$ of Section 25, T. 12 N., R. 21 E. a distance of 12.35 miles, more or less.

22. A 23,000 volt distribution line beginning at a point on the Carson-Minden Line in the NE $\frac{1}{4}$ of NE $\frac{1}{4}$ of Section 5, T. 13 N., R. 20 E., running thence westerly, traversing Sections 5 and 6 of T. 13 N., R. 20 E.; Sections 36 and 35 of T. 14 N., R. 19 E.; and Sections 1, 2, 3 and 10 of T. 13 N., R. 19 E., to Genoa Substation situated in NW $\frac{1}{4}$ of SE $\frac{1}{4}$ of Section 10, T. 13 N., R. 19 E., a distance of 6.75 miles, more or less.

23. A 23,000 volt distribution line beginning at a point on the Carson-Virginia City Line in the NE $\frac{1}{4}$ of Section 10, T. 15 N., R. 20 E., running thence southeasterly traversing Sections 10, 11, 14 and 23 of T. 15 N., R. 20 E., to Empire a distance of 2 miles, more or less.

24. A 23,000 volt distribution line beginning at a point on the Dayton-Bluestone Line in the SW $\frac{1}{4}$ of SW $\frac{1}{4}$ of Section 24, T. 16 N., R. 21 E. and running thence northeasterly traversing Sections 24 and 13 of T. 16 N., R. 21 E. and Sections 18 and 7 of T. 15 N., R. 21 E. to Heidenrich Ranch, a distance of 2.75 miles, more or less.

25. A 23,000 volt distribution line beginning at a point on the Washoe-Virginia City Line in the SE $\frac{1}{4}$ of SW $\frac{1}{4}$ of Section 6, T. 17 N., R. 21 E. and running thence north traversing Section 6 of T. 17 N., R. 21 E.; and Sections 31, 30, 29 and 20 of T. 18 N., R. 21 E. to Castle Peak situated in the NW $\frac{1}{4}$ of SW $\frac{1}{4}$ of Section 20, T. 18 N., R. 21 E., a distance of 3.5 miles, more or less.

26. A 13,000 volt distribution line in Douglas County, Nevada, beginning at the California-Nevada State Line in Section 27, T. 13 N., R. 18 E., traversing Sections 27, 22, 15, 10 and 3, T. 13 N., R. 18 E.; Sections 34, 27, 22, 15 and 10, T. 14 N., R. 18 E., M. D. B & M. to Glenbrook, a distance of 10.33 miles, more or less.

27. A 13,000 volt, single phase, distribution line, beginning at a point on the Carson-Virginia City Line in Section 24, T. 18 N., R. 19 E., and traversing Sections 24, 25, 26, 35 and 34 of T. 18 N., R. 19 E.; and Sections 3, 4 and 9 of T. 17 N., R. 19 E. to the Galena Creek Fish Hatchery situated in the SW $\frac{1}{4}$ of Section 9, T. 17 N., R. 19 E., a distance of 6 miles, more or less.

28. A 13,000 volt distribution line beginning at a point on the Nevada-California State Boundary Line in Section 30 of T. 16 N., R. 18 E., traversing Sections 30, 19, 18, 17, 16, 22, 23, 26 and 35 of T. 16 N., R. 18 E.; Sections 2, 11, 14, 23, 26 and 34 of T. 15 N., R. 18 E.; and Sections 3 and 10 of T. 14 N., R. 18 E. to Glenbrook, a distance of 15.15 miles, more or less.

PART VII.

WATER RIGHTS.

All water rights of the Company, including all of the right, title and interest of the Company in and to the following described water rights pertaining to the five power plants located along the Truckee River between Floriston, California, and Reno, Nevada, and the domestic water supply for the Cities of Reno and Sparks, Nevada.

1. FARAD PLANT. The right to divert at all times from the Truckee River through the Farad Power Flume, which has its intake on the North Bank of the Truckee River in the S $\frac{1}{2}$ of Lot 6, in the NW $\frac{1}{4}$ of Sec. 30, T. 18 N. R. 18 E., M. D. B. & M., 400 cubic feet of water per second for the operation of the Farad Power Plant in the SE $\frac{1}{4}$ of Sec. 12, T. 18 N. R. 17 E., M. D. B. & M. This right acquired by continuous use since 1900 and was confirmed to the amount of 325 cubic feet per second with a priority of 1899 and 75 cubic feet per second with a priority of 1906, in a temporary restraining order defining the rights of the users of the Truckee River and its tributaries, issued in the case of the United States of America, vs. Orr Ditch, et. al in the District Court of the United States, District of Nevada, in Equity, Docket #A3.

2. FLEISH PLANT. The right to divert at all times from the Truckee River through the Fleish Power Ditch and Flume, which has its intake on the South Bank of the Truckee River in the SE $\frac{1}{4}$ of Sec. 6, T. 18 N. R. 18 E., M. D. B. & M., 500 cubic feet of water per

second for the operation of the Fleish Power Plant situated in the NE $\frac{1}{4}$ of the SE $\frac{1}{4}$ of Sec. 30, T. 19 N. R. 18 E. M. D. B. & M., acquired in the State of California by posting the usual notice at the intake of the Fleish Ditch, and filing a copy of the same in the County seat of Sierra County, in which County this intake is located, on January 23, 1905. This right was confirmed to the amount of 334 cubic feet per second, with a priority of February 16, 1904, in a temporary restraining order defining the rights of the users of the Truckee River and its tributaries, issued in the case of the United States of America, vs. Orr Ditch, et al. in the District Court of the United States, District of Nevada, in Equity, Docket #A3.

3. VERDI PLANT. The right to divert at all times from the Truckee River through the Verdi Power Ditch and Flume, which has its intake on the South Bank of the Truckee River in the SE $\frac{1}{4}$ of the SE $\frac{1}{4}$ of Sec. 19, T. 19 N. R. 18 E., M. D. B. & M. 500 cubic feet of water per second for operation of the Verdi Power Plant, obtained in the State of Nevada by posting the usual notice at the intake of the Verdi Ditch and filing the proper papers with the State Engineer on August 15, 1910. The application was approved by the State Engineer November 15, 1911 and the final papers showing that beneficial use was being made of the water were filed November 22, 1912. This water right was confirmed to the amount of 410 cubic feet per second with a priority of October 21, 1909, in a temporary restraining order defining the rights of the users of the Truckee River and its tributaries, issued in the case of the United States of America, vs. Orr Ditch, et al. in the District Court of the United States, District of Nevada, in Equity, Docket #A3.

4. WASHOE PLANT. The right to divert at all times from the Truckee River, through the Washoe Power Ditch and Flume, which has its intake on the South Bank of the Truckee River in the NW $\frac{1}{4}$ of the NE $\frac{1}{4}$ of Sec. 16, T. 19 N. R. 18 E., M. D. B. & M. 450 cubic feet of water per second for operation of the Washoe Plant in the SW $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Sec. 14, T. 19 N. R. 18 E., M. D. B. & M., acquired from the State of Nevada by posting a notice and filing copy of the same at the County seat of Washoe County, Nevada, October 27, 1902. This right was confirmed to the amount of 407 cubic feet per second with a priority of October 27, 1902, in a temporary restraining order defining the rights of the users of the Truckee River and its tributaries, issued in the case of the United States of America, vs. Orr Ditch, et al. in the District Court of the United States, District of Nevada, in Equity, Docket #A3.

5. **RENO PLANT.** The right to divert at all times from the Truckee River through the Reno Power Ditch and Flume, which has its intake on the South Bank of the Truckee River, 1365 feet North 35° West from the quarter section corner between Sections 15 and 16, T. 19 N. R. 19 E. M. D. B. & M., 350 cubic feet of water per second for the operation of the Reno Power Plant, acquired from the State of Nevada by the posting of a water location on March 26, 1891, and filing the necessary papers at the county seat of Washoe County, Nevada. Proof of appropriation for 400 cubic feet of water per second from the Truckee River was made and filed with the State Engineer of Nevada, who acknowledged receipt of the same May 16, 1910. This right was confirmed to the amount of 256 cubic feet per second with a priority of March 31, 1891 and 47 cubic feet per second with a priority of November 1st, 1909, by a temporary restraining order defining the rights of the users of the Truckee River and its tributaries, issued in the case of the United States of America, vs. Orr Ditch, et al. in the District Court of the United States, District of Nevada, in Equity, Docket #A3.

6. **HIGHLAND DITCH.** The right to divert at all times from the Truckee River through the Highland Ditch, which has its intake in the SW $\frac{1}{4}$ of the SE $\frac{1}{4}$ of Sec. 9 T. 19 N. R. 18 E. M. D. B. & M., 125 cubic feet of water per second for irrigation and for the domestic supply of the Cities of Reno and Sparks, acquired by location in 1875. Proof of this appropriation was filed with the State Engineer, who acknowledged receipt of same May 16, 1910. This right was confirmed to the amount of 2.5 cubic feet per second with a priority of March 30, 1875, to the amount of .75 cubic feet per second with a priority of January 1st, 1900, 6.50 cubic feet per second with a priority of January 1st, 1905, 4.50 cubic feet per second with a priority of January 1st 1919 and to make up any deficiency in Hunter Creek for Reno and Sparks domestic supply, an amount not to exceed 9.9 cubic feet per second with a priority of January 1, 1905 for the first 6.5 cubic feet per second thereof, and with a priority of January 1, 1919 for the remainder thereof and 36.43 cubic feet per second with various priorities, to be diverted for various persons for the irrigation of their lands under the Highland Ditch, in a temporary restraining order defining the rights of the users of the Truckee River and its tributaries, issued in the case of the United States of America, vs. Orr Ditch, et. al, in the District Court of the United States, District of Nevada, in Equity, Docket #A3.

7. **HUNTER CREEK.** The right to divert at all times from Hunter Creek through the Hunter Creek Ditch, which has its intake on the

East side of Hunter Creek in the SW $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Sec. 19, T. 19 N. R. 19 E., M. D. B. & M. all of the waters flowing in Hunter Creek for the domestic supply of Reno and Sparks, acquired from the State of Nevada by location in 1863, by James Mayberry, who recorded his filing in Washoe County, Nevada. Proof of appropriation was filed by the Hunter Creek Water Company, predecessors of Sierra Pacific Power Company, with the State Engineer, who acknowledged receipt May 16, 1910. This right was confirmed to the amount of 13.6 cubic feet of water per second, with a priority of 1863, in a temporary restraining order defining the rights of the users of the Truckee River and its tributaries, issued in the case of the United States of America, vs. Orr Ditch, et. al. in the District Court of the United States, District of Nevada, in Equity, Docket #A3.

8. LAKE TAHOE. The right to draw water from Lake Tahoe acquired by term of deed to Truckee River General Electric Company from Murray F. Vandell, et. ux. These rights were obtained by Vandall and others, from previous owners who had acquired them by prescription. The dam was first built by Donner Boom and Lumber Company in about 1871. By judgment and decree filed and entered on June 4, 1915, in the case of the United States, Plaintiff vs. The Truckee River General Electric Company, Defendant in the District Court of the United States, in and for the Northern District of California, Second Division, the United States acquired by condemnation from the Truckee River General Electric Company, a perpetual easement covering the dam, controlling works and a certain parcel of land at the outlet of Lake Tahoe, together with all the rights and powers before held by The Truckee River General Electric Company to control the level of and draw water from Lake Tahoe; subject to the obligation to satisfy all the water rights of The Truckee River General Electric Company, with the proviso that the United States must release from the lake sufficient water to maintain a minimum flow in the Truckee River at Iceland near the California-Nevada State Line of 500 cubic feet per second from the first day of March to the thirtieth day of September inclusive and 400 cubic feet per second between the first day of October and the last day of February inclusive, subject to certain modifications included in the above mentioned judgment and decree.

9. All rights which the Company has to impound or store water in Independence Lake situate in the Counties of Sierra and Nevada, State of California, and to withdraw water therefrom, including all water rights incident or appurtenant to all real property owned by the Company in said Counties of Sierra and Nevada, in Sections 2, 3, 4,

5 and 9, T. 18 N., R. 15 E., and Sections 33, 34 and 35, T. 19 N., Range 15 E., M. D. B. & M.

10. All rights and privileges to which the Company is or shall become entitled under the provisions of the Agreement (sometimes called the "Truckee River Agreement") dated the 1st day of July, 1936, between the United States of America, as party of the first part, Truckee-Carson Irrigation District, as party of the second part, Washoe County Water Conservation District, as party of the third part, Sierra Pacific Power Company, as party of the fourth part, and Such Other Users of the Waters of the Truckee River and/or its tributaries within the Washoe County Water Conservation District as shall become parties to said Agreement, parties of the fifth part (if and when such Agreement shall become effective as therein provided); and all rights and privileges to which the Company is or shall become entitled under the provisions of the Agreement (sometimes called the "Boca Reservoir Agreement") dated January 15, 1937, between the United States of America, as party of the first part, Washoe County Water Conservation District, as party of the second part, and Sierra Pacific Power Company, as party of the third part.

SUBJECT, HOWEVER, as to all of the water rights referred to in Paragraphs 1-10, inclusive, of this Part VII, to all obligations, restrictions and limitations to which the Company is or shall become subject under said Truckee River Agreement and said Boca Reservoir Agreement and all agreements supplemental thereto or appertaining thereto.

PART VIII.

ALL OTHER PROPERTY.

Whether the same has or has not been specifically described or referred to elsewhere in this Indenture and provided the same is not herein elsewhere expressly excepted: all the corporate and other franchises owned by the Company, and all permits, ordinances, easements, privileges, immunities, patents and licenses; all rights to construct, maintain and operate overhead and underground systems for the distribution and transmission of electric current, gas, water, steam, heat or other agencies for the supplying to itself and to others of light, heat, power and water; all rights of way; all grants and consents and all leases and leasehold interests whatsoever (not herein specifically excepted); whether the same or any of the same are now owned or hereafter acquired by the Company; also all other property, real, per-

sonal and mixed, now owned or hereafter acquired by the Company, including (but not limited to) all its properties situated in the Cities of Reno, Sparks, Carson City, Yerington, Lovelock and Battle Mountain, in the Counties of Churchill, Douglas, Lander, Lyon, Ormsby, Pershing, Storey and Washoe, in the State of Nevada, and also in the Counties of El Dorado, Nevada, Placer, Plumas and Sierra in the State of California and wheresoever situated (not herein specifically excepted), including (without in any wise limiting or impairing by the enumeration of the same, the generality, scope and intent of the foregoing or of any general description contained in this Indenture) all lands, rights of way, water and riparian rights and all interests therein, dams and dam sites, gas and electric light, heat and power plants and systems, water and/or waterworks plants and systems, plants, manufactories, power houses, substations, garages, sheds, warehouses, repair shops, storage houses, buildings, tunnels, bridges, distribution and transmission lines, pipe lines, conduits, towers, poles, wires, cables and all other structures, machinery, engines, boilers, dynamos, electric machines, regulators, meters, transformers, generators, motors, electric and mechanical appliances, and other equipment of every description; and also all accessions, additions, alterations, improvements, betterments, developments, extensions and enlargements hereafter made, constructed or acquired by the Company to, of or upon any or all of the properties, equipment, systems and/or plants and/or property used thereby or useful therefor or incidental thereto or connected therewith; and the reversions, reservations and remainders and all the estate, right, title, interest, possession, claim and demand of every nature and description whatsoever of the Company, as well at law as in equity, of, in and to the same and every part and parcel thereof.

PART IX.

INCOME.

All tolls, revenues, earnings, income, rents, issues and profits of all property, real and personal, tangible and intangible, which are now or hereafter shall be or be required to be made subject to the lien of this Indenture or pledged hereunder.

PART X.

PROPERTIES EXCEPTED.

It is intended and agreed that the following property (herein sometimes for convenience collectively referred to as "excepted property") is hereby expressly excepted from the lien of this Indenture and the provisions hereof, unless and until hereafter mortgaged, pledged or assigned to the Trustees or to the Individual Trustee or otherwise made subject to the lien hereof, or required so to be by any provision hereinafter contained:

A. All property expressly excepted in the foregoing descriptions.

B. The following described property owned by the Company but not used or useful in or for the operation of its public utility business, together with all water rights and easements, servitudes and privileges appurtenant thereto or useful in connection therewith, to-wit:

WASHOE COUNTY, NEVADA.

(1) The following described property situated in Washoe County, Nevada which Reno Power, Light and Water Company conveyed to Sierra Pacific Power Company by deed dated June 30, 1922, recorded in Book 61 at Page 170 of the Deed Records of Washoe County, Nevada:

(a) Beginning at a point North $72^{\circ} 37' 34''$ West 1796.89 feet, more or less, from quarter corner common to Sections 2 and 3, Township 19 North, Range 19 East, M. D. B. & M.; thence North 473.05 feet; thence West 504.2 feet; thence South $22^{\circ} 54'$ West 347 feet; thence South $76^{\circ} 29'$ East 657 feet, more or less, to point of beginning; containing in all 5.30 acres.

(b) Beginning at a point South 210.6 feet, more or less, from point above (which point is North $72^{\circ} 37' 34''$ West 1796.89 feet, more or less, from quarter corner common to Sections 2 and 3, Township 19 North, Range 19 East, M. D. B. & M.); thence North $77^{\circ} 39'$ West, a distance of 425.0 feet, more or less; thence South $4^{\circ} 00'$ West 304.27 feet; thence South $46^{\circ} 50'$ East 117 feet, more or less; thence South $10^{\circ} 15'$ West 650.8 feet; thence East 466.92 feet, more or less; thence North 932.48 feet, more or less; to point of beginning; containing in all 9.25 acres; said parcel including a small irrigating reservoir of 2.75 acres.

(2) The following described property situated in Washoe County, Nevada, which Truckee River General Electric Company conveyed to Sierra Pacific Power Company by deed dated March 21, 1912, recorded in Book 40 at page 295, of the Deed Records of Washoe County, Nevada:

(a) Lot 1, in Section 7, Township 18 North, Range 18 East, M. D. B. & M.

(b) The Southwest quarter of the Southeast quarter of Section 6, Township 18 North, Range 18 East, M. D. B. & M.

(c) The fractional Lot 6, of Section 6, Township 18 North, Range 18 East, M. D. B. & M.

(3) The following described property situated in Washoe County, Nevada, which Washoe Deep Well Water Company conveyed to Sierra Pacific Power Company by deed dated June 16, 1915 recorded in Book 46, at Page 218, of the Deed Records of Washoe County, Nevada:

All that certain lot, piece or parcel of land lying and being in Block 4 of Humphreys Addition to the Town of Sparks, County of Washoe, State of Nevada, bounded and described as follows, to-wit: Commencing at the Northeast corner of Block 1; thence running Westerly 125 feet along the North line of Block 1; thence South 11° East 140 feet to the place of beginning; thence on same course 149.93 feet; thence West 50.93 feet; thence North 11° West 139.71 feet; thence North 79° East 50 feet to point of beginning.

(4) The following described property situated in Washoe County, Nevada, which Reno Power Light and Water Company conveyed to Sierra Pacific Power Company by deed dated June 30, 1922, recorded in Book 61, at page 170, of the Deed Records of Washoe County, Nevada:

(a) Part of $SW\frac{1}{4}$ of $NE\frac{1}{4}$ and $SE\frac{1}{4}$ of $NW\frac{1}{4}$ of Sec. 12, Tp. 19 N. R. 19 E described as follows: Beginning at a point on the high water line on the north bank of the Truckee River 355 ft. more or less east of the center line of the new Cattle Bridge, Reno, Nevada, and measured along the water's edge, said point being at the intersection of the southerly boundary of the Central Pacific Railway Company's right of way and the high water line on the North bank of the River; thence along the southerly boundary of the Central Pacific Railroad Company's right of way 150 ft. more or less, measured in an easterly direction to a point on the south bank of

the Sullivan and Kelley Ditch; thence along the south bank of said Sullivan and Kelley Ditch 40 ft. to a point on the south bank of said ditch; thence along the south bank of said ditch N $83^{\circ} 20\frac{1}{2}'$ E 165 ft. to a point; thence N $88^{\circ} 28\frac{1}{2}'$ E 342.7 ft. to a point 40 ft. north more or less of the south bank of the Old Power Ditch; thence N $82^{\circ} 37\frac{1}{2}'$ E 686 ft. to a point opposite the end of the Old Power Ditch 40 ft. north more or less from the south bank of the said ditch; thence N $84^{\circ} 26\frac{1}{2}'$ E 329.8 ft. to a point in center and at end of old stone wall, 120 ft. more or less from the water's edge; thence N $86^{\circ} 23\frac{1}{2}'$ E 330 ft. more or less to North and South boundary line between land acquired from Taylor and Fulton by the Reno Brewing Company, Incorporated, and that land formerly owned by the Crystal Ice and Cold Storage Company; thence along this boundary line 100 ft. more or less measured in a southerly direction to the high water line of the north bank of the Truckee River; thence along the high water line on the north bank of the Truckee River to the point of beginning, excepting the property conveyed to Mrs. Nellie Streeter by Sierra Pacific Power Company, by deed dated October 10, 1924, being more particularly described as follows: Commencing at the intersection of the Southerly line of the right of way of the Central Pacific Railway Company with the North bank of the Truckee River, which is a point 355 ft. East of the center line of the Cattle Bridge across the Truckee River; running thence Easterly along the Southerly line of said right of way a distance of 873 ft.; thence at right angles Southerly along the East line of the land deeded to Mrs. Nellie Streeter, August 15, 1923 by the Reno Brewing Company, recorded in Book 63 of Deeds at Page 331, Washoe County Records, to the point of beginning, being a point on the North boundary of that certain parcel of land conveyed to the Reno Power, Light and Water Company by deed recorded in Book 37 of Deeds, at Page 488, Washoe County Records, Washoe County, Nevada, said point being the Southeast corner of the property owned by Mrs. Nellie Streeter as described in Book 63 of Deeds, at Page 331, Records of Washoe County, Nevada; thence continuing the East boundary of said Streeter land Southerly a distance of 15 ft. to a point; thence South $82^{\circ} 37\frac{1}{2}'$ West a distance of 300 ft.; thence at a right angle in a northerly direction to a point on the North boundary line of that certain parcel of land conveyed to the Reno Power, Light and Water Company by deed duly recorded in Book 37 of Deeds, Page 488, Washoe County Records, Nevada; thence along said North boundary of the

property now or formerly owned by the Reno Power, Light and Water Company in an Easterly direction to point of beginning; all in Lot 3, Section 12, Township 19 North, Range 19 East, M. D. B. & M.

(b) 0.17 A. out of SW $\frac{1}{4}$ of NW $\frac{1}{4}$ of Sec. 12, Tp. 19 N. R. 19 E described as beginning at a point on the high water line of the south bank of the Truckee River S 89° 07' E 125 ft. from a point on the center line of the New Cattle Bridge; thence N 73° 23' E 108 ft. more or less along the high water line to a point in line with a fence running in a northerly and southerly direction; thence S 0° 42' E 83.5 ft. to a point on the fence line; thence S 88° 51' W 105 ft. to a point; thence N 0° 07' W 53.5 ft. more or less to the point of beginning.

(c) The NW $\frac{1}{4}$ of SW $\frac{1}{4}$ and SW $\frac{1}{4}$ of NW $\frac{1}{4}$ of Sec. 36, Tp. 20 N. R. 19 E containing 80 A. more or less.

(d) NW $\frac{1}{4}$ of NE $\frac{1}{4}$, N $\frac{1}{2}$ of NW $\frac{1}{4}$ and SE $\frac{1}{4}$ of NW $\frac{1}{4}$ of Sec. 36, Tp. 20 N. R. 19 E containing 160 A. more or less.

ALPINE COUNTY, CALIFORNIA.

1. The following described property situated in Alpine County, California, which California-Nevada Electric Power Company conveyed to Sierra Pacific Power Company by deed dated March 22, 1912, recorded in Book I, at Page 364, of the Deed Records of Alpine County, California.

(a) Lots 7, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22 and 23 and the West half of the Southeast quarter of Section 6, Township 10 North, Range 19 East, M. D. B. & M.

(b) The Northwest quarter of the Northeast quarter of Section 7, Township 10 North, Range 19 East, M. D. B. & M., less the triangular fraction described as follows: Beginning at a point 40 rods East of the Southwest corner of the Northwest quarter of the Northeast quarter of Section 7, Township 10 North, Range 19 East, M. D. B. & M., running thence West 40 rods to the Southwest corner of the Northwest quarter of the Northeast quarter of said Section 7; thence North 60 rods; thence in a Southeasterly direction to the place of beginning, containing 7 $\frac{1}{2}$ acres more or less.

(c) Lot 10 in Section 6, Township 10 North, Range 19 East, M. D. B. & M., containing 40 acres.

(d) The West half of Lot 5, Section 25 and the West half of Lot 16, Section 24, all in Township 11 North, Range 18 East, M. D. B. & M., containing 80 acres.

(e) The East half of Lot 16 and the West half of Lot 17, in Section 24, Township 11 North, Range 18 East, M. D. B. & M., containing 80 acres.

(f) Lots 2 and 3 in Section 25, Township 11 North, Range 18 East, M. D. B. & M., containing 160 acres.

(g) Lot 4, the East half of Lot 5 and the East half of Lot 6 in Section 25, Township 11 North, Range 18 East, M. D. B. & M., containing 160 acres.

(h) Lots 13, 14, 18, the East half of Lot 15 and the East half of Lot 17 in Section 24, Township 11 North, Range 18 East, M. D. B. & M., containing 320 acres more or less.

(i) Lots 1, and 2, 15 and 16, Section 2, also Lots, 1, 2, 15 and 16, Section 3, Township 10 North, Range 19 East, M. D. B. & M., containing 168.90 acres more or less.

(j) The South half of the Southeast quarter and the Southeast quarter of the Southwest quarter of Section 32 and the Southwest quarter of the Southwest quarter of Section 33, Township 11 North, Range 19 East, M. D. B. & M., containing 160 acres.

(k) The Southeast quarter of the Southeast quarter of Section 33, Township 11 North, Range 19 East, M. D. B. & M., the Northeast quarter of the Southwest quarter; the North half of the Southeast quarter; that portion of the South half of the Southwest quarter lying Northerly of a line parallel to and twenty feet distant Southerly of the usual high water mark on the South bank of the West Fork of the Carson River; and the Southeast quarter of the Northeast quarter, excepting 15 acres described as follows: Bounded on the Southwest by a line commencing at a point on the Easterly line of said Southeast quarter of the Northeast quarter, 25 feet North of the West Fork of the Carson River and running to a point on the Northerly line of said Southeast quarter of the Northeast quarter, 250 feet East of the Northwest corner of this quarter; all in Section 34, Township 11 North, Range 19 East, M. D. B. & M.

(l) The Southwest quarter of the Southwest quarter of Section 1, the Southeast quarter of the Southeast quarter of Section 2, the Northeast quarter of the Northeast quarter of Section 11, and the Northwest quarter of the Northwest quarter of Section 12, all in Township 7 North, Range 21 East, M. D. B. & M., containing 160 acres.

(m) The Northeast quarter of the Southeast quarter of Section 26, Township 8 North, Range 21 East, M. D. B. & M., containing 40 acres.

(n) The North half, the Southeast quarter, the East half of the Southwest quarter and the Northwest quarter of the Southwest quarter of Section 36, Township 9 North, Range 21 East, M. D. B. & M.

(o) The Northwest quarter of the Northeast quarter and the Northwest quarter of the Southeast quarter of Section 26, and the Southeast quarter of the Southeast quarter of Section 34, Township 8 North, Range 21 East, M. D. B. & M., containing 120 acres more or less.

(p) The South half of the Southeast quarter and the Northwest quarter of the Southeast quarter of Section 35, Township 9 North, Range 21 East, M. D. B. & M.

(q) The Southwest quarter of the Southwest quarter of Section 36, Township 9 North, Range 21 East, M. D. B. & M.

(r) Lot 3 in Section 31, Township 9 North, Range 22 East, M. D. B. & M.

(s) The South half and the Northwest quarter and the South half of the Northeast quarter of Section 1, Township 8 North, Range 21 East, M. D. B. & M.

(t) The North half of the Northeast quarter of Section 2, Township 8 North, Range 21 East, M. D. B. & M.

(u) The North half and the Northwest quarter of the Southwest quarter and the Northeast quarter of the Southeast quarter of Section 12, Township 8 North, Range 21 East, M. D. B. & M.

(v) The South half of the Southwest quarter of Section 11, Township 8 North, Range 21 East, M. D. B. & M.

(w) The Northwest quarter of the Northwest quarter of Section 14, Township 8 North, Range 21 East, M. D. B. & M.

(x) The North half of the Northeast quarter, the Southwest quarter of the Northeast quarter, the Northwest quarter of the Southeast quarter and the East half of the Southwest quarter of Section 15, Township 8 North, Range 21 East, M. D. B. & M.

(y) The Northeast quarter of the Northwest quarter, and the Southwest quarter of the Northeast quarter, and the West half of the Southeast quarter of Section 22, Township 8 North, Range 21 East, M. D. B. & M.

(z) The South half of the Southwest quarter and the Northwest quarter of the Southwest quarter and the Southwest quarter of the Southeast quarter of Section 25, Township 8 North, Range 21 East, M. D. B. & M.

(a-1) The West half of the Northeast quarter and the Southeast quarter of the Northwest quarter and the North half of the Southwest quarter of Section 27, Township 8 North, Range 21 East, M. D. B. & M.

(a-2) The Northeast quarter of the Southeast quarter of Section 28, Township 8 North, Range 21 East, M. D. B. & M.

(a-3) The East half of the Northeast quarter and the Northeast quarter of the Southeast quarter of Section 32, Township 8 North, Range 21 East, M. D. B. & M.

(a-4) The Southwest quarter of the Northwest quarter and the Northwest quarter of the Southwest quarter of Section 33, Township 8 North, Range 21 East, M. D. B. & M.

(a-5) Lots 4 and 5 in Section 6, Township 8 North, Range 22 East, M. D. B. & M.

(a-6) Lot 3 and the Southeast quarter of the Southwest quarter of Section 7, Township 8 North, Range 22 East, M. D. B. & M.

(a-7) The Northeast quarter of the Northwest quarter, the Northwest quarter of the Northeast quarter, the Southeast quarter of the Northeast quarter and the Northeast quarter of the Southeast quarter of Section 18, Township 8 North, Range 22 East, M. D. B. & M.

(a-8) The Southwest quarter of the Southwest quarter of Section 17, Township 8 North, Range 22 East, M. D. B. & M.

(a-9) Lots 2 and 3 and the Southeast quarter of the Southwest quarter of Section 7, Township 7 North, Range 22 East, M. D. B. & M.

(a-10) The East half of Section 18, Township 7 North, Range 22 East, M. D. B. & M.

(a-11) The Northeast quarter and the Northwest quarter of the Southeast quarter of Section 19, Township 7 North, Range 22 East, M. D. B. & M.

(2) The following described property situated in Alpine County, California, which Grant P. Merrill and Angie T. Merrill conveyed to the Sierra Pacific Power Company by deed dated June 19, 1931, recorded in Book A at page 533, of the Official Records of Alpine County, California:

(a) The SW $\frac{1}{4}$ of SE $\frac{1}{4}$ of Section 32, T. 8 N., R. 21 E., M. D. B. & M., containing 40 acres.

(b) The SW $\frac{1}{4}$ of NE $\frac{1}{4}$ of Section 34, T. 11 N., R. 19 E., M. D. B. & M., containing 40 acres; subject, however, to a right of way about 60 feet in width now occupied by the State Highway.

EL DORADO COUNTY, CALIFORNIA.

(1) The following described property situated in El Dorado County, California, which Tahoe Electric Power Company conveyed to Sierra Pacific Power Company by deed dated April 28, 1930, recorded in Book 119 at page 143 of Official Records of El Dorado County, California:

NW $\frac{1}{4}$ of SE $\frac{1}{4}$ of Section 11, T. 12 N., R. 18 E., M. D. B. & M.

MONO COUNTY, CALIFORNIA.

(1) The following described property situated in Mono County, California, which California-Nevada Electric Power Company conveyed to Sierra Pacific Power Company by deed dated March 22, 1912, recorded in Book O, at Page 520, of the Deed Records of Mono County, California:

(a) The North half of the Southeast quarter, the Southwest quarter of the Southeast quarter and the Southeast quarter of the

Southwest quarter of Section 18, Township 6 North, Range 23 East, M. D. B. & M.

(b) Lot 1 of the Northwest quarter of Section 30, Township 6 North, Range 23 East, M. D. B. & M.

(c) South half of the Northeast quarter of Section 24, Township 6 North, Range 22 East, M. D. B. & M.

(d) The South half of the Northeast quarter and the Southeast quarter of Section 23, Township 6 North, Range 22 East, M. D. B. & M.

(e) The East half of the Southwest quarter of Section 23, Township 6 North, Range 22 East, M. D. B. & M.

(f) The Northeast quarter of the Southeast quarter of Section 27, Township 6 North, Range 22 East, M. D. B. & M.

(g) Lot 1 of the Northeast quarter of Section 25, Township 6 North, Range 22 East, M. D. B. & M.

(h) The West half of the Northeast quarter, the East half of the Northwest quarter, the East half of the Southwest quarter and the Northwest quarter of the Southeast quarter of Section 26, Township 6 North, Range 22 East, M. D. B. & M.

(2) The following described property situated in Mono County, California, which Antelope Valley Land and Cattle Company conveyed to Sierra Pacific Power Company by deed dated July 8, 1926, recorded in Book V, at Page 429 of the Deed Records of Mono County, California.

(a) The Northwest quarter of the Northwest quarter of Section 27, Township 8 North, Range 23 East;

(b) The Northeast quarter of the Northeast Quarter of Section 28, Township 8 North, Range 23 East;

(c) The Northwest quarter of the Northeast quarter of Section 28, Township 8 North, Range 23 East, less three and seventy-nine one hundredths acres, described as follows: Beginning at the quarter corner which is approximately 125 feet North of Walker River; thence 500 feet Easterly along Section line between Sections 21 and 28; thence 330 feet Southerly parallel to Center Line of Section 28; thence 500 feet Westerly parallel to Section Line between Sections 21 and 28; thence 330 feet Northerly along Center Line of Section 28 to quarter corner between Sections 21 and 28 to place of beginning.

(d) That part of the Northeast quarter of the Northwest quarter of Section 28 lying immediately South of the present County Road; and containing 8 acres, more or less; together with a right of way over that part of the Northeast quarter of the Northwest quarter of said Section 28 lying North of said County Road, for pipe lines, transmission lines, spillways and discharge pipes.

(e) West half of Northeast quarter and the West half of Southeast quarter, of Section 33, Township 8 North, Range 23 East.

(f) East half of Northwest quarter; the Northwest quarter of Northeast quarter; and the Southeast quarter of Southwest quarter of Section 4, Township 7 North, Range 23 East.

(g) East half of Northwest quarter; the Northeast quarter of Southwest quarter; and the West half of Southeast quarter of Section 9, Township 7 North, Range 23 East.

(h) East half of Northwest quarter; the West half of Northeast quarter; the Northeast quarter of Southwest quarter; and the Southeast quarter, Section 16, Township 7 North, Range 23 East.

(i) East half of Northeast quarter of Section 21, Township 7 North, Range 23 East.

(j) Southwest quarter of Southwest quarter of Section 22, Township 7 North, Range 23 East.

(k) West half of Northwest quarter and the Northwest quarter of Southwest quarter of Section 27, Township 7 North, Range 23 East.

(l) Southwest quarter of Southwest quarter of Section 10, Township 6 North, Range 23 East.

(m) Southeast quarter of Southeast quarter of Section 4, Township 6 North, Range 23 East.

(n) West half of West half of Section 15, Township 6 North, Range 23 East.

(o) Northwest quarter of Northwest quarter of Section 22, Township 6 North, Range 23 East.

(p) All riparian water rights incident and appurtenant to the property mentioned in (a) to (o) above.

Excepting from the above-described parcels of land the property and rights which the Company conveyed to the State of California for highway purposes by deed dated March 9, 1932, recorded in Volume 7, page 43, Official Records of Mono County, and by deed dated July 6, 1938, recorded in Book 14, page 481, Official Records of Mono County, California.

(3) The following described property in Mono County, California, which the California Highway Commission revested the title of to the Sierra Pacific Power Company by a resolution passed by the California Highway Commission at its meeting regularly called and held on August 25, 1939, in the City of Weaverville, a majority of the members of said Commission being present and voting therefor, which resolution has never been rescinded, and is now in full force and effect:

(a) 1.30 acres in the E $\frac{1}{2}$ of the NW $\frac{1}{4}$ of Section 16, T. 7 N., R. 23 E., M. D. B. & M.

(b) 0.45 acres in the E $\frac{1}{2}$ of the NW $\frac{1}{4}$ of Section 4, T. 7 N., R. 23 E., M. D. B. & M.

(c) 1.47 acres in the W $\frac{1}{2}$ of the SE $\frac{1}{4}$ of Section 33, T. 8 N., R. 23 E., M. D. B. & M.

(4) All the right, title and interest of the Company in and to the following described property in Mono County, California, which Thomas Berry, Jr., Earl Berry, William Berry, Mrs. Alice Andreasen, Mrs. Ethel Hosking, Mrs. Ada Carney, Mrs. Clara Lagomarsino, conveyed to the (Truckee River Power Company), Sierra Pacific Power Company, by deed dated September 15, 1928, deed not recorded due to the lack of the signature of Mrs. Ada Carney.

The East half of the Southeast quarter (E $\frac{1}{2}$ of SE $\frac{1}{4}$) of Section Twenty-one (21); the East half of the Northeast quarter (E $\frac{1}{2}$ of NE $\frac{1}{4}$) of Section Twenty-eight (28), Township Seven (7) North, Range Twenty-three (23) East, M. D. B. & M. containing One Hundred and Sixty (160) acres, more or less.

PLACER COUNTY, CALIFORNIA.

(1) The following described property situated in Placer County, California, which Truckee River General Electric Company conveyed to Sierra Pacific Power Company by deed dated March 21, 1912,

recorded in Book 132, at Page 338, of the Deed Records of Placer County, California:

That lot, piece or parcel of land described as follows: Beginning at the Northwest corner of the Northeast quarter of the Northwest quarter of Section 7, Township 15 North, Range 17 East, M. D. B. & M., according to the United States Government Survey; thence South and along the West boundary of said Northeast quarter of the Northwest quarter of Section 7, 450 feet; thence East 400 feet; thence South 870 feet to the South boundary of said Northeast quarter of the Northwest quarter of Section 7; thence East along said South boundary 204 feet to a point 20 feet Easterly from the Easterly bank of the Truckee River; thence North 52° East 463 feet to a point 20 feet Easterly from said Easterly bank; thence South 51° East 463 feet to the Southeast corner of said Northeast quarter of the Northwest quarter of Section 7; thence South 40° 4' East 1081 feet to the Westerly shore of Lake Tahoe; thence Northerly along the Westerly shore of Lake Tahoe to the corner of fractional Sections 6 and 7 in said Township and Range; thence West along the North boundary of said Section 7, 2008 feet to the place of beginning; excepting therefrom that portion thereof conveyed to the Lake Tahoe Company by Sierra Pacific Power Company by deed dated June 29, 1926 and also excepting therefrom that portion thereof conveyed to the State of California for highway purposes by Sierra Pacific Power Company by deed dated April 23, 1928. Also subject to easement vested in United States of America by Decree of the Federal Court in and for the Northern District of California, Second Division, dated June 4, 1915, covering a portion of this parcel.

C. All bills, notes and accounts receivable and other choses in action and cash (other than cash required by any provisions of this Indenture to be deposited with the Trustee) on hand and in banks and customers' service and extension deposits;

D. All shares of stock and other certificates of interest therein and all bonds, notes and other evidences of indebtedness or certificates of interest therein and all other securities not herein or hereafter specifically mortgaged and pledged hereunder by specific delivery and assignment thereof to the Trustees or covenanted so to be;

E. All equipment, goods, merchandise and appliances acquired by the Company for the purpose of sale or lease in the ordinary course and conduct of its business or to its customers, and fuel in any form, materials and supplies acquired by the Company for the purpose of consumption in the operation of any of its properties;

F. All motor cars, motor trucks and other vehicles;

G. All timber upon any lands and oil, coal and other minerals, if any, lying or being within or under the lands, subject to the lien of this Indenture;

H. The last day of the term of each leasehold estate (oral or written), or any agreement therefor, now or hereafter enjoyed by the Company and whether falling within a general or particular description of property; and

I. All other property acquired by the Company after October 31, 1940, which is not used by the Company, or useful to it, in the business of furnishing electricity, water or gas, or in any other business which is incidental thereto or is operated in connection therewith, including (without limiting the generality of the foregoing) all properties necessary or appropriate for purchasing, storing, generating, manufacturing, utilizing, transmitting, supplying and/or disposing of all or any part of the foregoing;

whether now owned or hereafter acquired by the Company, subject, however, to the provisions of §5.17.

To HAVE AND TO HOLD all that part of the aforesaid property, rights, privileges, franchises and immunities not situated in the State of California, whether now owned or hereafter acquired by the Company, unto the Trustees, and their respective successors and assigns in trust forever; and To HAVE AND TO HOLD all that part of the aforesaid property, rights, privileges, franchises and immunities situated in the State of California, whether now owned or hereafter acquired by the Company, unto the Individual Trustee, and his successors and assigns in trust forever.

SUBJECT, HOWEVER, to the exceptions and reservations and matters hereinabove recited, any permitted liens, other than liens and encumbrances junior to the lien of this Indenture, as defined in §1.01(y) hereof, and to liens existing on any property hereafter acquired by the Company at the time of such acquisition or permitted by §5.04.

BUT IN TRUST, NEVERTHELESS, for the equal pro rata benefit, security and protection of all present and future holders of the Bonds issued and to be issued under and secured by this Indenture, and to secure the payment of such Bonds and the interest thereon, in accordance with the provisions of said Bonds and of this Indenture, without any discrimination, preference, priority or distinction as to lien or otherwise of any Bonds over any other Bonds, except insofar as a sinking fund established in accordance with the provisions hereof may afford additional security for the Bonds and except as provided in §10.29 hereof, so that the principal and interest of every such Bond shall be equally and ratably secured hereby as if all said Bonds had been issued, sold and delivered for value simultaneously with the execution of this Indenture and to secure the performance of and the compliance with the covenants and conditions of said Bonds and of this Indenture, and upon the trusts and for the uses and purposes and subject to the covenants, agreements, provisions and conditions hereinafter set forth and declared; that is to say:—

ARTICLE 1.

DEFINITIONS.

§1.01. The terms hereinbelow in this §1.01 mentioned shall, for all purposes of this Indenture and of any indenture supplemental hereto and of any certificate, opinion or other document filed with the Trustees, have the meanings herein specified. Unless otherwise defined in this Indenture, all terms used herein shall, for all such purposes, have the meanings assigned to such terms in the Trust Indenture Act of 1939. Wherever reference is made in this Indenture to the Trust Indenture Act of 1939, reference is made to such Act as in force on the date of the execution of this Indenture, unless the context otherwise requires.

(a) the term "Company" shall mean and include not only Sierra Pacific Power Company, the party of the first part hereto,

but also any successor corporation which shall become such in the manner hereinafter in Article 11 prescribed.

(b) the term "obligor", when used with respect to Bonds issued or issuable under this Indenture, shall mean every person who is liable thereon.

(c) the term "affiliate" shall mean a person controlling, or controlled by, or under common control with, another person. The terms "affiliated" and "affiliation" shall have meanings correlative to the foregoing.

(d) the term "control" shall mean the power to direct the management and policies of a person, directly or through one or more intermediaries, whether through the ownership of voting securities, by contract or otherwise. The terms "controlling" and "controlled" shall have meanings correlative to the foregoing.

(e) the term "person" shall mean an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization or a government or a political subdivision thereof.

(f) the term "Trustee" and "Corporate Trustee" shall mean The New England Trust Company and shall include its successors and assigns and the term "Co-Trustee" shall include the "Individual Trustee" and shall mean Leo W. Huegle and shall also include his successors and assigns appointed pursuant to §15.20, and the term "Trustees" shall mean and include the "Trustee" and the "Co-Trustee" and shall also include their successors and assigns as provided in Article 15 hereof.

(g) the term "resolution of the Board of Directors" shall mean a copy of a resolution or resolutions certified by the Secretary or an Assistant Secretary of the Company to have been duly adopted by the Board of Directors of the Company, at a meeting thereof duly convened and held and at which a quorum was present and acted thereon, and to be still in full force and effect.

(h) the terms "application of the Company", "written request of the Company", "written consent of the Company",

"statement of the Company" and "certificate of the Company" shall mean, respectively, an application, request, consent, statement or certificate signed by the President or a Vice-President and by the Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary of the Company with the corporate seal affixed. Any such application or written request may be combined in a single instrument with any such certificate and, in so far as any such certificate (or application or written request, in case no separate certificate is herein provided for) relates to conditions precedent, provided for in this Indenture (including any covenants compliance with which constitutes a condition precedent) which relate to the authentication and delivery of Bonds hereunder, to the release or release and substitution of property subject to the lien of this Indenture, to the satisfaction and discharge of this Indenture, or to any other action to be taken by the Trustee or Trustees at the request or on the application of the Company, as the case may be, shall include, in addition to the statements, if any, required by any other applicable provision of this Indenture, the statements required by paragraph (1) of this §1.01 to be included in a certificate or opinion furnished to the Trustee or Trustees.

(i) the term "opinion of counsel" shall mean a written opinion of counsel selected by the Company and acceptable to the Trustee, who may be counsel for the Company, unless in any given case the Trustee shall expressly otherwise request in writing; and which shall, insofar as it relates to conditions precedent, provided for in this Indenture (including any covenants compliance with which constitutes a condition precedent) which relate to the authentication and delivery of Bonds hereunder, to the release or release and substitution of property subject to the lien of this Indenture, to the satisfaction and discharge of this Indenture, or to any other action to be taken by the Trustee or Trustees at the request or on the application of the Company, as the case may be, include in addition to the statements, if any, required by any other applicable provision of this Indenture, the statements required by (1) of this §1.01 to be included in a certificate or opinion furnished to the Trustee or Trustees.

(j) the term "engineer" shall mean any engineer, appraiser or other expert, who may be an individual, copartnership or corporation, appointed and paid by the Company and acceptable to the Trustee and who may (except as otherwise herein provided) at the option of the Company be an officer or employee of the Company unless in any given case the Trustee shall otherwise request in writing; and the term "independent engineer" shall mean an engineer appointed and paid by the Company and selected or approved by the Trustee in the exercise of reasonable care and who (1) is in fact independent; (2) does not have any substantial interest, direct or indirect, in the Company or in any other obligor upon the Bonds; and (3) is not connected with the Company or any other obligor upon the Bonds as an officer, employee, promoter, underwriter, trustee, partner, director or person performing similar functions.

(k) the term "accountant" shall mean any practicing accountant or accounting firm, who need not be certified or licensed or public, appointed and paid by the Company and acceptable to the Trustee and who may (except as otherwise herein provided) at the option of the Company be an officer or employee of the Company unless in any given case the Trustee shall otherwise request in writing; and the term "independent public accountant" shall mean any certified or licensed public accountant or any firm of such accountants appointed and paid by the Company and selected or approved by the Trustee in the exercise of reasonable care and who, or each of whom, (1) is in fact independent; (2) does not have any substantial interest, direct or indirect, in the Company or in any other obligor upon the Bonds; and (3) is not connected with the Company or any other obligor upon the Bonds as an officer, employee, promoter, underwriter, trustee, partner, director or person performing similar functions, but who may be regularly retained to make annual and other similar audits of the books of the Company or any affiliate thereof.

(l) each certificate (or application or written request of the Company where no separate certificate of the Company is provided for) or opinion furnished to the Trustee or Trustees with respect to compliance with any condition or covenant provided for in this Indenture, shall include (1) a statement that the person making

such certificate or opinion has read such covenant or condition; (2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based; (3) a statement that, in the opinion of such person, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and (4) a statement as to whether or not, in the opinion of such person, such condition or covenant has been complied with. Any certificate or opinion as to compliance with conditions precedent shall also state that all conditions precedent, if any, provided for in this Indenture relating to the action to be taken by the Trustees upon the request or direction in connection with which such certificate or opinion is furnished have been complied with.

The acceptance by the Trustee or Trustees of a certificate or opinion of an engineer or accountant or counsel shall be sufficient evidence that the signer or signers have been selected or approved by or are acceptable to the Trustee, as the case may be, within the meaning of paragraphs (i), (j) and (k) of §1.01.

(m) the terms "responsible officer" and "responsible officers" of the Trustee as used in §10.02, §10.21 and §15.03 shall mean and include the Chairman of the Board, the President, every Vice President, the Secretary, every Assistant Secretary, the Trust Officer, and any other officer of the Trustee with supervisory powers who customarily performs functions similar to those performed by the foregoing individuals or to whom any corporate trust matter is referred because of his knowledge of, and familiarity with, a particular subject.

(n) the words "Bond", "Bondholder" or "bondholder" and "holder" shall include the plural as well as the singular number, and the words "Bondholder" or "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 bearer Bond registered as to principal.

(o) the terms "herein", "hereby", "hereunder", "hereof", "hereto", "hereinbefore", "hereinafter" and words of similar

import shall be held and construed to refer to this Indenture and not to a particular Article, section or other portion thereof.

(p) the term "public utility property" shall mean any property (including franchises, permits and any similar rights) now owned or hereafter acquired by the Company which is used or useful to it in the business of furnishing electricity, water or gas, (except as provided below) or in any other business which is incidental thereto or is operated in connection therewith, including (without limiting the generality of the foregoing) all properties necessary or appropriate for purchasing, storing, generating, manufacturing, utilizing, transmitting, supplying, distributing and/or disposing of all or any part of the foregoing; provided that such property shall be property which the Company, under its charter and the laws of the State or States wherein such property shall be situated, shall be lawfully authorized to own and use in the business in connection with which such property is used or to be used by it.

Public utility property shall not include the Company's existing gas system in the Cities of Reno and Sparks, Nevada or any accessions, additions, improvements and betterments made solely thereto (hereinafter sometimes collectively referred to as the "gas system") or any natural gas wells or natural gas leases or natural gas lines or other works or property used by the Company in the production of natural gas.

(q) the term "additional property" shall mean and be limited to all public utility property owned by the Company as hereinafter provided and subject (except in the case of paving and paving foundations, grading and other improvements to public highways, streets and alleys) to the lien of this Indenture, acquired, made or constructed by the Company, properly chargeable to its fixed property accounts, and so charged after October 31, 1940, subject to the specific provisions and exceptions hereinafter in this paragraph (q) mentioned.

Public utility property acquired by the Company after October 31, 1940 subject to any prior lien or prior liens shall not be deemed to be additional property unless and until such prior lien or prior liens are paid or otherwise satisfied and discharged or all the prior lien debt secured thereby shall cease to be outstanding as defined in (ee) of this §1.01.

Without in any way limiting the generality of the foregoing, it is expressly provided that additional property

(1) shall include, but shall not be limited to, accessions, additions, improvements, betterments, developments, extensions and enlargements to, of or upon the public utility property now owned by the Company and described in the granting clauses hereof;

(2) may include other plants, systems and properties, whether or not connected with or related to those now owned by the Company, hereafter acquired by purchase, merger, consolidation or otherwise, together with the accessions, additions, improvements, betterments, developments, extensions and enlargements to, of or upon such other plants, systems and properties, wheresoever situated;

(3) need not consist of a specific or completed accession, addition, improvement, betterment, development, extension or enlargement or of a complete new property, but may include construction work, or any work such as is carried in fixed property accounts by companies carrying on a business similar to that carried on by the Company, whether capable of specific description and identification or not;

(4) may include franchises, licenses, permits and/or similar rights necessary for the operation of the Company's public utility property, granted by any governmental or municipal authority;

(5) may include renewals, replacements, alterations and substitutions, provided that no expenditures for maintenance or repairs, or other expenses which, in the ordinary practice of companies carrying on any business similar to that carried on by the Company, are charged to operating expenses, shall be deemed additional property;

(6) may include the interest of the Company in transmission and distribution facilities or similar property owned jointly with other parties, if such facilities or property are of a character such as, in the ordinary practice of companies carrying on any business similar to that carried on by the Company, are from

time to time owned jointly with others (and the Company's undivided title thereto shall be deemed good title for the purposes of this Indenture);

(7) may include paving, and paving foundations, grading and other improvements to public highways, streets and alleys required for or in connection with the installation or repair of surface or underground facilities and paid for by the Company (notwithstanding the fact that title thereto may not be in the Company); and

(8) may include towers, poles, wires, pipes, compressor, regulator and measuring stations, meters and any movable property and equipment constructed or maintained under permits, licenses, easements, franchises and other like privileges on property owned by others (including Federal and State governments and other governmental or municipal agencies, bodies or subdivisions) and any plant or other property constructed on perpetual easements, State or Federal lands or lands of any governmental or municipal body, agency or subdivision under authority of any franchise, permit or license granted by any governmental or municipal authority. The Company shall be deemed to have good title for the purpose of this Indenture to any property constructed or maintained as permitted by subparagraph (7) or by this subparagraph (8).

FURTHER, IT IS EXPRESSLY PROVIDED that additional property shall not include (i) real estate, plants or systems in which the Company shall have only a leasehold interest, or, unless the same shall be movable physical property and shall constitute personal property in the opinion of counsel, any betterments, extensions, improvements or additions to any plant or system in which the Company shall hold only a leasehold interest; or (ii) any other property whether now owned or hereafter acquired by the Company expressly excepted from the lien of this Indenture by the provisions of C, D, E, F and G of Part X of the Granting Clauses hereof.

(r) the term "cost" when applied to additional property at any time certified to the Trustee (except as otherwise provided in §11.05) shall mean its cost in cash, or the equivalent, to the Com-

pany and such cost shall include the principal amount of indebtedness, if any, assumed by the Company with respect to the acquisition of such additional property, or subject to which such additional property is acquired, and shall include interest during construction and other overhead charges customarily charged to fixed property accounts by companies carrying on a business similar to that of the Company. In cases in which property, part of which constitutes additional property and part does not, is acquired for a consideration not divided between such parts, the Company by an engineer may allocate its cost in any reasonable manner and the cost so allocated to additional property shall be the cost of such additional property for the purposes of this Indenture. In case additional property is acquired for a consideration in whole or in part other than cash and/or the issue or assumption of indebtedness, its cost shall be deemed to be the fair cash value of such other consideration plus the amount of any such cash and/or indebtedness issued or assumed constituting part of such consideration and/or any indebtedness subject to which such additional property is acquired.

(s) the term "fair value", when applied to additional property at any time certified to the Trustee pursuant to §3.04 and §7.02 or received in exchange for released property pursuant to §6.02 (except as otherwise provided in §11.05), shall mean its fair value to the Company, when such additional property shall have first become properly chargeable to the Company's fixed property accounts and shall have been so charged, such fair value to be determined as if such additional property were free of liens securing indebtedness, if any.

(t) the term "amount" when applied to additional property shall mean the cost or the fair value, whichever is less, of additional property at any time certified to the Trustee.

(u) public utility property owned by the Company on October 31, 1940 or thereafter acquired by it which at any time has been subject to the lien of the Indenture and released by the Trustees after the date hereof, (1) if reacquired by the Company (such property having been sold or disposed of) may, unless otherwise not available under the provisions hereof, be treated as additional property

when so reacquired; provided, however, that in the determination of the amount of such property, the cost of such property shall be limited to an amount which does not exceed the retirement recorded on the Company's books in respect of the disposition thereof; or, (2) if the Company shall have surrendered to the Trustees for cancellation the release covering the property (such property not theretofore having been sold or disposed of), the Company shall be entitled in the next additional property certificate and in credit certificates subsequently filed with the Trustee to reinstate the amount thereof theretofore retired on account of such property released and reduce retirements by such amount.

(v) the term "retirements" shall mean an amount equal to

(a) the gross book value of public utility property owned by the Company at the close of business on October 31, 1940, and
(b) the cost of additional property, which, subsequent to October 31, 1940,

(i) shall have been renewed, replaced, permanently discontinued, abandoned, destroyed or otherwise disposed of (or released by the Trustees but not disposed of) by the Company,

(ii) shall have been taken by exercise of the power of eminent domain or purchased under the exercise of a right of any municipality, governmental body or agency to purchase the same,

(iii) in the case of franchises, permits or similar rights, shall have expired or been terminated, or

(iv) shall have been recorded as retired on the books of the Company,

except that any amounts in the fixed property accounts of the Company, "Electric Plant Acquisition Adjustments" as of October 31, 1940 or any adjustments increasing the amount in such account or any other reductions in gross book values or costs of property recorded in the fixed property accounts arising from adjustments required to be made by any state or federal regulatory commissions otherwise than in connection with the actual retirement of physical property shall not be deemed to be retirements.

Property renewed or replaced through expenditures properly included in operating expenses shall not be deemed retirements.

In certifying as to retirements the engineer need include only retirements made from and after the end of the period covered by the last previous additional property certificate filed with the Trustee.

If the book value or cost to the Company, as the case may be, of any particular property so retired is not known, an estimate made by an engineer shall be used; and in cases where different classes or kinds of property or systems have been or shall be acquired by the Company for a consideration not divided among the respective classes or kinds of property or systems acquired, the Company by an engineer may allocate in any reasonable manner on its books the book value or cost of the property comprising the different classes and kinds of property or systems and its allocation shall be deemed to be the book value or cost, as the case may be, of the respective classes or kinds of property or systems.

In cases wherein property shall have been retired in whole or in part from the fixed property accounts of the Company on its books before the actual discontinuance, removal, dismantling or disposal of the property so retired on the books, such engineer, may, at the option of the Company, in determining retirements, treat any property so retired from fixed property accounts on the books of the Company as property which shall have been renewed, replaced, permanently discontinued, abandoned, destroyed or otherwise disposed of pursuant to this Indenture to the extent so retired; or such engineer, at the option of the Company, may include in retirements an amount equal to the book value or cost, as the case may be, of such property less its then estimated value to the Company.

If, however, the book value or cost, as the case may be, of public utility property, released, expropriated, abandoned or disposed of under Article 6 (other than pursuant to §6.02) is less than the proceeds derived or to be derived from the sale or other disposition thereof, or, in the case of public utility property released pursuant to §6.02, less than the fair value of such property

as stated in the engineer's or independent engineer's certificate filed pursuant to §6.02, the amount of the retirement in respect of such property shall be the amount of such proceeds or such fair value, as the case may be.

(w) the term "credit for substitution" in connection with the disposition of any property included in retirements, allowable as provided in §3.04 and in §1.01 (dd), shall be deemed to mean an amount equal to the sum of (1) the amount of additional property received by the Company in exchange for property released pursuant to §6.02 and (2) (a) all Funds in Escrow (exclusive of payments of or on account of purchase money obligations) and (b) the original principal amount of purchase money obligations, in either case deposited with the Trustee or deemed to be so deposited as provided in §6.12.

(x) the term "net amount" as applied to additional property at any time certified to the Trustee shall mean the sum by which the amount of additional property shall exceed the excess of the retirements over any credit for substitution.

(y) the term "permitted liens" or words of similar import shall mean and include any of the following liens and encumbrances, namely: (1) the lien of this Indenture; (2) liens and encumbrances junior to the lien of this Indenture; (3) taxes for the then current year or which are not then delinquent; (4) taxes or liens created by assessments of governmental bodies, payment of which is due in instalments over a period of years and no payment of which is overdue, and taxes and assessments payment of which is being contested in good faith by the Company; (5) any right which any municipality or other governmental body or agency may have by virtue of any franchise, license, contract or statute to purchase any property of the Company upon payment of reasonable compensation therefor or to terminate any franchise, license or other rights or to regulate the property and business of the Company; (6) undetermined liens and charges incidental to construction; (7) liens and encumbrances which have been adequately protected against by the deposit of cash as below provided; (8) any liens, neither assumed by the Company nor on which it customarily

pays interest, existing upon real estate or rights in or relating to real estate acquired by the Company for sub-station, measuring station, regulating station, transmission lines, transportation lines, distribution lines or right-of-way purposes; (9) the lien, if any, of judgments, not exceeding at any one time \$50,000 in aggregate amount, rendered against the Company as a result of claims for personal injuries, death or damages to properties in connection with the conduct of the business of the Company where the validity or amount thereof is being contested in good faith through appropriate appellate proceedings; and (10) easements or reservations in any property of the Company for the purpose of roads, pipe lines, gas transportation and distribution lines, electric light and power transmission and distribution lines, water distribution lines, and other like purposes and zoning ordinances, servitudes, conditions and restrictions which do not impair the use of such property in the operation of the business of the Company.

Whenever the Company shall acquire additional property subject to any lien or encumbrance prior to the lien of this Indenture, securing any bonds or other obligations capable of being discharged by the payment of money (other than permitted liens), the Company may deposit with the Trustee cash and/or a principal amount of such bonds or other obligations sufficient for the discharge of such lien or encumbrance, with authority to apply the same, so far as necessary, to the discharge of such lien or encumbrance. In case the validity or amount of any such lien or encumbrance is disputed by the Company, the terms of such deposit may be such as to authorize the Trustee to apply such cash and/or obligations to the discharge of such lien or encumbrance only when found valid and/or the amount thereof determined by a final judgment of a court of competent jurisdiction or when so directed by the Company prior to such adjudication. Any cash and/or obligations so deposited remaining after the discharge of such lien or encumbrance shall be returned to the Company upon receipt by the Trustee of a written request of the Company and an opinion of counsel stating that such lien or encumbrance has been discharged. Any prior lien or encumbrance for which the Company shall have deposited with the Trustee as aforesaid not less than an amount sufficient for the discharge of all the bonds or other obligations

secured thereby shall thereafter be deemed to be not outstanding and non-existent for the purposes of this Indenture. The amount deposited with and held by the Trustee under this provision at any one time shall not exceed five hundred thousand dollars (\$500,000).

(z) the term "prior lien debt" shall mean bonds (but not Bonds issued hereunder), notes or other evidences of indebtedness secured by a mortgage, lien or other encumbrance prior to the lien hereof (other than permitted liens, as defined in (y) of this §1.01) on property acquired by the Company subsequent to October 31, 1940 or secured by liens on such property securing prior lien debt refunded, renewed or extended as provided in §5.04 hereof; and the term "prior liens" shall mean mortgages, liens or other encumbrances securing such prior lien debt.

(aa) the term "good title" shall mean such title, whether fairly deducible of record or based on prescriptive right as, in the opinion of counsel, is satisfactory and sufficient for the needs and operations of the Company in its business, and counsel in giving such opinion may disregard permitted liens as defined in (y) of this §1.01 or irregularities or deficiencies in the record evidence of title which, in the opinion of such counsel, taking into account the power of the Company, if any, to cure such irregularities or deficiencies by proceedings within its own power, are not of a serious nature under the facts and circumstances of the case and may base such opinion on his own investigation and/or upon affidavits, certificates, statements and/or investigations made by persons in whom he has confidence and/or upon examination of a certificate or guarantee of title or a policy of title insurance.

(bb) the term "net earnings certificate" shall mean a certificate of the Company (signed by the President or a Vice President and by an accountant and/or an independent public accountant), setting forth:

- (1) the net earnings of the Company for a period of twelve
- (12) consecutive calendar months within the fifteen (15) calendar months immediately preceding the date of the application to the Trustee in connection with which such a certificate is being

furnished, which shall be computed by deducting from the total operating income and revenues of the Company from public utility property for such period the total operating expenses, including taxes (other than income taxes payable by the Company or other taxes payable by the Company based on or measured by or in respect of undistributed net earnings or income), rentals, insurance, current repairs and maintenance for such period (but not including charges or provisions for renewals, replacements, retirements and depreciation) and adding to such difference outside income for said period; provided, however, that the total amount of such outside income so added shall not exceed fifteen per centum (15%) of the net earnings so computed, including the outside income so added. As used in this paragraph (1) the term "outside income" shall mean net income of the Company not derived from operating public utility property, excluding, however, profits and losses from sales of public utility property, for said twelve (12) months' period;

(2) charges or provisions for retirements and depreciation of public utility property recorded on the books of the Company for such twelve months' period, plus the amount of the excess, if any, of an amount equal to twelve and one-half per centum (12½%) of the total operating revenues of the Company from public utility property over the sum of (a) charges for current repairs and maintenance and (b) the actual charges or provisions for retirements and depreciation aforesaid, for such period;

(3) the annual interest charges upon (1) all outstanding Bonds; (2) all outstanding prior lien debt; and (3) Bonds, if any, applied for in the pending application, hereinafter collectively referred to as the "Company's bonded debt"; and

(4) that the amount of the net earnings of the Company set forth in (1) above, after the charges or provisions for retirements and depreciation set forth in (2) above, have been at least equal to two (2) times the aggregate amount of the annual interest charges upon the Company's bonded debt set forth in (3) above.

In the foregoing computations there shall not be included annual interest charges on Bonds and/or prior lien debt to be retired with the proceeds from the sale of the Bonds then being applied for.

If the net earnings certificate is to be furnished in connection with an application for the authentication and delivery of Bonds, and if the aggregate principal amount of all Bonds then being applied for and of all other Bonds authenticated and delivered under this Indenture since the commencement of the then current calendar year (other than Bonds with respect to which a net earnings certificate is not required to be filed by any provision of this Indenture, or Bonds with respect to which a net earnings certificate signed by an independent public accountant has previously been furnished) is ten per centum (10%) or more of the aggregate amount of Bonds at the time outstanding under the Indenture, and if the twelve (12) months' period in respect of which the net earnings are being calculated is a period with respect to which an annual report is required to be filed by the Company pursuant to §9.03, the net earnings certificate shall be signed by an independent public accountant.

If any system which has previously been operated in the conduct of the business by others than the Company has been acquired by the Company within fifteen (15) calendar months prior to the date of the application to the Trustee as aforesaid, or is to be acquired with all or part of the proceeds of the disposition of Bonds then being applied for, such acquired system shall be treated as having been owned by the Company for the twelve (12) consecutive calendar months used in calculating net earnings, or the whole of any lesser period of operation thereof within said twelve (12) months if the property shall not have been in operation by the Company or others for such twelve (12) months' period.

(cc) The term "funded" shall mean

(1) all mortgaged property owned by the Company on October 31, 1940;

(2) such net amount of additional property as shall have been made the basis for the authentication and delivery of Bonds

pursuant to §3.04 or the withdrawal of cash pursuant to §3.07 or Subdivision (II) of §7.02;

(3) such amount of additional property as shall have been made the basis for the release of property pursuant to §6.02, or the release of cash pursuant to Subdivision (III) of § 7.02;

(4) Bonds to the extent that the same shall have been made the basis for the authentication and delivery of Bonds of other series pursuant to §3.05 or the withdrawal of cash pursuant to §3.07;

(5) any Bonds made the basis of the withdrawal of any money pursuant to Subdivision (I) of §7.02 or paid, purchased, redeemed or retired by the use of money applied by the Trustee pursuant to Subdivision (IV) of §7.02; provided, however, that any Bonds so funded (except Bonds, if any, purchased, paid, redeemed or retired pursuant to Subdivision (IV) of §7.02 with proceeds from the sale of the gas system as defined in §1.01(p)), may be reinstated and shall no longer be deemed to be funded and may be used as the basis for the authentication and delivery of Bonds pursuant to §3.05 (or the release of cash pursuant to §3.07) if the Company shall redeposit with the Trustee to be held under §7.02 an amount of cash equal to the amount applied to, or withdrawn on the basis of, the retirement of such Bonds (or shall furnish to the Trustee evidence of its right to procure the immediate withdrawal of such cash pursuant to the provisions of Subdivisions (II) and (III) of §7.02); and

(6) such net amount of additional property, such amount of additional property and Bonds as shall have been used to satisfy (a) the provisions of the sinking and improvement fund for the Bonds of Series A or to withdraw cash held in said fund, so long as the Bonds of Series A shall be outstanding, and (b) the provisions of any sinking fund and/or improvement fund herein or hereafter established for Bonds of any other series, so long as the Bonds of such series shall be outstanding.

Any net amount of additional property, amount of additional property or Bonds evidenced pursuant to §7.02 in connection

with the withdrawal or application of cash or other consideration shall, to the extent the same would have been necessary to entitle the Company to the withdrawal or application of such cash or other consideration, be deemed to have been actually funded under said §7.02.

The terms "not theretofore funded" and "has not theretofore been funded" shall mean such net amount of additional property, such amount of additional property, and such Bonds as shall not theretofore have been used for any of the purposes referred to in paragraphs (2) to (6), inclusive, of this paragraph (cc), and any Bonds so used which shall have been reinstated as provided in (5) above.

(dd) the term "credit certificate" shall be deemed to mean a certificate of an engineer stating

A. the aggregate retirements of the Company (not previously certified in an additional property certificate pursuant to §3.04) up to and including a date stated therein, which shall not be over sixty (60) days prior to the application or request which the certificate accompanies and shall not be prior to the acquisition of the latest acquired item of additional property the cost of which is included in the amount certified as provided in B(2), below. If the retirement on account of the property which is being released or any proceeds from the disposition of which are being withdrawn upon the basis of the certificate then being filed is not included in the aggregate retirements shown in such certificate or any previous additional property certificate the amount thereof shall be added and separately shown;

B. (1) the net amount of additional property shown by all additional property certificates theretofore furnished to the Trustee pursuant to §3.04, not theretofore funded or contemporaneously being funded;

(2) the aggregate cost of additional property not theretofore funded and not previously included in any additional property certificate filed pursuant to §3.04; and

(3) the aggregate amount of any credit for substitution not taken into account in determining the net amount of additional

property shown in any additional property certificate theretofore filed pursuant to §3.04;

C. that the aggregate amount of the items shown under B is at least equal to the aggregate retirements shown pursuant to A and the amount of any excess; and

D. that there have been no substantial retirements between the end of the period covered in A above and the date of the certificate, which date shall not be more than ten (10) days prior to the date such certificate is filed with the Trustee.

(ee) the term "outstanding" as applied

(1) to Bonds issued hereunder, shall mean as of any particular time all Bonds theretofore authenticated and delivered by the Trustee hereunder, except (a) Bonds theretofore cancelled or surrendered to the Trustee for cancellation, (b) Bonds in lieu of which Bonds have been authenticated and delivered, as provided in §2.11 hereof, (c) coupon Bonds held in reserve by the Trustee against registered Bonds issued in exchange therefor, as provided in §2.09 hereof, (d) Bonds for the payment or redemption of which cash shall have theretofore been deposited with the Trustee, provided that in the case of the deposit of cash for the redemption of Bonds notice of such redemption shall have been given as provided in Article 4 or waived or provision satisfactory to the Trustee made for giving such notice or obtaining such waiver and provided that for the purposes of Article 4 no Bonds shall be deemed outstanding hereunder or entitled to the lien, benefits or security hereof except such as shall then be "issued" within the meaning of §2.12. In computing the amount of Bonds in respect of which any demand, request, vote, consent, waiver or notice provided for herein (except as hereinbelow specifically stated) may be given, Bonds owned legally or equitably by the Company shall not be deemed to be outstanding.

In determining the percentage of the principal amount of Bonds outstanding or of Bonds of a particular series outstanding entitling the holders thereof to take any action pursuant to §10.01, §10.05, §10.21, §10.24, Article 12 or Article

15, or in determining whether the holders of the required percentage of the principal amount of Bonds outstanding or of Bonds of a particular series outstanding have concurred in any direction to the Trustee or Trustees pursuant to §10.01, §10.05, §10.21, §10.24, or Article 15, or in any consent pursuant to Article 12, Bonds owned legally or equitably by the Company or by any other obligor upon the Bonds or by any person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company or with any other obligor upon the Bonds shall be disregarded, except that for the purpose of determining whether the Trustee or Trustees shall be protected in relying on any such direction or consent, only Bonds which the Trustee or Trustees know are so owned shall be so disregarded. Bonds so owned which have been pledged in good faith may be regarded as outstanding for any such purpose if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds and that the pledgee is not a person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company or with any other obligor upon the Bonds.

(2) to prior lien debt, shall mean as of any particular time all prior lien debt authenticated and delivered by the trustee under the lien securing the same or, if there be no such trustee, all prior lien debt theretofore issued under any such lien, except (a) prior lien debt theretofore cancelled, (b) prior lien debt pledged hereunder, (c) prior lien debt held uncanceled by the trustee under a prior lien under conditions such that no transfer of ownership or possession thereof is permissible, except upon a default under such lien, or except to the Trustee hereunder, or to the trustee of the lien securing the same for cancellation or to be held uncanceled under like conditions under the terms of such lien, and (d) prior lien debt the payment or redemption or other retirement of which shall have been provided for by the deposit of cash with the Trustee hereunder or with the trustee under the lien securing the same.

(ff) the term "authorized newspaper", when used in connection with the name of a particular city shall mean a newspaper

published at least once a day for at least six days (other than legal holidays) in each calendar week, printed in the English language and published and of general circulation in the city in connection with which the term is so used.

Whenever successive publications in an authorized newspaper are required by any provision of the Indenture, such successive publications may be made in the same or in different authorized newspapers.

(gg) the term "Indenture" or "this Indenture" shall mean this instrument and all indentures supplemental hereto.

(hh) the term "supplemental indenture" or "indenture supplemental hereto" shall mean any indenture entered into between the Company and the Trustees in accordance with the provisions of this Indenture.

ARTICLE 2.

THE BONDS.

§2.01. *Limitations as to Issue of Bonds.* The Bonds issuable under this Indenture may be issued in series as from time to time shall be established and authorized by the Board of Directors of the Company. The aggregate principal amount of Bonds which may be executed by the Company and authenticated and delivered by the Trustee and be secured by this Indenture and outstanding at any one time shall not, in any event, exceed the amount at the time permitted by law, or the then limit of indebtedness of the Company, if any, as fixed from time to time in accordance with law, but otherwise is not limited; and this Indenture creates a continuing lien to secure the full and final payment of the principal of and of the interest on all Bonds which may from time to time be executed, authenticated and delivered hereunder, subject to the covenants, agreements, provisions and conditions herein contained.

§2.02. (A) *Terms of Bonds of Series A.* The Bonds of Series A shall be coupon bonds, payable to bearer with the privilege of registration as to principal, in substantially the form hereinbefore set forth, except that registered Bonds without coupons may be subsequently authorized as provided in §2.04. No charge shall be made by the Registrar or the Company against the holders thereof for any such registra-

tion or for any transfer or discharge from registration of any Bonds of Series A so registered.

The coupon Bonds of Series A shall be dated as of December 1, 1940 and shall bear interest from said date. All Bonds of Series A shall be due on December 1, 1970 and shall bear interest at the rate of three and one-quarter per centum ($3\frac{1}{4}\%$) per annum, to be paid semi-annually on the first day of June and on the first day of December in each year until payment of the principal thereof, payable until maturity upon surrender of the respective coupons attached thereto as they severally become due; principal and interest being payable in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, at the principal office of The New England Trust Company in Boston, Massachusetts or its successor in trust under this Indenture, or, at the option of the bearers of the coupons, such interest shall be payable at the office or agency of the Company in the Borough of Manhattan, City and State of New York.

Definitive coupon Bonds of Series A may be issued in the denomination of \$1,000 each, numbered M1 consecutively upward.

The Trustee hereunder shall, by virtue of its office as such Trustee, be the Registrar and Transfer Agent of the Company for the purpose of registering and transferring Bonds of Series A.

(B) *Redemption Provisions for Bonds of Series A.* The Bonds of Series A shall be subject to redemption prior to maturity at the option of the Company, as a whole at any time or in part from time to time, at the following percentages of the principal amount thereof:

- 107% to and including November 30, 1943;
- 106% on December 1, 1943 and thereafter to and including November 30, 1946;
- 105 $\frac{1}{2}\%$ on December 1, 1946 and thereafter to and including November 30, 1949;
- 105% on December 1, 1949 and thereafter to and including November 30, 1952;
- 104 $\frac{1}{2}\%$ on December 1, 1952 and thereafter to and including November 30, 1954;
- 104% on December 1, 1954 and thereafter to and including November 30, 1956;

103½% on December 1, 1956 and thereafter to and including November 30, 1958;
103% on December 1, 1958 and thereafter to and including November 30, 1960;
102½% on December 1, 1960 and thereafter to and including November 30, 1962;
102% on December 1, 1962 and thereafter to and including November 30, 1964;
101½% on December 1, 1964 and thereafter to and including November 30, 1966;
101¼% on December 1, 1966 and thereafter to and including November 30, 1967;
101% on December 1, 1967 and thereafter to and including November 30, 1968;
100¾% on December 1, 1968 and thereafter to and including November 30, 1969;
100¼% on December 1, 1969 and thereafter prior to maturity;

together in any case with interest accrued thereon to the date of redemption; upon prior notice given by publication (unless waived as provided in Article 4) at least once each week (which may be on any secular day of each such week) for three (3) successive calendar weeks (the first publication to be not less than thirty (30) days and not more than ninety (90) days prior to the redemption date) in an authorized newspaper in the City of Boston, Massachusetts, and in an authorized newspaper in the Borough of Manhattan, City and State of New York, and otherwise as provided in Article 4; provided, however, that the Bonds of Series A shall be subject to redemption in part from time to time in like manner for the sinking and improvement fund hereinafter provided for, and with the money received by the Trustee if all or substantially all of the properties of the Company, or certain classes of business thereof, are sold to or taken through the exercise of the right of eminent domain or the right to purchase by any municipal or governmental body or agency, as provided in this Indenture, at the following percentages of the principal amount thereof: at 103% to and including November 30, 1951, thereafter at 102½% to and including November 30, 1959, thereafter at 101½% to and including November 30, 1963, thereafter at 101% to and including November 30, 1967, thereafter at 100½% to and including November 30, 1969 and thereafter at

100 $\frac{1}{4}$ % to and including November 30, 1970 (hereinafter sometimes called the "sinking and improvement fund redemption price"), together in any case with interest accrued thereon to the date of redemption; the foregoing being subject to the applicable provisions of Article 4.

(C) *Sinking and Improvement Fund for Bonds of Series A:*

As a sinking and improvement fund for the benefit of the holders of the Bonds of Series A, the Company covenants that, so long as any of the Bonds of Series A shall remain outstanding, it will on or before October 15 of each year, beginning with the year 1941,

(a) deliver to the Trustee Bonds of Series A theretofore reacquired by the Company, together with all unmatured appurtenant coupons; and/or

(b) relinquish the right to have authenticated and delivered Bonds which at the time the Company is entitled to issue pursuant to the provisions of §3.03, §3.04 and/or §3.05 hereof as evidenced by a statement of the Company to be filed with the Trustee; and/or

(c) pay to the Trustee cash sufficient to redeem Bonds of Series A on the next interest payment date at the sinking and improvement fund redemption price then in effect and accrued interest;

of an amount (Bonds being taken at principal amount) equal to one and three-quarters per centum (1 $\frac{3}{4}$ %) of the greatest principal amount of the Bonds of Series A theretofore issued.

All cash received by the Trustee for the sinking and improvement fund shall be applied, at such time and in such manner as shall be determined by the Board of Directors of the Company (as evidenced by a resolution of the Board of Directors filed with the Trustee) within one year from the date of the receipt of such cash by the Trustee for one or more of the following purposes:

(1) to the purchase of outstanding Bonds of Series A in the manner provided by §4.04 hereof at not exceeding the sinking and improvement fund redemption price then in effect plus accrued interest to the date of purchase;

(2) to the redemption of Bonds of Series A at the sinking and improvement fund redemption price then in effect and accrued interest in the manner provided in §4.02 hereof, in which case the Company shall furnish the Trustee any additional money required to pay accrued interest from the interest payment date referred to in (c) next above; and/or

(3) paid over to the Company to an amount, equal to the principal amount or any part thereof, of Bonds which the Company may be entitled to have authenticated and delivered upon compliance with the provisions of §3.04 hereof.

The Company may within twelve months preceding any sinking and improvement fund payment date anticipate in whole at any time or in part from time to time the sinking and improvement fund payment due on such date (i) by delivering to the Trustee Bonds of Series A, together with all unmatured appurtenant coupons and/or (ii) by causing to be redeemed at the sinking and improvement fund redemption price then in effect and accrued interest to the date fixed for redemption thereof Bonds of Series A of an aggregate principal amount not exceeding the aggregate principal amount required to be retired to satisfy such sinking and improvement fund payment, in the manner provided in Subdivision (B) of this §2.02 and Article 4 hereof, and in either case deliver to the Trustee a statement of the Company that such Bonds are being delivered or redeemed for account of the sinking and improvement fund, and the aggregate principal amount of Bonds of Series A so delivered or redeemed shall be treated as a credit on account of such sinking and improvement fund payment.

All Bonds of Series A so delivered to, purchased or redeemed by the Trustee pursuant to the provisions of this Subdivision (C) shall be cancelled and no Bonds of any series shall be authenticated and delivered in lien thereof or to refund the same pursuant to §3.05 so long as any of the Bonds of Series A shall remain outstanding.

§2.03. Establishment of New Series of Bonds. Bonds other than Bonds of Series A shall be divided into such series as shall from time to time be established by resolution of the Board of Directors of the Company, and shall be subject to such provisions as, consistently with

the provisions of this Indenture, shall be determined by resolution of the Board of Directors of the Company prior to the issue thereof, without further action upon the part of the stockholders of the Company unless such action shall be legally necessary.

In the event of the establishment of any new series of Bonds there shall be executed a supplemental indenture prescribing the form or forms of Bonds of the new series and other provisions made in respect thereof as hereinafter provided.

Bonds of any such series so established may from time to time be executed, authenticated and delivered in accordance with the provisions hereof. Such Bonds shall be payable in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts.

Such supplemental indenture shall prescribe the form or forms of Bonds of the new series and shall provide for the distinctive designation, the denominations, methods of numbering, date, maturity date or dates, interest rate and interest payment dates, the place or places of payment of principal and interest thereof and whether such Bonds are to be coupon Bonds with or without provision for registration as to principal only and/or registered Bonds without coupons.

The Board of Directors of the Company may at its option by such supplemental indenture prescribe any other provisions respecting the Bonds of such series not inconsistent with the terms of this Indenture, including registration, transfer and/or exchange provisions, provisions for call and redemption as a whole or in part, provisions for the payment of principal and/or interest without deduction for, and/or with reimbursement of, taxes or all or part of certain specified taxes, sinking fund provisions, provisions for conversion into stock or other securities, for the terms and conditions of such conversion and for the issue of Bonds with stock purchase warrants, and provisions limiting the aggregate principal amount of Bonds of such or other series.

All Bonds of the same series issued hereunder shall be substantially identical except as to the denominations thereof and the numbering and lettering thereof, and except, in the case of registered Bonds without coupons, as to the dates thereof and the dates specified therein from which interest is to accrue, and except as to proper variations in cases of Bonds having serial maturities, and except for the usual differences

between coupon Bonds and registered Bonds without coupons, including variations in the provisions for registration, transfer and exchange.

§2.04. *Changes in forms of Bonds.* Notwithstanding the fact that this Indenture provides that the coupon Bonds of Series A are to be in substantially the form hereinbefore set forth and that Bonds of series other than Bonds of Series A are to be in substantially the form prescribed by supplemental indenture at the time of the establishment of each such series, the Company may, by resolution of its Board of Directors, subsequent to the establishment of any series of Bonds, provide additional denominations and additional provisions for registration, transfer and/or exchange applicable to Bonds of such series and may provide for the issuance of registered Bonds without coupons of such series; provided, however, that the holders of any Bonds of such series outstanding at the time of such change or changes shall be given the same or corresponding privileges of registration, transfer and/or exchange as are given to the holders of any Bonds of such series issued subsequent to any such change or changes, and that such provisions shall be evidenced by a supplemental indenture to be executed and acknowledged by the Company and the Trustees. Moreover, the Company may, by resolution of its Board of Directors, make any such changes in respect of any Bonds or endorsements thereon as may be required by law or necessary in order to conform to the requirements for listing on any exchange or exchanges.

Any Bonds may bear, if appropriate, a legend indicating approval of any governmental authority and/or a legend indicating that any stamp tax with respect to the Bonds required by law has been duly paid.

§2.05. *Execution and Authentication of Bonds.* Bonds from time to time shall be executed on behalf of the Company by its President or one of its Vice Presidents and its corporate seal shall be thereunto affixed, or a facsimile of such seal shall be engraved, lithographed or printed thereon, and such seal shall be attested by its Secretary or one of its Assistant Secretaries. If any authorized officer of the Company who shall have signed any Bond or attested the seal thereon shall cease to be such officer before the Bond so signed and sealed shall have been actually authenticated and delivered by the Trustee or issued, such Bond may, nevertheless, be issued, authenticated and delivered as

though the persons who signed such Bond and attested the seal thereon had not ceased to be such officers of the Company, and also any Bond may be signed and the seal thereon attested on behalf of the Company by such persons as at the actual date of the execution of the Bond shall be the proper officers of the Company, although at the date of the Bond such persons shall not have been officers of the Company.

Bonds may be printed, lithographed or engraved at the option of the Company.

Coupons to be attached to coupon Bonds shall be authenticated by the printed, engraved or lithographed facsimile signature of the present Treasurer or of a future Treasurer of the Company and for that purpose the Company may adopt and use the printed, engraved or lithographed facsimile signature of any person who shall have been such Treasurer, notwithstanding the fact that he may have ceased to be such Treasurer at the time such Bonds shall be actually authenticated, delivered and issued.

Before authenticating and delivering any coupon Bonds, the Trustee shall detach and cancel any coupons then matured.

Only such of the Bonds as shall have been authenticated by the Trustee by signing the authentication certificate endorsed thereon and only the coupons appurtenant to such Bonds shall be secured by this Indenture or shall be entitled to any lien, benefit or security hereunder, and said certificate shall be conclusive evidence that the Bonds so authenticated have been duly issued hereunder.

§2.06. *Exchange and Transfer of Bonds.* Whenever any Bonds shall be presented for exchange, with all unmatured appurtenant coupons in the case of coupon Bonds, the Company shall execute, and, upon surrender to it of said Bonds and coupons, if any, the Trustee shall authenticate and deliver in exchange therefor the Bond or Bonds which the bondholder making the exchange shall request and shall be entitled to receive according to the terms thereof or hereof, to a principal amount equal to the principal amount of the Bond or Bonds surrendered for exchange, subject, however, to any provisions hereafter established in the case of exchanges of coupon Bonds for registered Bonds without coupons and of such registered Bonds for coupon Bonds. Upon every exchange of Bonds or transfer of registered Bonds with-

out coupons, the Company may make a charge therefor sufficient to reimburse it for any tax or taxes or other governmental charge required to be paid by the Company or the Trustee, and in addition may charge a sum not exceeding two dollars (\$2) for each Bond issued upon any such exchange or transfer; and said charges shall be paid by the party requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making the same.

No transfers of fully registered Bonds of any series shall be required to be made during the ten (10) days next preceding each interest date of such series.

§2.07. *Registration, Transfer and Negotiability of Bonds.* The bearer of any coupon Bond expressed to be registerable as to principal may have the ownership thereof registered on the books of the Company at any office or agency where such Bond is expressed to be registerable as to principal and such registry noted on the Bond by the Registrar. After such registry, such Bond may be transferred only on said books by the registered owner in person or by his duly authorized attorney, and similarly noted on the Bond by the Registrar upon presentation thereof to the Registrar, at such office or agency, accompanied by delivery of a written instrument of transfer in the form approved by the Registrar, duly executed. The registered owner of any such coupon Bond, registered as to principal, also shall have the right to cause the same to be registered as payable to bearer, in which case transferability by delivery shall be restored, and thereafter the principal of such Bond when due shall be payable to the person surrendering the Bond; but any such Bond registered as payable to bearer may be registered again otherwise than to bearer with the same effect as a first registry thereof. Successive registries and transfers as aforesaid may be made from time to time as desired; and each registry of a Bond shall be noted by the Registrar on the Bond.

The coupon Bonds shall pass by delivery except while registered as to principal; registration of any coupon Bond as to principal shall not affect the negotiability of its coupons, which shall remain payable to bearer, be treated as negotiable and pass by delivery, whether or not such Bond is registered.

Any registered Bond without coupons may, in accordance with its terms, be transferred upon such register by the person in whose name

it is registered, in person or by his duly authorized attorney, upon surrender of such registered Bond for cancellation, accompanied by delivery of a written instrument of transfer in the form approved by the Registrar, duly executed.

§2.08. *Dates of Bonds.* All coupon Bonds of any one series shall bear the same date. Every registered Bond without coupons shall be dated as of the day of authentication and shall bear interest from the interest payment date (which expression shall include the date of the coupon Bonds of the same series) next preceding the date of the Bond or from its date if it be an interest payment date.

§2.09. *Reservation of Coupon Bonds for Registered Bonds.* Whenever any Bond shall be issued under this Indenture as a registered Bond without coupons, there may be reserved by the Company unissued an aggregate principal amount of coupon Bonds of the denomination of one thousand dollars (\$1,000), equal to the principal amount of such registered Bond so issued and of the same series, and in such case the serial number or numbers of the coupon Bond or Bonds so reserved, together with an appropriate statement as to such reservation, may be endorsed on such registered Bond.

Whenever any registered Bond or Bonds without coupons shall be surrendered for transfer, the Company shall execute and the Trustee shall authenticate and deliver a new registered Bond or Bonds without coupons of the same series and for a like aggregate principal amount which shall have endorsed thereon the same coupon Bond serial number or numbers, if any, so reserved; and whenever any registered Bond without coupons, exchangeable for a coupon Bond or Bonds, shall be surrendered for such exchange, the Company shall execute and the Trustee shall authenticate and deliver in exchange for such registered Bond a like aggregate principal amount of coupon Bonds of the same series and of the denomination required by such registered Bond so surrendered, bearing the serial number, or each bearing one of the serial numbers, if any, endorsed upon such registered Bond so surrendered, and with coupons for interest thereto attached maturing on and after the next ensuing interest payment date of such surrendered registered Bond.

Whenever any coupon Bond or Bonds exchangeable for registered Bonds without coupons, together with all unmatured coupons thereto

appertaining, shall be surrendered for exchange for a registered Bond or Bonds without coupons, the Company shall execute, and the Trustee shall authenticate and deliver in exchange for such coupon Bond or Bonds, a like aggregate principal amount of registered Bonds of the same series without coupons, in accordance with the terms hereof or of the Bond or Bonds so surrendered for exchange.

§2.10. *Temporary Bonds.* Until definitive printed, engraved or lithographed Bonds of any series are ready for delivery, there may be authenticated and delivered and issued in lieu of any thereof, temporary printed, lithographed or typewritten Bonds in bearer or registered form substantially of the tenor of the definitive Bonds of such series (with such alterations and omissions as the Company and the Trustee may determine are appropriate) with or without one or more coupons, or temporary registered Bonds without coupons exchangeable for coupon Bonds of authorized denominations upon the request of the holders thereof within specified periods after notice requesting such coupon Bonds, and such temporary Bonds may be in such denominations as the Company may determine. After preparation of definitive Bonds and upon surrender of any such temporary Bonds with all unmatured coupons, if any, for exchange, the Company, at its own expense and without making any charge therefor, shall execute, and, upon cancellation of such surrendered temporary Bonds, the Trustee shall authenticate and deliver in exchange therefor, a definitive Bond or Bonds of the same series, bearing, in the case of coupon Bonds, the coupon payable on the next interest payment date and all subsequent coupons, for the same aggregate principal amount, and in such denominations and in such forms (whether coupon Bonds or registered Bonds without coupons) as shall be provided for in the temporary Bonds surrendered for exchange. Until so exchanged, each such temporary Bond shall in all respects be entitled to the lien, benefit and security of this Indenture as one of the Bonds issued and authenticated hereunder. Interest on registered temporary Bonds without coupons shall be paid to the registered owners thereof. Interest on all other temporary Bonds shall be paid to the bearers thereof and such payment noted thereon or, if such temporary Bonds shall have been issued with coupons, shall be paid on presentation and surrender of such coupons as they severally mature. Until such definitive Bonds

are ready for delivery, the holder of one or more temporary Bonds may exchange the same on the surrender thereof with all unmatured coupons, if any, attached, to the Trustee for cancellation, and, upon the payment of charges similar to those provided for exchanges of definitive Bonds in §2.06, for temporary Bonds of the same series, of like aggregate principal amount and of such denominations and forms as shall be provided for in such temporary Bonds.

§2.11. *Bonds Mutilated, Lost, etc.* In case any Bond, whether temporary or definitive, and/or any coupon or coupons thereto appertaining, shall become mutilated or defaced or be lost or destroyed, then on the terms herein set forth the Company may issue, and the Trustee shall authenticate and deliver, in lieu of and in substitution for the original Bond and coupons, if any, a new Bond of the same series of like denomination and tenor and having attached corresponding coupons, but which, in the discretion of the Company or the Trustee, may bear the same or a different serial number, be marked "Duplicate" or be otherwise distinguished; or, if any such original Bond or coupon shall have matured instead of issuing a substituted Bond or coupon the Company may pay the same without surrender thereof. In case of the mutilation or defacement of a Bond or its coupon or coupons the applicant for such payment or substitution shall surrender such Bond with appurtenant coupons, if any, and, if required by the Company or the Trustee, shall furnish indemnity to the extent hereinafter provided with respect to lost Bonds. In case of loss or destruction the applicant for such payment or substitution shall furnish to the Company and the Trustee evidence satisfactory to them, of the ownership and authenticity of the original Bond or coupon, and of the loss or destruction thereof, and also a bond of indemnity with such surety as the Board of Directors may authorize, or cause the officers of the Company to authorize in a sum deemed by the Company and the Trustee sufficient to cover all risk, however remote, and conditioned against any loss, cost, damage or expense in such connection as the Company and the Trustees may request. Any indemnity bond shall name as obligees, the Company, the Trustees, and, if requested by the Company, any fiscal agent or Registrar. The Trustee may authenticate any such substituted Bonds and deliver the same with any appurtenant coupons or the Trustee or any fiscal agent of the Company may make

any such payment, upon the written authorization of the Treasurer or an Assistant Treasurer of the Company. The applicant for any substituted Bond, or any such payment, shall, if required by the Company, as a condition precedent to the issuance of any such substituted Bond, or any such payment, pay all expenses, including counsel fees, incurred by the Company or the Trustees in connection therewith. All Bonds and coupons shall be held and owned upon the express condition that the foregoing provisions are exclusive in respect of the replacement or payment of mutilated, defaced, lost or destroyed Bonds and coupons, and shall preclude any and all other rights or remedies, any law or statute now existing or hereafter enacted respecting such replacement or the payment of notes, bonds, coupons, negotiable instruments or other securities without their surrender to the contrary notwithstanding.

Any such duplicate Bonds or coupons issued pursuant to this §2.11 shall be entitled to equal and proportionate benefits with all other Bonds and coupons issued hereunder in any moneys or property at any time held by the Trustees for the benefit of the bondholders, subject, however, to the provisions of §10.29.

The provisions of this §2.11 shall not, however, be construed as requiring the Company to treat both the original and duplicate Bonds as outstanding hereunder for the purpose of determining the principal amount of Bonds which may be issued within any limitation as to principal amount herein or hereafter fixed or any percentage of the principal amount of Bonds outstanding hereunder or the amount of Bonds issued under this Indenture for the purpose of any sinking fund or any payments hereunder.

§2.12. *Status of Bonds Held by Company.* Whenever any Bonds shall have been authenticated and delivered to or on the application of the Company by the Trustee, the Company may issue such Bonds or any thereof by selling, pledging or otherwise negotiating the same upon such terms as may be authorized or approved from time to time by its Board of Directors; provided that no Bonds shall be deemed to be issued hereunder or be entitled to the lien and security hereof until such Bonds shall have been so issued by the Company. The Company may reacquire any of the Bonds so issued by it and may reissue any of the Bonds so reacquired (including a Bond issued by way of pledge

or for other limited purposes and thereafter returned to the Company) under the lien and security of this Indenture; but until the same shall have been so reissued by the Company, the Bonds so reacquired shall not be deemed to be issued under this Indenture (except to the extent and for the purposes provided in Subdivision (C) of §2.02 in respect of the sinking and improvement fund for Bonds of Series A and except to the extent and for the purposes which shall hereafter be provided with respect to any sinking fund for Bonds of any series hereafter established) or be entitled to the lien or security hereof. The Company, however, shall not reissue any Bond which is required by any other provision of this Indenture to be cancelled by the Trustee. Nothing in this §2.12, however, is intended or shall be construed in such a way as to affect or impair the transferability of any of the Bonds or the negotiability of any of the coupon Bonds or as entitling the Company or any other party or parties to deny or contest the status as fully issued and outstanding hereunder and entitled to the benefits aforesaid of any Bond bearing the certificate of authentication of the Trustee, in the hands of any bona fide holder thereof other than the Company, and the Trustees may assume that any Bonds which have been authenticated by the Trustee and delivered to the Company are issued within the meaning of this §2.12 until notified in writing to the contrary. No party to whom any of the Bonds may be sold, pledged or otherwise negotiated shall be required to make any investigation or inquiry as to the issue or reissue of any Bonds under the provisions of this §2.12.

ARTICLE 3.

ISSUE OF BONDS.

§3.01. *Initial Issue of Bonds.* Three million dollars (\$3,000,000) aggregate principal amount of the Bonds authorized to be issued under this Indenture, being Bonds of Series A, shall be executed by the Company and delivered to the Trustee for authentication and as soon as may be after the execution of this Indenture, either before or after the filing and recording hereof, and, without any further action on the part of the Company, shall be authenticated and delivered by the Trustee as directed in a written request of the Company.

§3.02. *General Provisions for Issuance of Additional Bonds.* In addition to the Bonds issuable under §3.01, the Company may, unless at

the time it is in default in the payment of interest on any of the Bonds outstanding or an event of default exists, at any time or from time to time execute and deliver to the Trustee, and thereupon the Trustee shall authenticate and deliver in accordance with the application of the Company hereinafter by this §3.02 required; additional Bonds of Series A and/or Bonds of any other series duly established pursuant to §2.03, in such principal amount as shall be determined by the Board of Directors of the Company, upon the bases permitted by, and upon compliance by the Company with, the provisions of §3.03 (against property owned on October 31, 1940 up to but not exceeding one million dollars (\$1,000,000) principal amount), §3.04 (against a net amount of additional property), §3.05 (for refunding Bonds), and/or §3.06 (against the deposit of cash).

Before the Trustee shall authenticate and deliver any such Bonds (hereinafter sometimes referred to as Bonds applied for) it shall be furnished with the following documents which, together with the documents and other things required to be furnished pursuant to §3.03, §3.04, §3.05 and/or §3.06, as the case may be, the Trustee may accept as full compliance by the Company with the provisions of this §3.02, namely:

(a) An application of the Company for the authentication and delivery of such Bonds and setting forth in addition to any statements required by §3.03, §3.04, §3.05 and/or §3.06 (except that in any application for the authentication and delivery of such Bonds pursuant to §3.03 only the statements required by paragraphs (4), (5) and (6) need be included)

(1) (a) The aggregate net amount of additional property, if any, included in any additional property certificate accompanying such application to the Trustee pursuant to §3.04, not theretofore funded; (b) the aggregate net amount of additional property, if any, included in all previous additional property certificates delivered to the Trustee, not theretofore funded; and (c) the aggregate principal amount of Bonds issuable pursuant to §3.04 on the basis of the sum of any net amount of additional property set forth pursuant to (a) and (b) of this paragraph (1);

(2) (a) The aggregate principal amount, if any, of Bonds the retirement or provision for the retirement of which is being evidenced to the Trustee pursuant to §3.05 with such application,

not theretofore funded; (b) the aggregate principal amount (or any part thereof), if any, of Bonds included in the evidence previously delivered to the Trustee, not theretofore funded; and (c) the aggregate principal amount of Bonds issuable pursuant to §3.05 on the basis of the sum of the aggregate principal amount of Bonds set forth pursuant to (a) and (b) of this paragraph (2);

(3) The amount of cash, if any, being deposited with the Trustee pursuant to §3.06 with such application;

(4) The principal amount of Bonds applied for (a) pursuant to §3.03, (b) pursuant to §3.04, (c) pursuant to §3.05, and/or §3.06;

(5) The principal amount of additional Bonds which, after giving effect to such application will remain available for issuance (a) pursuant to §3.03, (b) pursuant to §3.04, and/or (c) pursuant to §3.05; and

(6) That the Company is not in default in the payment of interest on any of the Bonds outstanding nor does an event of default exist.

(b) A resolution or resolutions of the Board of Directors of the Company authorizing the execution of a stated principal amount of Bonds of a stated series and designating the section or sections of this Article 3 pursuant to which said Bonds are to be issued, and directing the Trustee to authenticate and deliver the same upon compliance by the Company with this §3.02 and the other section or sections of this Article 3 pursuant to which said Bonds are to be issued;

(c) An opinion of counsel setting forth (1) that he has examined the application and other documents being furnished in connection with the authentication and delivery of the Bonds applied for; (2) that the execution, authentication and delivery of the Bonds applied for have been sufficiently and duly authorized; (3) that the issue of the Bonds, the authentication and delivery of which is applied for, has been duly authorized by any and all governmental authorities, the consent or approval of which is requisite to the valid issue of such Bonds, and specifying by what officially authenticated certificates or other documents such

consent or approval is or may be evidenced, or that no consent or approval of any governmental authority is requisite to the valid issue of such Bonds; (4) that said Bonds, when authenticated and delivered by the Trustee and when duly issued by the Company, will be valid and binding obligations of the Company, entitled to the security afforded by the lien of this Indenture upon the mortgaged property subject to no equal or prior liens or encumbrances of record, except for liens and encumbrances to which the security afforded the Bonds theretofore issued and then outstanding by the lien of this Indenture was subject immediately prior to such issue and except for permitted liens and for liens and encumbrances permitted by §5.04; (5) that provision has been made for the lawful payment of any mortgage or other tax imposed in connection with the issuance of said Bonds; (6) that upon the authentication and delivery of the Bonds applied for the aggregate principal amount outstanding will not exceed the amount at the time permitted by law, or the then limit of indebtedness of the Company, if any; and (7) that the Trustee is duly authorized hereunder to authenticate and deliver said Bonds;

(d) The officially authenticated certificates or other documents evidencing action by governmental authorities, if any, specified in such opinion of counsel or other evidence satisfactory to the Trustee that such consent or approval has been given; and

(e) In the event that any of the Bonds applied for are of a series not theretofore established, a supplemental indenture, duly executed by the Company, setting forth the form or forms of, and other terms and provisions of or in respect of, the Bonds of such new series.

The Company may furnish resolutions, certificates and/or opinions supplementary to those originally filed with respect to any additional property or other matters certified to the Trustee for the purpose of evidencing subsequent changes in respect thereof or in the availability thereof as a basis for the issue of Bonds or for other purposes hereunder or to correct any errors in any such resolutions, certificates or opinions theretofore filed.

The Trustee, whenever it shall have been furnished in part with the instruments and/or other evidence mentioned or referred to in this

§3.02 required for the issue of Bonds being applied for, may, subject to the provisions of §15.02 and §15.03, if the application of the Company shall so request, authenticate the Bonds applied for and send the same to some bank or trust company or other agent satisfactory to the Trustee in any city in the world, with instructions to deliver such Bonds to such person, partnership, firm or corporation as shall have been designated in said application, as and when there shall be deposited with such bank, trust company or other agent for or to the credit of the Trustee all or any part of the Bonds, cash and/or any other documents or other evidence required by this Indenture and not otherwise furnished to the Trustee and such additional evidence, if any, as the Trustee shall deem necessary to authorize the delivery by such bank, trust company or agent of the Bonds applied for in accordance with such application.

§3.03. *Issuance of Additional Bonds on Basis of Property Owned on October 31, 1940.* Bonds shall be issuable pursuant to this §3.03 (but only upon compliance with §3.02) at any time and from time to time (either before, concurrently with or after the issuance of additional Bonds pursuant to §3.04, §3.05 and/or §3.06) to an aggregate principal amount not to exceed \$1,000,000, on the basis of the properties owned by the Company on October 31, 1940 and without regard to any change in the status of said property or to the amount of additional property or retirements of the Company subsequent to October 31, 1940; provided that any application to the Trustee for the authentication and delivery of additional Bonds pursuant to this §3.03 shall be accompanied by a net earnings certificate showing the net earnings of the Company to be as required in §1.01(bb).

§3.04. *Issuance of Bonds Against Net Amount of Additional Property.* (A) Bonds shall be issuable from time to time pursuant to this §3.04 (but only upon compliance with §3.02) to an aggregate principal amount not to exceed sixty per centum (60%) of the net amount of additional property shown by all additional property certificates then or theretofore furnished to the Trustee pursuant to this §3.04, not theretofore funded.

(B) In order to establish the net amount of additional property available as a basis for the authentication and delivery of Bonds

pursuant to this §3.04, or for the release of cash in lieu thereof pursuant to §3.07, or for the release of property pursuant to Article 6 or for the release of cash pursuant to Article 7, to the extent herein provided, the Company may at any time or from time to time file with the Trustee the following documents collectively constituting and referred to as an "additional property certificate", namely:

(a) certificate of an engineer (which may be based on his own investigation and/or upon certificates, statements and/or investigations made by persons in whom he has confidence) setting forth in substance

(1) that the Company acquired by purchase, construction or otherwise, and charged to its fixed property accounts between stated dates, additional property as defined in §1.01(q), and the aggregate cost of such additional property, together with a brief description of such additional property and the cost thereof, as reflected by and in the principal subdivisions of its fixed property accounts, which detail of additional property shall be shown in the certificate or in an exhibit attached to and by reference made a part thereof;

(2) that such additional property has not theretofore been included in any additional property certificate filed pursuant to this §3.04 and has not theretofore been funded;

(3) the aggregate fair value and the aggregate amount of additional property so described;

(4) the aggregate retirements of the Company together with a brief description of such retirements and the amount of property retired, as reflected by and in the principal subdivisions of its fixed property accounts, made up to and including a date specified therein which shall be not more than ninety (90) days prior to the filing of the certificate with the Trustee and shall be not earlier than the later of the stated dates mentioned in (1) above, exclusive of retirements of the Company included in the additional property certificates (if any) previously filed with the Trustee in compliance with this §3.04, which detail of retirements shall be shown in the certificate or in an exhibit attached to and by reference made a part thereof;

(5) the aggregate amount of any credit for substitution in connection with the disposition of any property included in the retirements shown in (4) above;

(6) the aggregate net amount of additional property certified in the certificate; and

(7) whether or not such additional property being certified or included in (1) above includes property which, within six months prior to the date of acquisition thereof by the Company, has been used or operated by a person or persons other than the Company in a business similar to that in which it has been or is to be used or operated by the Company, and, if included, whether or not the fair value to the Company of such property is less than \$25,000 and less than 1% of the aggregate principal amount of the Bonds at the time outstanding.

(b) If, as set forth by the engineer, the additional property being certified to the Trustee includes property which, within six months prior to the date of acquisition thereof by the Company, has been used or operated by a person or persons other than the Company in a business similar to that in which it has been or is to be used or operated by the Company, and the fair value to the Company of such property, as set forth by the engineer, is not less than \$25,000 and not less than 1% of the aggregate principal amount of the Bonds at the time outstanding, a certificate of an independent engineer as to the fair value to the Company of such property and of any other such property so used or operated which, since the commencement of the then current calendar year, has been subjected to the lien of this Indenture and made the basis for the authentication and delivery of Bonds, the withdrawal of cash constituting a part of the trust estate or the release of property or securities subject to the lien of this Indenture and as to which a certificate of an independent engineer has not previously been furnished.

(c) An opinion of counsel (who, in giving such opinion, may disregard irregularities or deficiencies in the record evidence of title to real property which are of more than ten years' standing and which in the opinion of such counsel can be cured by proceedings within the power of the Company, or which in the opinion of

such counsel are not of a serious nature under the facts and circumstances of the case) setting forth in substance that, except as to any paving, grading or other improvements to public highways, streets and alleys and except as to any property shown by additional property certificates to have been retired prior to the date of such opinion,

(1) the Company has good title, within the meaning of (aa) of §1.01, to the additional property, shown in the engineer's certificate provided for in (a) above;

(2) such additional property is subject to the lien of this Indenture; and that such additional property is free and clear of all encumbrances other than permitted liens; and

(3) the Company is authorized to own, use and operate such additional property.

Upon receipt by the Trustee of the certificates, statements, opinions and other documents required by this §3.04, the net amount of additional property so certified may be used by the Company for the purposes and to the extent provided herein.

Nothing in this §3.04 shall be deemed to prevent the Company from including in any additional property certificate filed pursuant to this §3.04 any additional property acquired by it without also including any other additional property that it may have theretofore acquired, and by so doing the Company shall not be deemed to have lost the right to later file such a certificate including such other additional property.

(C) Any application of the Company for the authentication and delivery of additional Bonds pursuant to this §3.04 shall be accompanied by

(a) a net earnings certificate, showing the net earnings of the Company to be as required in §1.01 (bb); and

(b) a credit certificate, as defined in §1.01 (dd), in case the retirements of the Company to and including a date not more than ninety (90) days prior to the date the application is filed with the Trustee have not theretofore been certified to the Trustee.

§3.05. Issuance of Bonds against Bonds of other Series. (A) Bonds shall be issuable for refunding pursuant to this §3.05 (but only upon compliance with §3.02) to an aggregate principal amount equal to the aggregate principal amount of Bonds of any one or more series theretofore authenticated and delivered by the Trustee under this Indenture, not theretofore funded, and which Bonds shall have previously been retired or shall be retired at the time of the authentication and delivery of Bonds by the Trustee hereunder and/or for the retirement of which provision shall then be made, as hereinafter in this §3.05 provided. Such Bonds may be retired through or by payment at maturity, or upon redemption, or by purchase, exchange, surrender, conversion into stock or securities other than Bonds issued hereunder, the operation of any sinking fund or by any other method; but no Bonds shall be issued pursuant to this §3.05 against Bonds retired through the operation of the sinking and improvement fund for the Bonds of Series A, so long as any Bonds of Series A shall remain outstanding, or against Bonds retired through the operation of any sinking fund for the Bonds of any other series hereafter established under similar conditions, so long as any Bonds of any other such series shall remain outstanding. Subject to the foregoing, Bonds shall be issuable as aforesaid for refunding all or any part of any series of Bonds at any time and from time to time at, before or after the maturity of any such series of Bonds retired, being retired or to be retired.

(B) In order to evidence to the Trustee the retirement or provision for the retirement of Bonds, which shall thereafter be available as a basis for the authentication and delivery of Bonds pursuant to this §3.05, or the release of cash in lieu thereof pursuant to §3.07, or for the release of property pursuant to Article 6, or for the release of cash pursuant to Article 7, to the extent herein provided, the Company may at any time or from time to time deliver to the Trustee the following, namely:

(1) Bonds (whether cancelled or uncanceled) in bearer form or accompanied by proper instruments of assignment and transfer, together with all appurtenant unmatured coupons, if any; and/or

(2) Cash sufficient to pay principal, premium, if any, and interest to maturity or to the redemption date, as the case may be, with respect to Bonds then outstanding and not to be delivered

to the Trustee pursuant to paragraph (1) above contemporaneously with its authentication and delivery of the Bonds applied for, together with, in case of the deposit of cash to provide for the redemption of Bonds, either (1) proof satisfactory to the Trustee that notice of redemption as provided in Article 4 has been given, or (2) proof satisfactory to the Trustee that arrangements have been made insuring that such notice will be given, or (3) a written instrument executed by the Company, under its corporate seal and expressed to be irrevocable, authorizing the Trustee to give such notice for and on behalf of the Company, or (4) a waiver of the notice of the publication required by Article 4, signed by the holders of all Bonds of the series to be redeemed. Whenever thereafter there shall be surrendered by the Company to the Trustee for cancellation any of the Bonds and/or appurtenant coupons payment of which shall have been provided for by such deposit, the Trustee shall repay the Company, upon the written request of the Company the amount deposited in respect of the Bonds and/or coupons so surrendered; and also

(3) A certificate of the Company stating (a) that said Bonds have not theretofore been funded as defined in §1.01 (cc), or, as to any thereof which have been funded as referred to in clause (5) of §1.01 (cc) and have been reinstated as permitted by said clause (5), that the same have been so reinstated, (b) that said Bonds have not been retired through conversion of the same into Bonds issued hereunder, (c) that none of said Bonds have been retired through the operation of the sinking fund for any one or more series of Bonds then outstanding, and (d) whether or not any of such Bonds to be refunded have been bona fide sold by the Company.

(C) Any application of the Company for the authentication and delivery of Bonds pursuant to this §3.05 (1) to refund any Bonds, bearing interest at a rate lower than the Bonds applied for, which shall have been authenticated and delivered hereunder but shall not have been bona fide sold by the Company, or (2) to refund any Bonds, in the event that a net earnings certificate excluding the interest charges on such Bonds shall have been filed with the Trustee since the retirement thereof, shall be accompanied by a net earnings certi-

cate, showing the net earnings of the Company to be as required in §1.01 (bb).

(D) Any Bonds received by the Trustee pursuant to this §3.05 (if not previously cancelled) shall be cancelled and cremated by the Trustee; and except to the extent refundable pursuant to this §3.05, no further Bonds shall thereafter be issuable in respect thereof.

§3.06. Issuance of Bonds Against Cash. (A) Bonds shall be issuable pursuant to this §3.06 (but only upon compliance with §3.02) to an aggregate principal amount equal to the amount of cash deposited for the purpose with the Trustee pursuant to this §3.06.

(B) Any application of the Company for the authentication and delivery of Bonds pursuant to the provisions of this §3.06 shall be accompanied by a net earnings certificate showing the net earnings of the Company to be as required in §1.01 (bb) unless the resolution of the Board of Directors furnished the Trustee pursuant to §3.02 shall state that such cash is to be deposited solely to anticipate the refunding of Bonds (theretofore bona fide sold by the Company or bearing interest at a rate not lower than the Bonds applied for), but in such case such cash shall not be used for any purpose other than such refunding until such a net earnings certificate shall have been delivered to the Trustee.

§3.07. Application of Cash Deposited as Basis for Issuance of Bonds. Cash deposited pursuant to §3.06 shall be held by the Trustee as part of the trust estate and, unless the Company shall at the time be in default in the payment of interest on some one or more of the Bonds or an event of default shall exist, shall be applied by the Trustee at any time or from time to time, as follows:

(1) Upon delivery to the Trustee of an application of the Company, containing the statements required by subdivision (a) of §3.02 (but with appropriate variations in language, and without there being furnished to the Trustee any of the other documents specified in §3.02) be paid to the Company to an amount or amounts equal to the aggregate principal amount of Bonds which the Company shall become entitled to have authenticated pursuant to and

upon compliance with the requirements of §3.03, §3.04 and/or §3.05 and in lieu of such authentication; provided that the Company shall not be required to furnish the Trustee with a net earnings certificate unless it is required so to do under the provisions of (B) of §3.06;

(2) Be applied by the Trustee, if so directed by the Company, to the payment, purchase, redemption or retirement of Bonds, in which event the Trustee shall be furnished with and may rely upon a resolution of the Board of Directors of the Company authorizing and directing the Trustee to apply such cash to the retirement of the Bonds in the manner and upon the terms designated in such resolution; provided that cash to pay any accrued interest and/or premiums on account of the Bonds to be retired shall be furnished by the Company. Before purchasing Bonds pursuant to this paragraph (2), notice asking for proposals shall, if the Company shall so direct, be given to the holders of such Bonds as provided in §4.04.

All Bonds received by the Trustee pursuant to this §3.07 (if not previously cancelled) shall be cancelled by the Trustee.

In the event that cash deposited with the Trustee pursuant to §3.06 shall have remained on deposit with the Trustee for more than three (3) years in an amount in excess of five hundred thousand dollars (\$500,000), such cash then so on deposit with the Trustee shall be used to redeem or, at the option of the Company, to purchase, as provided in §4.04, Bonds of such series as the Company shall designate or, upon the failure of the Company for fifteen (15) days after being so requested in writing by the Trustee to make such designation, then to purchase or redeem Bonds of such series as the Trustee shall thereupon determine.

ARTICLE 4.

REDEMPTION AND PURCHASE OF BONDS.

§4.01. Bonds of Series A shall be redeemable as provided in Subdivision (B) of §2.02, subject to the provisions of this Article 4. Any series of Bonds other than Bonds of Series A may be made subject to redemption prior to maturity at the option of the Company as a

whole at any time or in part from time to time or on any specified date or dates upon payment of their principal amount and accrued interest at such time or times and at such premium or premiums, if any, as may be determined by the Board of Directors of the Company at the time such series is established and as shall be specified in the Bonds of the respective series. The question of whether a premium is payable and the amount thereof shall be determined by the date fixed for redemption. In case a Bond of any series is of a denomination larger than one thousand dollars (\$1,000), a portion of such Bond (one thousand dollars (\$1,000) or an integral multiple thereof) may be redeemed and if less than the whole Bond be redeemed, the Company shall execute and the Trustee shall authenticate and shall deliver to the bearer or to or on the order of the registered owner of such Bond, without charge, a new Bond or Bonds of the same series equal in aggregate principal amount to the unredeemed portion thereof, each new Bond to be in such authorized form and denomination (not less than one thousand dollars (\$1,000)) as such bearer or registered owner may elect. In case of redemption of a part only of the Bonds of any series, except in the case of redemption of any Bonds for any sinking fund, the Company shall at least forty-five (45) days prior to the redemption date (unless a shorter notice shall be accepted by the Trustee as sufficient) notify the Trustee of the principal amount of Bonds to be redeemed, and thereupon the particular Bonds or portions thereof to be redeemed shall (except as and to the extent hereinafter in this sentence otherwise provided) be selected by lot by the Trustee in any manner determined by the Trustee to be equitable; provided, however, that if the Bonds of any series be all registered otherwise than to bearer and are to be redeemed in part, the Trustee shall select the Bonds (or portions of Bonds) to be redeemed in such manner that the particular Bonds of such series (or portions thereof) to be redeemed shall be, to the nearest one thousand dollars (\$1,000) taken from the holders thereof ratably, as nearly as may be, to the total principal amount of Bonds of such series held by such holders, respectively. If all of the outstanding Bonds of the series part of which is to be called for redemption are owned by one person, the Bonds to be redeemed may be selected by the Company.

§4.02. Notice of redemption of Bonds of any series issued hereunder which are redeemable shall be given by the Company by publi-

ation in such newspapers and for such period as shall be provided for in the Bonds to be redeemed, or, if not provided for, by publication in at least one authorized newspaper in the city or in each of the cities where the interest on any Bonds called for redemption is payable, at least once in each calendar week (which may be on any secular day of each such week) for three (3) successive weeks, the first publication to be not less than thirty (30) days and not more than ninety (90) days prior to the redemption date, and shall specify the date when and the place or places where such Bonds must be presented for payment and redemption and shall state that interest on the Bonds called for redemption shall cease to accrue on the designated redemption date. In case of redemption of a part only of any series of Bonds, such published notice shall specify also the series and numbers of the particular Bonds selected for redemption. The Company, or the Trustee upon the written request of the Company, shall also mail a like notice of such redemption, not less than thirty (30) days and not more than ninety (90) days prior to such redemption date, to each registered owner of Bonds selected for redemption at the address which shall appear on the Bond register. If such notice be published, the proceedings for the redemption of said Bonds shall not be affected by failure to mail such notices to registered owners of such Bonds as above required or by any defect in any such notice so given. The foregoing provisions of this paragraph are subject to the provisions of §16.08.

Subject to the provisions of §15.02 a written statement of the Company as to the giving of proper notice of any call for redemption may be accepted by the Trustee as full and complete authority for any action required to be taken by it pursuant to this Article 4, and in case any question shall arise as to whether or not any such notice shall have been sufficiently given, such question shall be decided by the Trustee, and its decision shall be final and binding upon all parties in interest.

§4.03. On or before the redemption date specified in the notice given pursuant to §4.02 or in the event such notice is waived as provided in §16.08, on or before the redemption date specified by resolution of the Board of Directors and in due time for remittance to the place or places of payment, the Company shall deposit with the Trustee a sum of money sufficient to redeem (at their principal amount plus the premium, if any, provided for with respect to the series of Bonds so called for redemption) the Bonds or portions thereof so selected for redemption and to

pay the interest due thereon up to such redemption date, to be held in a special account and in trust for the bearers or registered owners thereof and to be paid to them respectively upon surrender of said Bonds with all unmatured coupons, if any, appertaining thereto, maturing on or after the redemption date, subject to the provisions of the last paragraph in this §4.03. The Trustee shall, upon the written request of the Company, apply funds then held by it under the provisions of §3.07 and/or Article 7 and/or any other provisions of this Indenture, so far as permitted therein, to make up the whole or any portion of the money required for the redemption of the principal of such Bonds or portions thereof. The Company may deposit any Bonds selected for redemption, together with all unmatured coupons appertaining thereto, in lieu of the amount of money (including the premium, if any, and accrued interest to the redemption date) which would be necessary to redeem the Bonds so deposited. After the Company shall have deposited with the Trustee the money necessary to redeem the called Bonds or portions thereof and to pay the interest due thereon, as aforesaid, and/or shall have requested the Trustee so to apply funds held as aforesaid under the provisions of §3.07 and/or Article 7 and/or any other provisions of this Indenture to the extent permitted thereby and/or shall have deposited Bonds selected for redemption as aforesaid, all Bonds or portions thereof to be redeemed and appurtenant coupons shall cease to be entitled to any lien, benefit or security of this Indenture except the right to receive the redemption price upon presentation and surrender thereof and shall be deemed not to be outstanding hereunder, subject to the right of bondholders to receive payment thereof as provided in §13.04; and after such redemption date, such Bonds or portions thereof shall cease to bear interest and the coupons for interest maturing subsequently to such redemption date shall be void, and all liability of the Company to the holders of such Bonds or portions thereof for the payment of the principal thereof and interest thereon (and premium, if any) shall cease and determine and be completely discharged, as provided in §13.03.

If, upon presentation for payment of any coupon Bonds called for redemption, there shall not be surrendered with such Bonds the coupons maturing on the redemption date thereof, if an interest payment date, the Company shall receive such Bonds, together with all coupons maturing after such redemption date, and shall pay in respect thereof the redemption price hereinbefore provided, exclusive of accrued in-

terest, and such coupons shall be paid to the holders upon presentation and surrender thereof at any office where the same are expressed to be payable.

§4.04. Whenever the Company may desire to purchase or otherwise acquire Bonds it may publish notice at such times and at such place or places as the Company may determine, inviting sealed proposals, to be made to the Trustee on or before a date therein designated, for the sale to the Company of Bonds of a particular series or of such one or more series as shall be therein specified, at not to exceed such prices, and upon such other terms, if any, as may be specified in such notice, stating either the principal amount of Bonds to be retired or the amount of funds to be applied to such purpose. From the Bonds offered in response to such notice, and upon the terms set forth in such notice, the Trustee shall accept such Bonds as are offered at the lowest prices (computed, unless the Company shall otherwise direct, in case there are to be purchased and are offered Bonds of more than one series bearing different rates of interest or different dates of maturity, upon the basis of the yield to maturity, which may be determined by the Trustee in accordance with any standard table of bond values) not exceeding the limitations designated in the notice, to the amount to be retired or to an amount sufficient to exhaust the funds available for such purpose as nearly as may be, and shall forthwith send notice of such acceptance to all bondholders whose offerings have been accepted. The Trustee may also apply any funds which the Company may deposit with it for the purpose, not required to be applied pursuant to any other provisions of this Indenture, to the purchase of Bonds issued hereunder, upon any exchange or in the open market, at public or private sale, without notice, at prices not exceeding such as the Board of Directors of the Company by resolution may specify, as evidenced by a copy of such resolution to be furnished to the Trustee.

§4.05. If at any time there is being held by the Trustee any cash which by any of the provisions of this Indenture is required to be applied to the redemption and/or purchase of Bonds, or which the Company shall have directed the Trustee to so apply, the Company shall, upon request of the Trustee, forthwith take or cause to be taken all action necessary on its part to be done in connection with such purchase or to call the appropriate principal amount of Bonds for re-

demption, if so required and to cause any notice of such redemption, if not waived as hereinabove provided, and/or of any call for proposals to sell Bonds required by this Article 4 to be given as provided in this Article 4, and if the Company shall fail or refuse, upon request of the Trustee, to take or cause to be taken any such action, or to give or complete any such notice, then the Trustee is hereby irrevocably authorized and empowered, either in the name or on behalf of the Company or in its own name as Trustee, to take or cause to be taken any such action and to give or complete or cause to be given or completed any such notice, with like force and effect as if such action were taken or as if such notice were given by the Company.

§4.06. All Bonds redeemed in accordance with the provisions of this Article 4 shall forthwith be cancelled by the Trustee and, except for refunding as provided in §3.05, no Bonds shall be issued hereunder in place thereof.

Cash deposited pursuant to this Article 4 shall be applied in accordance with and subject to the instructions of the Company as evidenced by a resolution of the Board of Directors of the Company furnished to the Trustee, to the purchase or redemption of the Bonds for the purchase or redemption of which it was deposited and, except as provided in §5.17, shall not form a part of the mortgaged property.

ARTICLE 5.

PARTICULAR COVENANTS OF THE COMPANY.

The Company covenants and agrees with the Trustees, for the benefit of the Trustees and of the several holders for the time being of the Bonds and of the coupons as follows:

§5.01. That it will promptly pay the principal of and interest on the Bonds issued hereunder according to the terms thereof and hereof and of any coupons thereto appertaining. As the coupons annexed to coupon Bonds are paid, they shall be cancelled.

That it will perform such covenants and provisions with reference to Bonds of Series A as are expressed therein and herein and with reference to other series as may be expressed in the Bonds of such series, respectively, when issued.

That it will maintain an office or agency in the Borough of Manhattan, City and State of New York for the payment of the interest on the Bonds of Series A when the same shall become due and payable and that it will maintain an office or agency in each other city in which Bonds of any series and/or the interest on the principal amounts thereof may be expressed to be payable, for the payment of such Bonds and/or interest when the same shall become due and payable.

That within sixty (60) days after the date upon which any installment of interest on any of the Bonds is payable, the Company will deposit with the Trustee, or with any paying agent approved by the Trustee, in a special account and in trust as below provided, an amount sufficient to pay all coupons and claims for interest then matured but which shall not theretofore have been paid or presented for payment, which are appurtenant to the Bonds the holders of which are entitled then to receive payment of such installment of interest, upon surrender of such coupons, or upon presentation for notation of such payment thereon in case of temporary bearer Bonds without coupons, or upon demand in the case of registered Bonds without coupons.

Any moneys which at any time shall be deposited by the Company or on its behalf with the Trustee or any paying agent for the purpose of paying any of the Bonds which shall have become due and payable, whether at maturity thereof or upon call for redemption, or for the purpose of paying any matured coupons or claims for interest appertaining to any of the Bonds, shall be and are hereby assigned, transferred and set over to the Trustee or such paying agent, to be held in a special account and in trust for the respective holders of the Bonds or coupons or claims for interest for the purpose of paying which said moneys shall have been deposited. Interest, if any, accruing on such moneys during the period the same shall remain on deposit shall belong to the Company and shall be paid to it from time to time upon request of the Treasurer or an Assistant Treasurer of the Company.

Any moneys so deposited which shall not be required for the purposes for which such deposit was made shall be repaid to the Company upon written request of its Treasurer or one of its Assistant Treasurers; and any such moneys remaining unclaimed by the holders of such Bonds or coupons or claims for interest, for five (5) years after the date the same shall have become payable, shall be paid by the Trustee or such

paying agent to the Company, upon the written order of its Treasurer or one of its Assistant Treasurers, and the holder of such Bonds or coupons or claims for interest shall thereafter be entitled to look only to the Company for the payment thereof and thereafter no such coupon shall be entitled to the lien and security of this Indenture; provided that the Trustee or such paying agent, before being required to make such payment to the Company, may at the expense of the Company, cause notice that said moneys have not been so called for and that after a date named therein they will be returned to the Company, to be published once a week for three (3) successive calendar weeks in an authorized newspaper in the city or in one such newspaper in each of the cities where such Bonds or coupons or claims for interest are payable.

§5.02. That, if it shall appoint a paying agent other than the Trustee, it will cause such paying agent to execute and deliver to the Trustee an instrument in which it shall agree with the Trustee, subject to the provisions of the last paragraph of this Section, (1) that such paying agent shall hold in trust for the benefit of the bondholders or the Trustee all sums, whether received from the Company or any other obligor on the Bonds held by such paying agent for the payment of the principal of or interest on the Bonds (and premium, if any); and (2) that such paying agent shall give the Trustee notice of any default by the Company or any other obligor on the Bonds in the making of any deposit with it for the payment of the principal of or interest on the Bonds (and premium, if any) and of any default in the making of any such payment.

That, if it acts as its own paying agent, it will, on or before each due date of each installment of principal or interest on the Bonds, set aside and segregate and hold in trust for the benefit of the bondholders or the Trustee a sum sufficient to pay such principal (and premium, if any) or interest so becoming due on the Bonds and will notify the Trustee of such action or of any failure to take such action.

Anything in this Section to the contrary notwithstanding, the Company may at any time, for the purpose of obtaining a release or satisfaction of this Indenture or for any other reason, pay or cause to be paid to the Trustee all sums held in trust as required by this §5.02, such sums to be held by the Trustee upon the trusts herein contained.

Anything in this Indenture to the contrary notwithstanding, the agreement to hold sums in trust as provided in this §5.02 is subject to the last paragraph of §5.01.

§5.03. That except as to that part of the mortgaged property which may hereafter be acquired by it, and except as to paving, grading and other improvements to public highways, streets and alleys and except as to property in which only the right, title and interest of the Company is purported to be conveyed hereby, and subject, as hereinafter in §5.04 permitted, to prior liens and permitted liens, the Company is lawfully possessed of the premises, property and rights herein conveyed or intended so to be and has good right, full power and lawful authority to grant, bargain and sell, and to convey, mortgage and pledge, the same in the manner and form herein done or intended, and that, except as aforesaid, it has and, subject to the provisions hereof, will preserve, good and indefeasible title to all the mortgaged property and will warrant and forever defend the same to the Trustees against the claims of all persons whomsoever except as hereinbefore specifically otherwise stated.

§5.04. That there are not now outstanding and that the Company will not (except as permitted below) at any time create or allow to accrue or exist any liens prior to or on a parity with the lien of this Indenture (in respect of the security afforded all or any part of the Bonds) upon the mortgaged property, or any part thereof, other than permitted liens as defined in §1.01 (y) and except such liens or encumbrances on any mortgaged property hereafter acquired by the Company as may exist at the date of the acquisition by the Company of such after acquired property and, except that the Company shall not be precluded from refunding, renewing or extending any prior lien debt if, in the opinion of the Board of Directors of the Company (expressed in a resolution of the Board of Directors of the Company filed with the Trustee), and concurred in by a qualified disinterested person, selected by the Company and approved by the Trustee, such refunding, renewal or extension is for the best interests of the bondholders; provided, however, that if and so long as all of the Bonds of any one or more series are held by not more than five (5) persons no such refunding, renewal or extension shall be permitted unless all of the holders of the Bonds of such series shall consent

thereto in writing, a copy of which consent shall be filed with the Trustee.

Further, that it will not acquire any property subject to prior liens securing prior lien debt whereby the outstanding prior lien debt to be assumed by the Company in connection with the acquisition of such property subject to such prior liens will exceed 60% of the cost or fair value of the property so acquired, whichever is less, as evidenced by a certificate of an independent engineer to be filed with the Trustee at the time of the acquisition of such property.

Further, that all mortgaged property hereafter acquired by the Company and made the basis of the issue of any Bonds or the release of cash or property (except cash or property subject to prior liens), under this Indenture shall be free and clear from all liens and encumbrances of every nature having priority or being on a parity with, or which may become entitled to priority over or become on a parity with, the lien of this Indenture, except permitted liens as defined in §1.01 (y); and that it will warrant and forever defend the same to the Trustees against the claims of all persons except as aforesaid.

§5.05. That, subject to the provisions of §5.04, all covenants and conditions contained in any prior lien and in the debt secured thereby will be fully performed and complied with.

§5.06. That upon the discharge of any prior lien all cash held by the trustee or mortgagee thereunder, except cash held for the payment of principal of, premium, if any, and interest on the prior lien debt secured thereby and other charges and expenses due the trustee or mortgagee thereunder pursuant to the provisions of any such lien and except any moneys held in any sinking fund under such lien (other than release and/or insurance moneys which by the terms of such prior lien may be applied as part of a sinking fund), shall be paid over to the Trustee hereunder and shall be treated as Funds in Escrow (except as otherwise provided in §5.13 with respect to insurance moneys) and paid over to the Company or applied, pursuant to the provisions of §7.02.

§5.07. That in case the Company shall hereafter create any mortgage upon the mortgaged property, or any part thereof, other than as provided in §5.04, such mortgage shall be and shall be expressed to be

subject to the prior lien of this Indenture upon the mortgaged property for the security of all Bonds then outstanding or thereafter issuable hereunder.

§5.08. That it will from time to time duly pay and discharge all taxes, assessments and governmental charges lawfully imposed upon the mortgaged property or upon any part thereof, or upon the income or profits therefrom or upon the lien or interest of the Trustees or of the holders of the Bonds in respect of the mortgaged property or any part thereof or the income therefrom when the same shall become due, and will duly observe and conform to all valid requirements of any governmental authority relative to any of the mortgaged property or any part thereof, and all covenants, terms and conditions upon or under which any of the mortgaged property is held. Within three (3) months after the accruing of any lawful claims or demands for labor, materials, supplies or other objects, which if unpaid might by law be given precedence over this Indenture as a lien or charge upon the mortgaged property or the income thereof, the Company will pay or cause to be discharged or make adequate provision to satisfy or discharge the same. Nothing in this §5.08 contained, however, shall be construed as requiring the Company to observe or conform to any requirement of governmental authority or to acquire or cause to be paid or discharged, or to make provision for, any such tax, assessment, lien or charge, so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings, unless thereby in the opinion of the Trustee or Trustees prejudice or loss might result therefrom to the mortgaged property, or any part thereof, or to the interests of the bondholders. On or before July 1, 1941 and on or before July 1 of each year thereafter the Company will file with the Trustee a written report of the Company stating that the Company has duly paid and discharged to the extent required to be paid up to such date all taxes, assessments and governmental charges lawfully imposed upon the mortgaged property which shall have become due and payable during the preceding calendar year, or that with respect to certain of such taxes, assessments or other governmental charges to be specified in said report, the Company is in good faith contesting the validity thereof pursuant to the permission so to do provided for in this §5.08.

§5.09. That it will, except as herein otherwise specifically provided, preserve its corporate existence and all its rights and franchises

to the extent necessary or desirable to preserve unimpaired the value of the mortgaged property, provided, however, that any ordinances, licenses, franchises, rights or privileges may be surrendered, abandoned, cancelled or modified pursuant to the provisions of Subdivision (B) of §6.01.

§5.10. That it will record, register, file, renew, refile and rerecord this Indenture and every indenture supplemental hereto which hereafter may be executed and all such documents as may be required by law in order to maintain this Indenture at all times as a mortgage of both real estate and personal property, all in such manner, at such times and in such places as may be required by law in order fully to preserve and protect the security of the bondholders and the rights of the Trustees and will furnish to the Trustee (a) promptly after the execution and delivery of this Indenture and of each supplemental indenture, an opinion of counsel (who may be of counsel for the Company) either stating that in the opinion of such counsel this Indenture or such supplemental indenture has been properly recorded and filed so as to make effective the lien intended to be created thereby, and reciting the details of such action, or stating that in the opinion of such counsel no such action is necessary to make such lien effective; and (b) at least annually after execution and delivery of this Indenture on or about December 1 of each year, beginning with the year 1941, an opinion of counsel (who may be of counsel for the Company) either stating that in the opinion of such counsel such action has been taken with respect to the recording, filing, re-recording and re-filing of this Indenture and of each supplemental indenture, as is necessary to maintain the lien thereof and reciting the details of such action, or stating that in the opinion of such counsel no such action is necessary to maintain such lien. The Company will to the extent it may lawfully do so pay any mortgage recording tax due on any recording hereof or of any such supplemental indenture and pay any further mortgage recording tax due at any time hereafter upon the issuance of additional Bonds hereunder and will comply with the requirements of any and every mortgage recording tax law or similar law affecting the due recording or maintaining of this Indenture, and will do whatever else may be necessary or be reasonably required by the Trustee or Trustees in order to perfect and continue the lien of this Indenture upon the property mortgaged, pledged or assigned hereunder or intended so to be.

§5.11. That all property and interests in property of every kind, not hereby expressly excepted from the lien of this Indenture, which hereafter may be acquired or constructed by the Company, shall, immediately upon the acquisition or construction thereof by the Company, and without any further conveyance, assignment or other act, become and be subject to the lien of this Indenture as fully and completely as though now owned by the Company and specifically described in the granting clauses hereof; but nevertheless, at any and all times the Company will execute, acknowledge and deliver any and all such further assurances or conveyances or assignments thereof as the Trustee or Trustees may reasonably direct or require, for the purpose of expressly and specifically subjecting the same to the lien of this Indenture; and also, the Company will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, all and every such further acts, deeds, conveyances, transfers and assurances in the law for the better assuring, conveying, assigning and confirming unto the Trustees all and singular the franchises, premises, estates and properties described in the granting clauses hereof and hereby conveyed and mortgaged, or intended so to be, or which the Company may be or hereafter become bound to mortgage, convey or assign to the Trustees, as the Trustee or Trustees may reasonably require.

§5.12. That it will at all times maintain and preserve and keep its public utility property (exclusive of retired property) and every part thereof, in good repair and that from time to time it will make all needful repairs, renewals and replacements, so that at all times the security for the Bonds issued hereunder and the efficiency of its property hereby mortgaged shall be fully preserved and maintained, and will promptly record as retired on its books all public utility property that is no longer used or useful in the Company's business; provided, however, that nothing herein contained shall be construed to prevent the Company from ceasing to operate any of its systems or property, if in the judgment of the Company and in the opinion of an engineer it is advisable not to operate the same for the time being or if the Company intends to sell or otherwise dispose of the same, and within a reasonable time endeavors to effect such a sale or other disposition, or to prevent the Company from adopting another or different system of operation and substituting equipment and prop-

erty adapted thereto for the then existing lines, plants, buildings, mains, and other equipment and property.

§5.13. That it will at all times keep insured to a reasonable amount in responsible companies such of the buildings, stations, machinery, equipment and apparatus of the Company as are usually insured by companies operating like properties against destruction or damage by fire or other accident against which insurance is usually carried by companies operating like properties.

That all policies for such insurance on the mortgaged property shall be so drawn as to make any one loss aggregating twenty-five thousand dollars (\$25,000) or more payable thereunder to the Trustees as their interests may appear, provided, however, that if any property so insured is covered by any prior lien or liens, the losses under any policies of such insurance on such property until the final satisfaction and discharge of such liens may be made payable also to the respective trustees or mortgagees under such liens.

The Company, as soon as practicable after the execution of this Indenture and thereafter on or about the first day of December in each year, beginning December 1, 1941, shall furnish to the Trustee a detailed statement, signed by its Treasurer or one of its Assistant Treasurers, of the insurance policies outstanding and in force upon the mortgaged property or any part thereof, including the names of the insurance companies which have issued the policies, the payee or payees thereunder, the amounts thereof and all the property covered thereby; but the Trustee shall be under no duty to request such detailed statement or otherwise to supervise the insurance of the mortgaged property.

All insurance moneys received by the Trustees or either of them shall be deposited with the Trustee and shall be treated as Funds in Escrow and be paid over to the Company or applied, pursuant to the provisions of §7.02.

The Trustees shall consent to the release of any insurance moneys received or held by the trustee or other mortgagee under any prior lien upon receipt of a written request of the Company so requesting, and upon receipt of a statement from such trustee, or other mortgagee, if any, that the Company has complied with the conditions for the release of insurance moneys under such lien, and such written request

and statement shall be full authority to the Trustees hereunder for consenting to such release, and no further authority shall be required in such case; but the consent of the Trustees hereunder shall not be required as a condition to the release of such moneys.

That insurance moneys covering losses of twenty-five thousand dollars (\$25,000) or more paid to a trustee or other mortgagee under a prior lien as permitted by this §5.13 upon being paid over to the Company by such trustee or mortgagee will be used by the Company only to pay for or to reimburse it for the cost of repairs to, replacements of or substitutions for the damaged or destroyed property, or will be used to pay and discharge prior lien debt secured by such prior lien, or if not so used will be deposited with the Trustee, in which case such moneys shall be treated as Funds in Escrow, and be paid over to the Company or applied, pursuant to the provisions of §7.02.

In case of any loss covered by any policy of insurance, any appraisalment or adjustment of such loss and settlement and judgment of indemnity therefor which may be agreed upon between the Company and the insurance company may be consented to and accepted by the Trustees, and the Trustees shall be in no way liable or responsible for the adjustment or collection of any insurance in case of any loss.

§5.14. That, so long as any of the Bonds of Series A remain outstanding, it will not (a) declare or pay any dividend or make any distribution on any shares of its Common Stock (other than dividends payable in Stock of the Company), or (b) purchase, acquire or otherwise retire for a consideration any shares of its Capital Stock (other than from the proceeds of new stock financing) except (i) out of net income of the Company available for such dividends, distributions or retirements, accumulated after December 31, 1939, and (ii) up to \$119,000 out of surplus accumulated prior to January 1, 1940.

Net income of the Company for the purpose of this §5.14 shall mean the gross earnings of the Company less all proper deductions for operating expenses, taxes, interest charges, current amortization, preferred stock dividends and other appropriate items, including charges or provisions for retirements or depreciation in an amount equal to at least twelve and one-half per centum (12½%) of the total operating revenues of the Company from public utility property less charges for maintenance, from January 1, 1940 up to and

including the end of the month next preceding the month in which a dividend on the Common Stock is to be paid, and shall be otherwise determined in accordance with such system of accounts as may be prescribed by governmental authorities having jurisdiction in the premises or in the absence thereof in accordance with standard accounting practice; provided that in determining the amount of such net income accumulated after December 31, 1939 no deduction or adjustment shall be made for or on account of (a) unamortized debt discount and expense and premiums, redemption premiums and double interest and financing expenses arising from the issuance of Bonds and other securities of the Company or (b) any profit or loss on the sale of investments or capital assets or any change or adjustment in the book value of, or depreciation or appreciation of the value of, any assets owned by the Company on December 31, 1939, or (c) any earned surplus adjustment applicable to any period or periods prior to January 1, 1940.

§5.15. That, whenever necessary to avoid or fill a vacancy in the office of the Trustee, the Company will, in the manner provided in §15.18, appoint a Trustee so that there shall at all times be a Trustee hereunder which shall at all times be a bank or trust company having its principal office and place of business in the City of Boston, Massachusetts, or in the Borough of Manhattan, City and State of New York, if there be such a bank or trust company willing and competent to accept the trust upon reasonable or customary terms, and which shall at all times be a corporation organized and doing business under the laws of the United States or of any State or Territory or of the District of Columbia, with a capital and surplus of at least One Million Dollars (\$1,000,000), and authorized under such laws to exercise corporate trust powers and subject to supervision or examination by Federal, State, Territorial or District of Columbia authority.

§5.16. That in the event of the sale of all or any part of its gas system as defined in §1.01 (p) the proceeds shall consist solely of cash which shall be deposited with the Trustee and paid over to the Company or applied, pursuant to the provisions of §7.02.

§5.17. That it hereby expressly agrees that upon the happening of an event of default all the excepted property in Paragraphs (C),

(D), (E), (F) and (G) (but not in Paragraphs (A), (B), (H) and (I)) of Part X of the Granting Clauses of this Indenture and then possessed by or belonging to it shall forthwith become and be to the extent permitted by law subject to the lien and operation of this Indenture and all such property or evidences of the same not situated in the State of California shall forthwith be conveyed, mortgaged, pledged, assigned, transferred and delivered by it to the Trustees and all such property or evidences of the same situated in the State of California shall forthwith be conveyed, mortgaged, pledged, assigned, transferred and delivered by it to the Individual Trustee; provided, however, that if such event of default so happening shall be duly cured, removed or waived all of such property shall forthwith cease to be subject to the lien and operation of this Indenture, and all thereof, or the evidences of the same, shall forthwith be reconveyed and delivered to it by the Trustees or by the Individual Trustee, as the case may be, and the Company and the Trustees shall be restored to their former positions and rights hereunder.

ARTICLE 6.

POSSESSION, USE AND RELEASE OF MORTGAGED PROPERTY.

§6.01. Unless an event of default exists (A) the Company shall be suffered and permitted to possess, manage, develop, operate, use and enjoy the mortgaged property (except such cash as is expressly required to be deposited with the Trustee and except, to the extent not herein otherwise provided, such securities as are deposited or expressly required to be deposited with the Trustee), and to receive, use and dispose of the tolls, rents, revenues, issues, earnings, income, and profits thereof, including interest on and other income from securities and purchase money mortgages held by the Trustee, rents and royalties under oil and gas leases, with power in the ordinary course of business freely and without let or hindrance on the part of the Trustees or of the bondholders, to use, consume, deal in, sell or otherwise dispose of materials and supplies and the products of the business of the Company, and except as herein otherwise expressly provided to the contrary, to obtain the benefits of and to exercise any and all rights under contracts, franchises and claims;

(B) the Company may at any time and from time to time, without any release or consent by the Trustees or accountability to the Trustees for any consideration received by the Company:

(1) sell or otherwise dispose of, free from the lien of this Indenture, any machinery, equipment, tools, implements or other similar property which shall have become old, inadequate, obsolete, worn out or unfit or unadapted for use in the operations of the Company upon replacing the same by or substituting for the same other property, not necessarily of the same character but of a value at least equal to that of the property sold or otherwise disposed of;

(2) cancel or make changes in or alterations of or substitutions for any and all contracts and leases;

(3) alter, change the location of, add to, repair and replace any and all transmission and distribution lines, pipe lines, measuring stations, compressor stations, sub-stations, machinery, fixtures and other equipment;

(4) cancel, make changes in or substitution for or dispose of any and all rights of way (including easements and licenses); provided that no right of way for electric, gas or water distribution lines shall be surrendered or disposed of without a release thereof by the Trustees, unless before or concurrently with such surrender or disposition the Company shall own or acquire other rights of way for the same portion of said line or lines or for a relocated or substituted line or lines serving substantially the same purpose or unless the properties served thereby have been abandoned or released as hereinafter provided;

(5) surrender or assent to the modification of any franchise (including in that term any ordinances, indeterminate permits or other operating rights, however denominated, granted by state, municipal or other public authority) under which the Company may be operating; provided that, at the time of any such surrender or modification, the Company shall still have, under some other existing franchise or under a new franchise received in exchange for the surrendered franchise or under the same franchise as modified, lawful authority sufficient, in the opinion of counsel, for the

conduct of the same or an extended business in substantially the same or an extended territory for the same or an extended or unlimited period of time, or for a period of time which cannot be determined without the consent of the Company before the latest maturity date of any Bonds then outstanding hereunder, except upon default by the Company or upon condemnation or payment of compensation for the property taken or upon the reinstatement of the franchise surrendered or modified;

(6) abandon, or permit the abandonment of, the operation of any property of the Company, including the gas system as defined in §1.01 (p), and the surrender by the Company of any franchises or grant of a right of way or easement as above defined under which such property is operated, whenever the operation of such property and such franchises is not, under the circumstances, necessary or important for the operation of the other systems and plants of the Company, or whenever such abandonment or surrender is deemed for any reason to be advisable; provided, however, (a) that if the Company receives for or in connection with such abandonment or surrender any cash or other thing of value, the same shall forthwith be deposited with the Trustee, subject to disposition as provided in Article 7; and (b) that if the amount at which such property was originally charged to the fixed capital accounts of the Company exceeds \$100,000, before such abandonment or surrender, there shall be furnished to the Trustee an independent engineer's certificate (describing the property, franchise or grant to be abandoned or surrendered), to the effect that neither such operation nor such franchises are under the circumstances necessary or important for the operation of the other systems and plants of the Company or that such abandonment or surrender is advisable for some other specified reason, and in either case that such abandonment or surrender will not be prejudicial to the interests of the holders of the Bonds; and/or

(7) grant or convey rights of way and easements on any real estate owned by the Company, provided that any such grant or conveyance will not impair the usefulness of the trust estate and will not be prejudicial to the interests of the holders of the Bonds hereunder.

The Trustees or the Individual Trustee, as the case may be, shall, however, upon receipt of a written request of the Company, and, in the case of the surrender or modification of a franchise, a resolution of the Board of Directors of the Company authorizing such request, execute any release and/or consent which may be therein requested to confirm any action taken by the Company pursuant to this Subdivision (B) of §6.01.

§6.02. Unless the Company is in default in the payment of the interest on any Bonds then outstanding hereunder or an event of default exists, the Company may obtain the release of any of the mortgaged property, except cash then held by the Trustee, and the Trustees, or the Individual Trustee, as the case may be, shall release the same from the lien hereof, upon receipt of

(1) a written request of the Company requesting such release and describing in reasonable detail the property to be released and stating whether the Company has sold, exchanged or disposed of, or has agreed to sell, exchange or dispose of, such property, and, if so, stating the amount and character of the net consideration, after commissions, to be received by the Company therefor;

(2) an engineer's certificate, (or an independent engineer's certificate, in case the fair value of the property or securities to be released and of all other property or securities released since the commencement of the then current calendar year, as set forth in the certificate required pursuant to this paragraph (2), and any similar certificates pursuant to this paragraph (2) and any other sections of this Article 6, is 10% or more of the aggregate principal amount of Bonds at the time outstanding, unless the fair value of the property to be released, as set forth in the certificate, is less than \$25,000 or less than 1% of the aggregate principal amount of Bonds at the time outstanding) made and dated not more than ninety (90) days prior to the date of the filing of such written request, stating (a) the then fair value, in the opinion of the signer, of the property to be released, and (b) that such release is, in the opinion of the signer, desirable in the conduct of the business of the Company and will not impair the value of the remaining mortgaged property as an operating unit nor the security under this Indenture in contravention of the provisions hereof;

(3) subject to the provisions of §6.12, cash or purchase money obligations (complying with the limitations hereinafter set forth) and/or, in the case of an exchange of property, the applicable certificates and opinions complying with the provisions of Paragraphs (B) and (C) of Subdivision (III) of §7.02 evidencing the fair value and subjection to the lien of this Indenture of additional property, to an aggregate amount equal to (if the Company shall have sold, exchanged or disposed of the property to be released or agreed so to do) the net consideration, after commissions, to be received by the Company for the property to be released or, the fair value thereof (as specified in the engineer's certificate or in the independent engineer's certificate, as the case may be, provided for in paragraph (2) above), whichever is higher;

(4) in case any obligations secured by purchase money mortgage upon the property to be released are included in the consideration for such release and are delivered to the Trustee or the Individual Trustee, in connection with any release of such property, an opinion of counsel stating that such obligations are valid obligations and are within the limitations as to character and amount provided below, and that any purchase money mortgage securing the same is sufficient to afford a valid purchase money mortgage upon the property to be released, subject to no lien prior thereto except such liens, if any, as shall have existed thereon just prior to such release as liens prior to the lien of this Indenture and remain thereon; and

(5) in case the Trustees are requested to release any franchise, an opinion of counsel to the effect that such release will not impair the right of the Company to operate any of its remaining properties.

Any such release may be procured as above provided whether or not the Company has sold or otherwise disposed of the property to be released or contracted so to do, if the written request of the Company requesting such release shall state that the Company is then negotiating for the sale or other disposition of the property to be released; the release shall not be operative to free the property therein described from the lien of this Indenture until the Company shall have conveyed, transferred or otherwise disposed of the property covered

thereby; provided, however, that if all or any part of any property so released is not sold or otherwise disposed of within twelve months after any such release pertaining thereto is procured from the Trustees or the Individual Trustee, as the case may be, then the Company shall forthwith surrender such release to the Trustee for cancellation as to such property so released but not sold or disposed of.

In case part of the consideration to be received by the Company for the property to be released consists of purchase money obligations, such obligations shall mature not later than two years prior to the maturity of the Bonds of the latest maturity at the time outstanding hereunder and shall be secured by a closed purchase money mortgage as described in the opinion of counsel to be furnished pursuant to (4) above on the property so to be released to an amount not exceeding seventy per centum (70%) of the consideration received by the Company for such property, shall constitute all of the obligations secured by such mortgage and shall be deposited with the Trustee; and at no time shall the aggregate principal amount of obligations secured by purchase money mortgage on the property so to be released, together with all other obligations secured by purchase money mortgages received in connection with previous releases of property and remaining in the possession of the Trustee, exceed twenty per centum (20%) of the aggregate principal amount of Bonds outstanding. Any purchase money obligations received or to be received by the Trustee under any of the provisions of this Indenture in consideration for the release of any property by the Trustees or the Individual Trustee, as the case may be, and/or the purchase money mortgage securing such obligations may be released upon payment by the Company to the Trustee of the principal of such purchase money mortgage or any unpaid portion thereof and/or of the obligations thereby secured. The principal of any such purchase money mortgage, and/or of the obligations thereby secured, shall be paid over to or collected by the Trustee as and when the same shall become payable, and the Trustees may take any action which in their judgment may be desirable or necessary to preserve the security of such purchase money mortgage. In the event that the Trustees should take any action, they shall be indemnified for all expenses in connection therewith by the Company or in the event they shall not receive such indemnification or be paid such expenses they shall have a lien on the proceeds collected by reason

of such action to the extent of such expenses prior to the lien of the bondholders.

§6.03. Unless the Company is in default in the payment of interest on any Bonds then outstanding under this Indenture or an event of default exists, the Trustees shall release from the lien of this Indenture any of the property subject to the lien of this Indenture which is subject to any existing prior lien or liens and which is being released from such prior lien or liens, upon delivery to the Trustee of (a) written request of the Company, which shall describe the property to be released and state that it is being released from a prior lien therein described, (b) a statement of an engineer that the release will not impair the value of the remaining mortgaged property as an operating unit, (c) an opinion of counsel to the effect that such release will not impair the right of the Company to operate any of its remaining properties and that the property being released is subject to such prior lien and (d) a written statement of the trustee or trustees or mortgagee or mortgagees under any such prior liens satisfactory to the Trustee that the Company has complied with all the terms for such release under such lien or liens and stating the amount of cash, if any, deposited with it or them in connection with such release.

§6.04. Unless the Company is in default in the payment of interest on any Bonds then outstanding under this Indenture or an event of default exists, the Trustees, or the Individual Trustee, as the case may be, shall release from the lien hereof any property not needed for use by the Company in the operation of its business, provided the aggregate fair value of all property released pursuant to the provisions of this §6.04 in any period of twelve (12) consecutive calendar months shall not exceed the sum of twenty-five thousand dollars (\$25,000) or three-quarters of one per centum ($\frac{3}{4}$ of 1%) of the outstanding Bonds, whichever is greater, upon receipt by the Trustee of (1) a written request of the Company requesting such release and describing briefly the property to be released; (2) a credit certificate as defined in §1.01 (dd); and (3) an engineer's certificate made and dated not more than ninety (90) days prior to the date of the filing of such written request of the Company, stating (a) the then fair value, in the opinion of the signer, of the property to be released; (b) that such property is not needed for use by the Company in the operation of its business; and (c) that the aggregate fair value of all

property released pursuant to the provisions of this §6.04 within twelve (12) consecutive calendar months ending on the date of the request for the release and giving effect to such release has not exceeded the sum of twenty-five thousand dollars (\$25,000) or three-quarters of one per centum ($\frac{3}{4}$ of 1%) of the outstanding Bonds, whichever is greater.

§6.05. Should any of the mortgaged property be taken by exercise of the right of eminent domain or should any governmental body or agency, at any time, exercise any right which it may have to purchase any part of the mortgaged property, the Trustees or the Individual Trustee, as the case may be, may release the property so taken, purchased or sold upon receipt of an application of the Company and an opinion of counsel to the effect that such property has been taken by exercise of the right of eminent domain, or sold as a result of the exercise of a right which a governmental body or agency had to purchase the same. The proceeds of all property so taken or sold shall be in cash and shall be paid over to the Trustee or the Individual Trustee (unless the same shall have been paid or delivered to the trustee or other holder of a mortgage or other lien constituting a lien prior hereto, in accordance with the requirements thereof and a certificate of the Company and an opinion of counsel to that effect shall have been furnished to the Trustee), and (if paid over to the Trustee or the Individual Trustee hereunder) may thereafter be withdrawn, used or applied in the manner, to the extent and for the purposes and subject to the conditions provided in §7.02 hereof.

Anything in this §6.05 to the contrary notwithstanding,

(1) in the event that all or substantially all of the properties used by the Company in the conduct of any class of business thereof, except the electric business of the Company and except the gas system, are sold to or taken through the exercise of the right of eminent domain or the right to purchase by any municipal or governmental body or agency, the proceeds of such property shall be applied by the Trustee solely to the payment, purchase, redemption or retirement of Bonds in the manner provided for in Subdivision (IV) of §7.02, except that Bonds redeemed with cash deposited with the Trustee or the Individual Trustee pur-

suant to this paragraph shall be redeemed at the sinking and improvement fund redemption price, if any, then in effect; or

(2) in the event that all or substantially all the properties used by the Company in the conduct of its electric business are sold to or taken through the exercise of the right of eminent domain or the right to purchase by any municipal or governmental body or agency and (a) if the proceeds therefrom are sufficient to pay and redeem all of the Bonds then outstanding at the then applicable sinking and improvement fund redemption price, the Bonds shall forthwith be called for redemption at the sinking and improvement fund redemption price and accrued interest and such proceeds, or such part thereof as shall be necessary, shall be applied by the Trustee or the Individual Trustee to the redemption of the Bonds, or (b) if the proceeds therefrom are not sufficient to pay and redeem all of the Bonds then outstanding at the then applicable sinking and improvement fund redemption price the Bonds shall forthwith become due and payable at such sinking and improvement fund redemption price and such proceeds shall be applied by the Trustee in accordance with the provisions of paragraphs First and Second of §10.12; provided, however, that the failure of the Company to pay the balance of said sinking and improvement fund redemption price remaining after the application of such proceeds shall not constitute a default by the Company under this Indenture prior to the expiration of six months after the receipt of such proceeds by the Company, provided, however, that interest shall continue to accrue on such unpaid balance until paid in full.

§6.06. In case the Company proposes to sell or has sold any property of the character excepted from the lien hereof and the purchaser thereof requests the Company to furnish a written disclaimer or quit claim by the Trustees of any interest in such property under this Indenture, the Trustees shall execute such an instrument without substitution of other property or cash upon receipt of

(a) a written request of the Company reciting the sale or proposed sale, describing in reasonable detail the property sold or to be sold, stating that such property is not subject to the lien hereof, and stating that the purchaser has requested a written disclaimer or quit claim by the Trustees; and

(b) an opinion of counsel stating that such property is not subject to the lien hereof or required to be subjected thereto by any of the provisions hereof.

§6.07. In case the mortgaged property shall be in the possession of a receiver or trustee, lawfully appointed, the powers hereinbefore in this Article conferred upon the Company with respect to the sale or other disposition of the mortgaged property may be exercised, with the approval of the Trustee, by such receiver or trustee, notwithstanding the Company may be in default, and any request, certificate or appointment made or signed by such receiver or trustee for such purposes shall be as effective as if made by the Company or the Board of Directors of the Company or any of its officers or appointees in the manner herein provided; and if the Trustees shall be in possession of the mortgaged and pledged property under any provision of this Indenture, then such powers may be exercised by the Trustees in their discretion, notwithstanding the Company may be in default.

§6.08. The Trustees may (but shall not be bound to) execute any release or consent under the provisions of §§6.01 to 6.05, inclusive, notwithstanding the existence at the time of an event of default.

§6.09. No purchaser in good faith of property purporting to be released hereunder shall be bound to ascertain the authority of the Trustees to execute the release, or to inquire as to any facts required by the provisions hereof for the exercise of such authority, or to see to the application of any consideration paid by such purchaser.

§6.10. Any provision contained in this Article 6 requiring any cash, property or other consideration to be paid, transferred, conveyed or delivered to the Trustees shall be subject to the provisions of prior liens requiring the same to be otherwise paid, transferred, conveyed or delivered.

§6.11. §6.01 to §6.05, inclusive, shall not be construed as being in limitation of one another, but as separate and independent methods of releasing or disposing of property subject to the lien of this Indenture.

§6.12. Notwithstanding the provisions of paragraph (6) of Subdivision (B) of §6.01, §6.02 and §6.05, whenever provision is made for

the deposit of cash or other consideration with the Trustee or the Individual Trustee, such cash or other consideration need not be deposited to the extent that the Company would at the time be entitled, pursuant to §7.02, to the release of such cash or other consideration, if deposited, as evidenced by compliance, to the satisfaction of the Trustee, with the requirements of said §7.02. Any net amount of additional property, amount of additional property or Bonds evidenced pursuant to §7.02 in such connection shall, to the extent the same would have been necessary to entitle the Company to the release of such cash or other consideration, be deemed to have been actually used and funded under said §7.02.

ARTICLE 7.

RELEASE OF FUNDS IN ESCROW.

§7.01. The Trustees shall consent to the release of any cash received and held by the trustee or other mortgagee under any prior lien upon receipt of a written request of the Company accompanied by a written statement of such trustee or mortgagee, stating, or other evidence satisfactory to the Trustee showing, that such cash is to be applied by such trustee or mortgagee to the retirement of prior lien debt secured by such prior lien or withdrawn for a purpose for which such cash could be withdrawn if actually held by the Trustee hereunder, but without there being delivered to the Trustee any of the documents which would be required by the provisions of this Article 7 if such cash were actually held by the Trustee hereunder.

§7.02. Any money received by the Trustee pursuant to §5.13 and/or Article 6 (except as otherwise expressly provided therein) including payments on account of the principal of any purchase money obligations so received, and all other money elsewhere herein provided to be held and applied as in this §7.02 provided and all money, if any, received by the Trustee or the Individual Trustee whose disposition is not elsewhere herein specifically otherwise provided for (herein sometimes called "Funds in Escrow") shall be held by the Trustee and such money may be withdrawn, used or applied as in Subdivisions (I) to (IV), both inclusive, set forth below, provided that if the Company shall at any time be in default in the payment of the interest on any Bonds then outstanding hereunder or an event of default shall exist

such money shall be paid over to the Company only as provided in Subdivision (III) below.

Subdivision (I)—Such money may be withdrawn from time to time in an amount or amounts equal to all or any part of the principal amount of Bonds, the retirement or provision for the retirement of which shall have been evidenced to the Trustee pursuant to §3.05, to the extent that the same shall not have been theretofore funded, and upon receipt by the Trustee of a written request of the Company for the withdrawal of cash on such basis and setting forth (a) the principal amount of Bonds theretofore evidenced to the Trustee pursuant to Subdivision (B) of §3.05, not theretofore funded; (b) the amount thereof to be used as a basis for the withdrawal of such cash; (c) the amount thereof available after the withdrawal requested; and (d) that the Company is not in default in the payment of interest on any of the Bonds outstanding nor does an event of default exist.

Subdivision (II)—Such money may be withdrawn from time to time in an amount or amounts equal to all or any part of the net amount of additional property shown by any additional property certificate or certificates filed pursuant to §3.04, not theretofore funded, provided that the amount of additional property constructed or acquired not more than five (5) years prior to the date of the filing with the Trustee of the request for the withdrawal of such cash shall be at least equal to the amount of cash, the withdrawal of which is then being applied for, upon receipt by the Trustee of

(A) a written request of the Company for the withdrawal of cash on such basis and setting forth (a) the net amount of additional property not theretofore funded; (b) the amount thereof to be used as the basis for the withdrawal of such cash; (c) the amount thereof available after the use of such net amount of additional property as the basis for the withdrawal of such cash; (d) a brief reference to the additional property and the amount thereof constructed or acquired by the Company within five (5) years prior to the date of the filing with the Trustee of the written request aforesaid; and (e) that the Company is not in default in the payment of interest on any of the Bonds outstanding nor does an event of default exist, and

(B) if the net amount of additional property referred to in the written request of the Company filed pursuant to (A) above has not been certified to the Trustee pursuant to Subdivision (B) of §3.04 in an engineer's certificate filed with the Trustee made and dated not more than ninety (90) days prior to the filing of such written request, a credit certificate as defined in §1.01 (dd).

Subdivision (III)—Such money may be withdrawn from time to time in an amount or amounts equal to the amount of additional property constructed or acquired by the Company contemporaneously with or subsequent to the deposit of such cash with the Trustee, upon receipt by the Trustee of

(A) a written request of the Company for the withdrawal of cash on such basis and setting forth (a) a brief description of the additional property to be used as the basis for the withdrawal of such cash and the cost thereof to the Company and the date or dates of the acquisition or construction of such additional property; (b) the amount of such additional property; (c) that none of such additional property has been theretofore funded and the amount thereof to be used as the basis for the withdrawal of such cash; (d) the amount thereof available after the use of such additional property as the basis for the withdrawal of such cash; and (e) whether or not the Company is in default in the payment of interest on any of the Bonds outstanding or an event of default exists;

(B) an engineer's certificate stating (a) the then fair value, in the opinion of the signer, of such additional property and (b) whether or not such additional property being certified or included in (A) above includes property which, within six months prior to the date of acquisition thereof by the Company, has been used or operated by a person or persons other than the Company in a business similar to that in which it has been or is to be used or operated by the Company, and if included, whether or not the fair value to the Company of such property is less than \$25,000 and less than 1% of the aggregate principal amount of the Bonds at the time outstanding. If, as stated in such certificate, such additional property being certified includes property which, within six months prior to the date of acquisition thereof by the Company, has been used or operated by a person or persons

other than the Company in a business similar to that in which it has been or is to be used or operated by the Company, and, as stated in such certificate, the fair value to the Company of such property is not less than \$25,000 and not less than 1% of the aggregate principal amount of the Bonds at the time outstanding, an independent engineer's certificate as to the fair value to the Company of such property and of any other such property so used or operated which, since the commencement of the then current calendar year, has been subjected to the lien of this Indenture and made the basis for the authentication and delivery of Bonds, the withdrawal of cash constituting a part of the trust estate or the release of property or securities subject to the lien of this Indenture and as to which an independent engineer's certificate has not previously been furnished, shall be furnished the Trustee; and

(C) an opinion of counsel relating to the additional property described in the written request of the Company similar to that provided in paragraph (c) of Subdivision (B) of §3.04.

So long as neither the Trustee, nor the Individual Trustee, has taken any action permitted by §10.03 of this Indenture, such moneys may be withdrawn pursuant to this Subdivision (III) notwithstanding that the Company is in default in the payment of the interest on any Bonds then outstanding or an event of default exists, subject to the provisions of §15.02.

Subdivision (IV)—Such money may be applied by the Trustee to the payment, purchase, redemption or retirement of Bonds, upon receipt by the Trustee of

(A) a written request of the Company specifying the method by which such cash is to be applied pursuant to this Subdivision (IV) and stating that the Company is not in default in the payment of interest on any of the Bonds outstanding nor does an event of default exist; and

(B) a resolution of the Board of Directors of the Company authorizing and directing the Trustee to apply such cash pursuant to this Subdivision (IV) in the manner designated in such resolution.

All Bonds purchased or received by the Trustee under the provisions of this Subdivision (IV) shall be cancelled and cremated.

ARTICLE 8.

EVIDENCE OF RIGHTS OF BONDHOLDERS.

§8.01 The Company and the Trustee may deem and treat the bearer of any coupon Bond issued hereunder, which shall not at the time be registered as to principal, and the bearer of any coupon, whether or not the Bond to which it appertains be so registered, as the absolute owner of such Bond or coupon, as the case may be, for the purpose of receiving payment thereof or on account thereof, whether such Bond or coupon be overdue or not, and the Company and the Trustee in the absence of bad faith shall not be affected by any notice to the contrary. The Company and the Trustee may deem and treat the registered owner of any registered Bond, or of any coupon Bond which shall have been registered as to principal, as the absolute owner of such Bond for the purpose of receiving payment thereof or on account thereof, whether such Bond be overdue or not, and the Company and the Trustee in the absence of bad faith shall not be affected by any notice to the contrary. The Company covenants and agrees to indemnify the Trustee and save it harmless from and against any and all loss, cost, damage or expense incurred by it in so treating any such bearer or registered owner.

§8.02. Any request or other instrument required or permitted by this Indenture to be signed and executed by bondholders may be in any number of concurrent instruments of similar tenor, and may be signed or executed by such bondholders in person or by attorney appointed in writing. Proof of the execution of any such request or other instrument, or of a writing appointing any such attorney, or of the holding or ownership by any person of Bonds or coupons, may be made in any manner satisfactory to the Trustees and shall be sufficient for any purpose of this Indenture and, subject to the provisions of §15.02 and §15.03, shall be conclusive in favor of the Trustees and of the Company with regard to any action taken by the Trustees or by the Company under such request or other instrument, if made in the following manner:

(a) The fact and date of the execution by any person of any such request or other instrument or writing may be proved by the certificate of any notary public, or other officer authorized to take acknowledgments of deeds to be recorded in the place where such

acknowledgment is taken, certifying that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness to such execution duly sworn to before any such notary public or other officer;

(b) The amount of Bonds transferable by delivery held by any person executing such request or other instrument as a bondholder, and the denominations, series and issue numbers thereof, held by such person, and the date of his holding the same (which holding the Trustee may deem to continue until it receives notice in writing to the contrary) may be proved by a certificate executed by any trust company, bank, banker or other depository wherever situated, if such certificate shall be deemed by the Trustee to be satisfactory, stating that at the date therein mentioned such person had on deposit with or exhibited to such depository the Bonds described in such certificate. The Trustee may nevertheless in its discretion require further proof in cases wherein it deems further proof desirable, and may require any such Bonds to be deposited with it and any title, if disputed, to be established to its satisfaction;

(c) The ownership of coupon Bonds registered as to principal or registered Bonds without coupons shall be proved by the registry books as hereinbefore provided.

The Trustee shall not be bound to recognize any person as a bondholder or take any action at his request unless and until his title to the Bonds held by him is proved in the manner in this Article 8 provided or unless such Bonds shall be deposited with the Trustee.

§8.03. Any request or other instrument in writing made pursuant to any provisions hereof by any bondholder shall bind any future holder or holders of the same and of all Bonds issued in exchange therefor or in lieu thereof in respect of the matters to which such request or other instrument relates.

ARTICLE 9.

BONDHOLDERS' LISTS AND REPORTS BY THE COMPANY AND THE TRUSTEES.

§9.01. The Company covenants and agrees that it will furnish or cause to be furnished to the Trustee, on or about June 20 and Decem-

ber 20 in each year, beginning with the year 1941, and at such other times as the Trustee may request in writing, a list in such form as the Trustee may reasonably require containing all the information in the possession or control of the Company or of its paying agents (other than the Trustee) as to the names and addresses of the holders of Bonds outstanding under the Indenture obtained since the date as of which the next previous list, if any, was furnished. Any such list may be dated as of a date not more than 20 days prior to the time such information is furnished or caused to be furnished, and need not include information received after such date.

§9.02. (a) The Trustee shall preserve, in as current a form as is reasonably practicable, all information as to the names and addresses of the holders of Bonds outstanding under the Indenture (1) contained in the most recent list furnished to it as provided in ~~the~~ §9.01, (2) received by it in the capacity of paying agent under the Indenture, and (3) filed with it within two preceding years pursuant to the provisions of paragraph (2) of subsection (c) of §9.04. The Trustee may (1) destroy any list furnished to it as provided in §9.01 upon receipt of a new list so furnished; (2) destroy any information received by it as paying agent upon delivery to itself as Trustee, not earlier than 45 days after an interest payment date of the Bonds, of a list containing the names and addresses of the holders of Bonds obtained from such information since the delivery of the next previous list, if any; (3) destroy any list delivered to itself as Trustee which was compiled from information received by it as paying agent upon receipt of a new list so delivered; and (4) destroy any information received by it pursuant to the provisions of paragraph (2) of subsection (c) of §9.04, but not until two years after such information has been filed with it.

(b) In case three or more holders of Bonds outstanding under the Indenture (hereinafter in this Section referred to as "applicants") apply in writing to the Trustee, and furnish to the Trustee reasonable proof that each such applicant has owned one or more Bonds outstanding under the Indenture for a period of at least six months preceding the date of such application, and such application states that the applicants desire to communicate with other holders of Bonds with respect to their rights under the Indenture or under the Bonds, and is accompanied by a copy of the form of proxy or other communication which such appli-

cants propose to transmit, then the Trustee shall, within five business days after the receipt of such application, at its election, either

(1) afford to such applicants access to the information preserved at the time by the Trustee in accordance with the provisions of subsection (a) of this Section; or

(2) inform such applicants as to the approximate number of holders of Bonds whose names and addresses appear in the information preserved at the time by the Trustee, in accordance with the provisions of subsection (a) of this Section, and as to the approximate cost of mailing to such bondholders the form of proxy or other communication, if any, specified in such application.

If the Trustee shall elect not to afford to such applicants access to such information, the Trustee, shall, upon the written request of such applicants, mail to each bondholder whose name and address appears in the information preserved at the time by the Trustee in accordance with the provisions of subsection (a) of this §9.02 a copy of the form of proxy or other communication which is specified in such request, with reasonable promptness after a tender to the Trustee of the material to be mailed and of payment, or provision for the payment, of the reasonable expenses of mailing, unless within five days after such tender, the Trustee shall mail to such applicants, and file with the Securities and Exchange Commission together with a copy of the material to be mailed, a written statement to the effect that, in the opinion of the Trustee, such mailing would be contrary to the best interests of the holders of Bonds or would be in violation of applicable law. Such written statement shall specify the basis of such opinion. If said Commission, after opportunity for a hearing upon the objections specified in the written statement so filed, shall enter an order refusing to sustain any of such objections, or if, after the entry of an order sustaining one or more of such objections, said Commission shall find, after notice and opportunity for a hearing, that all the objections so sustained have been met, and shall enter an order so declaring, the Trustee shall mail copies of such material to all such bondholders with reasonable promptness after the entry of such order and the renewal of such tender; otherwise the Trustee shall be relieved of any obligation or duty to such applicants respecting their application.

(c) The Trustee shall not be held accountable by reason of the mailing of any material pursuant to any request made under subsection (b) of this §9.02.

§9.03. The Company covenants and agrees

(1) to file with the Trustee, within 30 days after the Company is required to file the same with the Securities and Exchange Commission, copies of its annual report and of the information, documents, and other reports (or copies of such portions of any of the foregoing as the Commission may from time to time by rules and regulations prescribe) which the Company may be required to file with such Commission pursuant to Section 13 or Section 15 (d) of the Securities Exchange Act of 1934; or, if the Company is not required to file information, documents, or reports pursuant to either of such sections of the Securities Exchange Act of 1934, then to file with the Trustee and the Securities and Exchange Commission, in accordance with rules and regulations prescribed from time to time by said Commission, such of the supplementary and periodic information, documents and reports which may be required pursuant to Section 13 of the Securities Exchange Act of 1934 in respect of a security listed and registered on a national securities exchange as may be prescribed from time to time in such rules and regulations;

(2) to file with the Trustee and the Securities and Exchange Commission, in accordance with rules and regulations prescribed from time to time by said Commission, such additional information, documents and reports with respect to compliance by the Company with the conditions and covenants provided for in this Indenture as may be required from time to time by such rules and regulations; and

(3) to transmit to the holders of Bonds in the manner and to the extent provided in subsection (c) of §9.04, with respect to reports pursuant to subsection (a) of said §9.04, such summaries of any information, documents and reports required to be filed by the Company pursuant to subsections (1) and (2) of this §9.03 as may be required by the rules and regulations prescribed from time to time by the Securities and Exchange Commission.

§9.04. (a) The Trustee and the Co-Trustee shall each transmit, on or before April 1 in each year beginning with the year 1942, to the bondholders as hereinafter in this Section provided, a brief report dated as of January 1 of each such year, with respect to

(1) its eligibility and its qualifications under §5.15, §15.01 and §15.14 in the case of the Trustee and its qualifications under §15.14 in the case of the Co-Trustee, or in lieu thereof, if to the best of its knowledge it has continued to be eligible and/or qualified under such Sections, a written statement to such effect;

(2) the character and amount of any advances (and if the Trustee elects so to state, the circumstances surrounding the making thereof) made by the Trustee, as such, which remain unpaid on the date of such report, and for the reimbursement of which it claims or may claim a lien or charge prior to that of the Bonds on the trust estate, or on property or funds held or collected by it as Trustee, if such advances so remaining unpaid aggregate more than one-half of 1% of the principal amount of the Bonds outstanding on the date of such report;

(3) the amount, interest rate, and maturity date of all other indebtedness owing by the Company or by any obligor upon the Bonds to the Trustee in its individual capacity on the date of such report, with a brief description of any property held as collateral security therefor, except an indebtedness based upon a creditor relationship arising in any manner described in paragraphs (2), (3), (4) or (6) of subsection (b) of §15.15 hereof;

(4) the property and funds physically in the possession of the Trustee, as such Trustee, or of a depository for it, on the date of such report;

(5) any release, or release and substitution, of property subject to the lien of the Indenture (and the consideration therefor, if any) which it has not previously reported; provided, however, that to the extent that the aggregate value as shown by the release papers of any or all of such released properties does not exceed an amount equal to 1% of the principal amount of Bonds then outstanding, the report need only indicate the number of such releases, the total value of property released as shown by the release papers, the aggregate amount of cash received and the

aggregate value of property received in substitution therefor as shown by the release papers;

(6) any additional issue of Bonds which the Trustee has not previously reported; and

(7) any action taken by the Trustee in the performance of its duties under the Indenture which it has not previously reported and which in its opinion materially affects the Bonds or the trust estate, except action in respect of a default, notice of which has been or is to be withheld by the Trustee in accordance with the provisions of §10.02 hereof.

(b) The Trustee and the Co-Trustee shall each transmit to the bondholders as hereinafter provided, within 90 days after the making of any release or advance as hereinafter specified, a brief report with respect to—

(1) the release, or release and substitution, of property subject to the lien of the Indenture (and the consideration therefor, if any) unless the fair value of such property, as set forth in the certificate or opinion required by §6.02 or by Subdivision (III) of §7.02, is less than 10% of the principal amount of Bonds outstanding under the Indenture at the time of such release, or such release and substitution; and

(2) the character and amount of any advances (and if the Trustee elects so to state, the circumstances surrounding the making thereof) made by the Trustee, as such, since the date of the last report transmitted pursuant to the provisions of subsection (a) of this §9.04 (or if no such report has yet been so transmitted, since the date of execution of this Indenture), for the reimbursement of which it claims or may claim a lien or charge, prior to that of the Bonds, on the trust estate or on property or funds held or collected by it as such Trustee, and which it has not previously reported pursuant to this paragraph, if such advances remaining unpaid at any time aggregate more than 10% of the principal amount of Bonds outstanding at such time.

(c) Reports of the Trustee and the Co-Trustee pursuant to this §9.04 may be combined in a single document and shall be transmitted by mail—

(1) to all registered holders of Bonds outstanding under the Indenture, as the names and addresses of such holders appear upon the registration books of the Company;

(2) to such holders of Bonds outstanding under the Indenture as have, within two years preceding such transmission, filed their names and addresses with the Trustee for that purpose; and

(3) except in the case of reports pursuant to subsection (b) of this §9.04, to each bondholder whose name and address is preserved at the time by the Trustee, as provided in subsection (a) of §9.02 hereof.

(d) A copy of each such report shall, at the time of such transmission to bondholders, be filed by the Trustee with each stock exchange upon which the Bonds are listed and also with the Securities and Exchange Commission.

ARTICLE 10.

REMEDIES.

§10.01. In case any one or more of the following events (herein sometimes called events of default) shall happen,—that is to say:

(a) Default shall be made in the due and punctual payment of any interest on any of the Bonds when and as the same shall become due and payable as therein expressed, and such default shall continue for a period of ninety (90) days;

(b) Default shall be made in the due and punctual payment of the principal of any of the Bonds when and as the same shall become due and payable as therein expressed whether at maturity, upon call for redemption, by declaration as herein provided or otherwise;

(c) Default shall be made in the due and punctual payment of the principal of or interest on any prior lien debt or in the performance or observance of any covenant or condition contained in the instrument evidencing any such prior lien debt or the mortgage or indenture securing the same, if by reason of such default any right of foreclosure or of entry or of sale shall have arisen under any such mortgage or indenture;

(d) Default shall be made in the performance or observance of any other of the covenants, agreements or conditions, including sinking fund obligations, on the part of the Company to be kept, observed and performed, in this Indenture or in any indenture supplemental hereto or in any of the Bonds contained, and such default shall continue for a period of ninety (90) days after written notice specifying such default and requiring the same to be remedied shall have been given to the Company by the Trustee, or to the Company and the Trustee by the holders of not less than ten per centum (10%) in principal amount of the Bonds then outstanding;

(e) By decree of a court of competent jurisdiction, the Company shall be adjudicated a bankrupt, or an order shall be made approving a petition filed by any creditors or stockholders of the Company seeking reorganization or readjustment of the Company under the Federal bankruptcy laws or other law or statute of the United States of America or any State, or, by order of a court of competent jurisdiction, a trustee or a receiver or receivers shall be appointed of all or substantially all of the property of the Company, and any such decree or order shall have continued unstayed on appeal or otherwise and in effect for a period of ninety (90) days; or

(f) The Company shall admit in writing its inability to pay its debts generally as they become due or shall file a petition in voluntary bankruptcy or shall make any general assignment for the benefit of its creditors, or shall consent to the appointment of a receiver or trustee of all or substantially all of its property, or shall file in any court of competent jurisdiction a petition or answer seeking reorganization or readjustment under the Federal bankruptcy laws or other law or statute of the United States of America or any State thereof, or shall file a petition to take advantage of any debtors' act;

thereupon and in each and every such case an event of default shall exist within the meaning of this Indenture, and if and so long as the event of default shall continue to exist either the Trustees or the holders of not less than twenty-five per centum (25%) in principal amount of the Bonds at the time outstanding may, by notice in writing to the Com-

pany, (and to the Trustee if given by the bondholders) declare the principal of all Bonds then outstanding, together with all accrued and unpaid interest thereon, if not already due, to be due and payable immediately, and upon any such declaration the same shall become and be due and payable immediately, anything in this Indenture or in any of the Bonds contained to the contrary notwithstanding.

This provision, however, is subject to the condition that, if at any time after the principal of all the Bonds shall have been so declared due and payable, and before any sale of the mortgaged property shall have been made, all arrears of interest upon all the Bonds, with interest on overdue instalments of interest at the same rates respectively borne by the Bonds the interest on which shall be in default, together with the reasonable charges and expenses of the Trustees, their agents and attorneys, and all other sums which may have become due and payable by the Company under this Indenture, other than the principal of such Bonds as shall not have become due and payable by their terms or upon call for redemption, shall either be paid by the Company to those entitled thereto (or to the Trustee for their account) or be collected out of the income from or earnings of the trust estate, and all other defaults known to the Trustees under the Bonds or under this Indenture shall be made good or be secured to the satisfaction of the Trustees, or provision deemed by the Trustees to be adequate shall be made therefor, or shall have been waived as in §10.24 provided, then and in every case the holders of not less than a majority in principal amount of the Bonds then outstanding, by written notice to the Company and to the Trustees, before any sale of all or any part of the mortgaged property pursuant to the provisions of this Article 10, may annul any such declaration and its consequences and waive such default and its consequences under this Indenture.

§10.02. The Trustee shall, within ninety (90) days after the occurrence of a default designated in §10.01 hereof, give to the bondholders in the manner and to the extent provided in subsection (c) of §9.04, notice of all such defaults known to the Trustee, unless such defaults shall have been cured before the giving of such notice, (the term "defaults" for the purpose of this §10.02 being hereby defined to mean the occurrence of the events specified in subsections (a), (b), (c), (d), (e) and (f) of §10.01, but without the elapsing of any periods of time mentioned

in said subsections); provided that, except in the case of default in the payment of the principal of or interest on any of the Bonds, or in the payment of any sinking or purchase fund instalment, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee, or a trust committee of directors and/or responsible officers of the Trustee in good faith determine that the withholding of such notice is in the interests of the bondholders.

§10.03. In case one or more of the events of default enumerated in §10.01 shall exist, then and in each and every such case the Trustees, or either of them personally or by their attorneys or agents, are hereby authorized and empowered, and whether or not the principal of the Bonds shall have matured or been declared due, to exercise any one or more of the following remedies, and to do or cause to be done any or all of the following acts and things, namely:

(1) The Individual Trustee, by his agents or attorneys, may enter into and upon and take possession of any or all of the mortgaged property and each and every part thereof, and may exclude the Company, its successors or assigns, its or their agents, servants and employees wholly therefrom, and have, hold, use, operate, manage and control the same and each and every part thereof and, in the name of the Company or otherwise as it shall deem best, conduct the business thereof and exercise the franchises pertaining thereto and all the rights and powers of the Company, and use all of the then existing property and assets for that purpose, and at the expense of the mortgaged property, from time to time, maintain, restore, insure and keep insured the properties, plants, equipment and apparatus provided or required for use in connection with such business and likewise, from time to time, at the expense of the trust estate, make all such necessary or proper repairs, renewals and replacements, and all such useful alterations, additions, betterments and improvements as to him may seem judicious, and collect and receive all tolls, earnings, income, rents, issues, profits and revenues of the same and of every part thereof, and after deducting therefrom the expenses of operation and all expenses incurred hereunder and all other proper outlays herein authorized, and all payments which may be made for

taxes, assessments and other liens prior hereto and charges upon the mortgaged property or any part thereof, as well as just and reasonable compensation for his own services and for any services of the Trustee and for the services of such attorneys, agents and assistants as he may in the exercise of his discretion employ for any of the purposes aforesaid, the Individual Trustee shall apply the rest and residue of such moneys received by him, as follows:

(a) In case the principal of none of the Bonds shall have become due, to the payment of the interest in default, in the order of the maturity of the instalments of such interest, with interest on the overdue instalments thereof at the same rates, respectively, as were borne by the Bonds on which such interest shall be in default, such payments to be made ratably to the parties entitled thereto without discrimination or preference, subject, however, to the provisions of §10.29.

(b) In case the principal of any, but not all, of the Bonds shall have become due, first to the payment of the interest in default, in the order of the maturity of the instalments thereof, with interest on the overdue instalments thereof at the same rates, respectively, as was borne by the Bonds on which such interest shall be in default, and next to the payment of the principal of all Bonds then due, with interest on the overdue principal at the rates specified in the respective Bonds, such payments to be made ratably to the parties entitled thereto without discrimination or preference, subject, however, to the provisions of §10.29.

(c) In case the principal of all of the Bonds shall have become due, by declaration or otherwise, then as provided in paragraph Second of §10.12.

In case all payments provided for in clauses (a) and (b) above and payment of whatever may be payable for any other purpose required by any provision of this Indenture shall have been made in full, and no sale shall have been made as hereinafter provided, and compliance shall have been made by the Company with all other provisions of this Indenture as to which it shall be in default, the Individual Trustee shall restore the possession of the trust estate (other than any cash and/or securities at the time

required to be held by the Trustee hereunder) to the Company or whosoever shall be entitled thereto.

(2) The Trustees, acting together or singly, may, with or without entry, collect or enforce the collection of all interest payable in respect of any bonds, notes or other evidences of indebtedness which may at the time be held in pledge hereunder and/or may exercise in their discretion any or all of the voting power represented by any such pledged securities in the election of directors or for any other purpose or purposes. Any sums so collected or received by the Trustees or either of them, shall be held and applied by the Trustee and/or Co-Trustee in like manner as is provided in the foregoing subdivision (1) of this \$10.03 in respect of tolls, earnings, income, rents, issues, profits and revenues collected or received by the Trustees from or on account of the mortgaged property.

(3) The Trustees, acting together or singly, may, with or without entry, sell, subject to the prior liens, if any, then existing thereon or free from such of said liens as the Trustee and/or the Co-Trustee, in their discretion, may elect to discharge, to the highest and best bidder, all or any part or parts of the trust estate and of the right, title, interest, claim and demand of the Company therein and thereto, and the right of redemption thereof, at public auction, at such times and places and upon such conditions as to upset or reserve bids or prices and as to terms of payment and other terms of sale as the Trustees may fix and briefly specify in the notice of sale to be given as hereinafter provided, or as may be required by law, including power and authority to the Trustees to rescind or vary any contract of sale that may be entered into and to resell under the powers herein conferred.

(4) The Trustees, acting together or singly, may proceed to protect and enforce their rights and the rights of the bondholders under this Indenture by a suit or suits in equity or at law, whether for the specific performance of any covenant or agreement contained in this Indenture, or in aid of the execution of any power granted in this Indenture, or for the foreclosure of this Indenture, or for the enforcement of any other appropriate legal or equitable remedy as the Trustees, being advised by counsel, shall deem most effectual to protect and enforce any of the rights aforesaid.

§10.04. In case the Trustees, or either of them, shall proceed by suit or suits at law or in equity after an event of default they shall be entitled to have the trust estate sold by judicial sale or sales under the orders, judgments or decrees of a court or courts of competent jurisdiction, or under executory or other legal process, for or toward the satisfaction of the principal and interest then due or owing on the Bonds then outstanding, and for the enforcement of the rights, liens and benefits of the Trustees and the bondholders, and shall be entitled, pending any such suit or proceedings, as a matter of right, to the appointment of a receiver of all the franchises and properties and of the rents, earnings, revenues, issues, profits and income of the Company, with such powers as the court making such appointment may confer, whether the mortgaged property shall or shall not be adequate and sufficient to pay and satisfy the Bonds then outstanding; but, notwithstanding the appointment of any receiver, the Trustees shall be entitled as pledgees to the possession and control of any cash, or securities at the time held by, or payable or deliverable under the provisions of this Indenture, to the Trustees.

§10.05. In the event of any sale, whether made under the power of sale herein granted or by virtue of judicial proceedings, the whole of the trust estate shall be sold in one parcel and as an entirety, unless such sale as an entirety, in the judgment of the Trustees, shall not be practicable or desirable in the interest of the bondholders, or unless the holders of not less than a majority in principal amount of the Bonds at the time outstanding shall in writing request the Trustees to cause the trust estate to be sold in parcels, in which case the sale shall be made in such parcels and in such order as in the former case the Trustees may determine and in the latter case as may be specified in such request, but, if not so specified, as the Trustees in their discretion shall deem most expedient in the interest of the bondholders. The Company, for itself, its successors and assigns, and for all persons and corporations hereafter claiming through or under it or them or who may at any time hereafter become holders of liens junior to the lien of this Indenture, hereby expressly waives and releases all right to have the trust estate or any part thereof marshalled upon any foreclosure, sale or other enforcement hereof; and the Trustees, or any court in which the foreclosure of this Indenture or the administration of the trusts hereby created is sought, shall have the right as aforesaid to sell the entire trust estate as a whole in a single parcel.

§10.06. Notice of any sale pursuant to any provisions of this Indenture shall state the time and place, when and where the same is to be made, shall contain a brief general description of the property to be sold and shall briefly state the terms of the sale, and shall be sufficiently given if published once in each calendar week (which may be on any secular day of each such week) for four (4) successive calendar weeks prior to such sale in authorized newspapers in the City of Boston, Massachusetts and in the City of Reno, Nevada, and in the City and County of San Francisco, California, and, if given, in such other manner as may be required to comply with any statute or rule or order of court.

§10.07. The Trustees may adjourn from time to time any sale to be made by them under the provisions of this Indenture by announcement at the time and place appointed for such sale or for such adjourned sale or sales, and, without further notice or publication (unless otherwise required by law), they may make such sale at the time and place to which the same may be adjourned.

§10.08. The receipt or receipts of the Trustees or of the Trustee, or of the court officer conducting any such sale, for the purchase money paid at or under any such sale, shall be a sufficient discharge therefor to any purchaser of the property or any part thereof sold as aforesaid; and no such purchaser, or his representatives, grantees, or assigns, after paying such purchase money and receiving such receipt, shall be bound to see to the application of such purchase money upon or for any trust or purpose of this Indenture, or in any manner whatsoever be answerable for any loss, misapplication or non-application of any such purchase money or any part thereof, or be bound to inquire as to the authorization, necessity, expediency or regularity of any such sale.

§10.09. Upon any sale, as aforesaid, any purchaser, for the purpose of making settlement or payment for the property purchased, shall be entitled to use and apply any Bonds then outstanding, and any matured and unpaid interest coupons appertaining thereto or claims for interest thereon, by presenting the same so that there may be credited, as paid thereon, the sums payable out of the net proceeds of such sale to the holder of such Bonds and coupons or claims as his ratable share of such net proceeds after allowing for the proportion of the total purchase price required to be paid in cash for the cost and

expenses of the sale, compensation and other charges; and thereupon such purchaser shall be credited on account of such purchase price payable by him with the portion of such net proceeds that shall be applicable to the payment of, and that shall have been credited upon, the Bonds and coupons and claims so presented; and at any such sale any bondholder or bondholders may bid for and purchase such property, and make payment on account thereof as aforesaid, and, upon compliance with the terms of sale, may hold, retain and dispose of such property without further accountability therefor. The provisions of this §10.09 are subject to the provisions of §10.29.

§10.10. Upon the completion of any sale or sales under or by virtue of this Indenture, the Trustees shall execute and deliver to the purchaser a good and sufficient deed or other instruments conveying, assigning and transferring the property sold. The Trustees, or either of them to the extent permitted by §15.19, are hereby irrevocably appointed the true and lawful attorney of the Company, in its name and stead, to make all necessary conveyances, assignments and transfers of property thus sold; and for that purpose may execute all necessary deeds and instruments of conveyance, assignment and transfer, and may substitute one or more persons with like power, the Company hereby ratifying and confirming all that its said attorney, or such substitute or substitutes, shall lawfully do by virtue thereof. Nevertheless, the Company, if so requested by the Trustees, shall ratify and confirm any such sale or sales by executing and delivering to the Trustees or to such purchaser or purchasers all such instruments as may be necessary or in the judgment of the Trustees proper for the purpose and as may be designated in such request.

§10.11. Any such sale or sales, whether made under the power of sale herein granted or pursuant to judicial proceedings, shall operate to divest all right, title, interest, claim and demand whatsoever, either at law or in equity, of the Company, in and to the premises sold, and shall be a perpetual bar both at law and in equity, against the Company, its successors and assigns, and against all and any persons now or hereafter claiming the premises sold or any part thereof from, through or under the Company or its successors or assigns.

§10.12. The purchase money, proceeds and avails of any sale, whether made under the power of sale herein granted or pursuant to

judicial proceedings, together with any other sums which then may be held by the Trustees, or either of them, under any provisions of this Indenture as part of the trust estate or the proceeds thereof, shall be applied in the following order:

FIRST. To the payment of the costs and expenses of such sale, and the reasonable compensation of the Trustees, their agents, attorneys and counsel, and of all necessary or proper expenses, liabilities and advances made or incurred by the Trustees under this Indenture or in executing any power or trust hereunder, and to the payment of all taxes, assessments or liens superior to the lien of this Indenture, except any taxes, assessments or other superior liens subject to which such sale shall have been made;

SECOND. To the payment of the whole amount then owing and unpaid upon the Bonds then outstanding for principal and interest, with interest on overdue principal and overdue instalments of interest at the same rates, respectively, as were borne by the respective Bonds, and, in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid upon the Bonds, then to the payment of such principal and interest, without preference or priority of principal over interest, or of interest over principal, or of any instalment of interest over any other instalment of interest, or of the Bonds of any series over the Bonds of any other series, ratably to the aggregate of such principal and unpaid interest, subject, however, to the provisions of §10.29. Such payments shall be made on the date fixed therefor by the Trustees, upon presentation of the several Bonds and coupons and stamping such payment thereon, if partly paid, and upon surrender and cancellation thereof, if fully paid; and

THIRD. To the payment of the surplus, if any, to the Company, its successors or assigns, or to whosoever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct.

§10.13. In case of any sale, whether made under the power of sale herein granted or pursuant to judicial proceedings, the principal of all the Bonds, if not previously due, together with all accrued and unpaid interest thereon, immediately thereupon shall become due and

payable, anything in said Bonds or in this Indenture contained to the contrary notwithstanding.

§10.14. The Company covenants that in case default shall be made and continue for ninety (90) days in the payment of any interest on any Bond or Bonds at any time outstanding, and/or in the payment of the principal of any such Bonds when the same shall have become payable, whether at the maturity of said Bonds, by call thereof for redemption, or by a declaration as herein provided, or otherwise, then, the Company will pay to the Trustee at its principal office for the benefit of the holders of the Bonds and coupons then outstanding, the whole amount then due and payable on all such Bonds and coupons then outstanding, for interest or principal, or both, as the case may be, with interest upon the overdue principal and overdue instalments of interest at the same rates, respectively, as were borne by the respective Bonds; and, in case the Company shall fail to pay the same forthwith, the Trustees, or either of them to the extent permitted by §15.19, shall be entitled (a) in their own names and as trustees of an express trust, to recover judgment against the Company for the whole amount so due and unpaid, and/or (b) in their own names and as trustees of an express trust, or as attorney in fact for the bearers or registered owners of the Bonds and coupons, to file such proofs of debt, amendments to proofs of debt, petitions or other documents as may be necessary in order to have the claims of the bearers or registered owners of the Bonds and coupons allowed in any equity receivership, insolvency, liquidation, bankruptcy or other proceeding involving any distribution of the assets of the Company to its creditors.

The Trustees are hereby appointed (and the successive respective bearers or registered owners of the Bonds and coupons issued hereunder, by taking and holding the same, shall be conclusively deemed to have so appointed the Trustees) the true and lawful attorney in fact of the respective bearers and registered owners of the Bonds and coupons issued hereunder, with authority to make and file, in any judicial proceeding, either in the respective names of the bearers and registered owners of the Bonds and/or coupons or in behalf of all bearers and registered owners of the Bonds and/or coupons as a class, any proof of debt, amendment to proof of debt, petition or other document; to receive payment of any sums becoming distributable on

account thereof; and to execute any other papers and documents and to do and perform any and all such acts and things, as may be necessary or advisable, in the opinion of the Trustees, in order to have the respective claims of the bearers and registered owners of the Bonds and/or coupons against the Company allowed in any equity receivership, insolvency, liquidation, bankruptcy or other proceedings to which the Company shall be a party. The Trustees shall have full power of substitution and delegation in respect of any such powers.

The Trustees, or either of them to the extent permitted by §15.19, shall be entitled to recover judgment or make or file proof of debt as aforesaid either before or after or during the pendency of any proceedings for the enforcement of the lien of this Indenture and the right of the Trustees, or either of them, to recover such judgment or make such proof of debt shall not be affected by any entry or sale hereunder, or by the exercise of any other right, power or remedy for the enforcement of the provisions of this Indenture or the foreclosure of the lien hereof, and in the case of a sale of the mortgaged property, and of the application of the proceeds of sale to the payment of the indebtedness hereby secured, the Trustees, in their own names and as trustees of an express trust, shall be entitled to enforce payment of and to receive all amounts then remaining due and unpaid upon any and all of the Bonds and coupons then outstanding, for the benefit of the holders thereof, and shall be entitled to recover judgment or make or file proof of debt for any portion of the indebtedness remaining unpaid, with interest, as aforesaid. No recovery of any such judgment by the Trustees, or either of them, nor any attachment or levy of execution under any such judgment upon the trust estate or any part thereof, or upon any other property, nor any such proof of debt, shall in any manner or to any extent affect the lien of this Indenture upon the mortgaged property or any part thereof, or any lien, rights, powers or remedies of the Trustees, or either of them, or of the holders of the Bonds, but such lien, rights, powers and remedies shall continue unimpaired as before.

Any moneys collected by the Trustees, or either of them, under this §10.14 shall be applied in the following order:

FIRST. To the payment of the costs and expenses of the proceedings resulting in the collection of such moneys, the reasonable

compensation of the Trustees, their agents, attorneys and counsel, and of all necessary or proper expenses, liabilities and advances made or incurred by the Trustees under this Indenture or in executing any trust or power hereunder; and

SECOND. To the payment of the amounts then due and unpaid upon the Bonds and for interest in respect whereof such moneys shall have been collected, ratably and without any preference or priority of any kind (subject to the provisions of §10.29), according to the amounts due and payable upon such Bonds and for interest, respectively, to the date fixed by the Trustees for the distribution of such moneys, upon presentation of the several Bonds and coupons, if any, and stamping such payment thereon, if partly paid, and upon surrender and cancellation thereof, if fully paid.

§10.15. The Trustees, or either of them to the extent permitted by §15.19, shall have power to institute and to maintain such suits and proceedings as shall be necessary or expedient to prevent any impairment of the security hereunder by any acts of the Company, or of others, which are in violation of this Indenture or unlawful, or as shall be necessary or expedient to preserve or protect interests of the Trustees and the interests of the bondholders in respect of the trust estate, and in respect of the income, earnings, issue and profits arising therefrom, including the power to institute and to maintain suits or proceedings to restrain the enforcement of, or compliance with, or the observance of, any legislative, municipal or other governmental enactment, rule, or order that may be unconstitutional or otherwise invalid, if the enforcement of, compliance with, or observance of, such enactment, rule or order would impair the security hereunder or be prejudicial to the interests of the bondholders or of the Trustees.

§10.16. Upon failure of the Company so to do, either the Trustees, in their discretion, or the holders of not less than twenty-five per centum (25%) in principal amount of the Bonds then outstanding, may make any payment (other than of the principal, interest and/or sinking fund in respect of the Bonds) which the Company by any provision of this Indenture agrees to make, or cause to be made, and the Company covenants and agrees that it will forthwith repay to the Trustees or to the bondholders all moneys which the Trustees or the bondholders shall

so pay, and will pay interest thereon from the date of such payment by the Trustees or the bondholders until the repayment thereof at the rate of six per centum (6%) per annum; and until so paid such advances shall be secured by a lien under and by virtue of this Indenture upon the trust estate, in preference to the Bonds and coupons issued hereunder. No such payment by the Trustees or by the bondholders shall be deemed to relieve the Company from the consequence of any default hereunder.

§10.17. The Company will not at any time insist upon, plead, or in any manner whatever claim, take or insist upon the benefit or advantage of any stay or extension law now or at any time hereafter in force; nor will it claim, take or insist upon any benefit or advantage of any law now or at any time hereafter in force providing for the valuation or appraisement of the trust estate or any part thereof prior to any sale or sales thereof to be made pursuant to any provision herein contained or to the decree, judgment or order of any court of competent jurisdiction; nor after any such sale or sales will it claim or exercise any right under or conferred by any law now or at any time hereafter in force to redeem the property sold or any part thereof; and it hereby expressly waives, renounces and relinquishes all benefit and advantage of any and all such stay, extension, valuation, appraisement and redemption law or laws; and it hereby covenants that it will not hinder, delay or impede the execution of any power herein granted or delegated to the Trustees, but that it will suffer and permit the execution of every such power as though no such law or laws had been made or enacted.

§10.18. The Company, for itself, its successors and assigns, hereby expressly covenants to and with the Trustees that, at and immediately upon the commencement of any action, suit or other legal proceeding by the Trustees, or either of them, (1) to obtain possession of the mortgaged property, or any part thereof, the Company, its successors and assigns, shall and will, severally, waiving the issuance and service of process, enter its or their voluntary appearance in such action, suit or proceeding, and consent to the entry of a judgment for the recovery and possession of the mortgaged property and every part thereof; (2) for the foreclosure of the lien of this Indenture, the Company, its successors and assigns, shall and will, severally, waiving the issuance and service

of process, enter its or their voluntary appearances in such action, suit or proceeding and consent to the appointment of a receiver of said property and the tolls, income and revenues thereof for the sole benefit of the holders of the Bonds; and (3) pursuant to the provisions hereof to obtain judgment for the principal of or interest upon any of the Bonds or for both, or to obtain a judgment or decree of any other nature in aid of the enforcement of the Bonds or coupons or any of them, or of this Indenture, the Company, its successors or assigns, shall and will, severally, waiving the issuance and service of process, enter its or their voluntary appearances in such action, suit or proceeding and consent to the entry of a judgment for such principal and/or interest, with interest on overdue principal and instalments of interest, and for the lawful costs and expenses and compensation of the Trustees and their agents and attorneys, and for such other relief as the Trustees may be entitled to under the provisions hereof.

§10.19. The personal property and chattels mortgaged, pledged, and transferred pursuant to the provisions hereof, or intended so to be, both those now held and those hereafter acquired, shall be deemed real estate for all the purposes of this Indenture and shall be held and taken to be fixtures and appurtenances of the Company's real estate and, in case of foreclosure sale of the property hereunder whether by legal process, judicial sale or under the powers hereof or otherwise, the same may be sold therewith and in the same manner and not separate therefrom, except as herein otherwise provided.

§10.20. At any time hereafter before full payment of the Bonds, and whenever it shall deem it expedient for the better protection or security of the Bonds (although none of the events of default shall have occurred), the Company, with the consent of the Trustees, may surrender and deliver to the Trustees, or either of them to the extent permitted by §15.19, full possession of the whole or any part of the trust estate, for any period, fixed or indefinite. In such event, the Trustees, or either of them to the extent permitted by §15.19, shall enter into and upon the trust estate so surrendered and delivered, and shall take and receive possession thereof for such period, fixed or indefinite, as aforesaid, without prejudice, however, to its right at any time subsequently, when entitled thereto by any provisions hereof, to insist upon maintaining and to maintain such possession beyond the expira-

tion of any such fixed period; and the Trustees, or either of them to the extent permitted by §15.19, from the time of such entry shall work, maintain, use, manage, control and employ the trust estate, so surrendered and delivered, in accordance with, and shall receive and apply the income and revenues thereof as provided in subdivision (1) of §10.03. Upon application of the Trustees and with the consent of the Company, if none of the events of default shall exist and without such consent if one or more of the events of default shall exist, a receiver may be appointed to take possession of, and to operate, maintain and manage the trust estate or any part thereof, and the Company shall transfer and deliver to such receiver possession of the trust estate, wheresoever the same may be situated; but, notwithstanding the appointment of any receiver, the Trustees shall be entitled as pledgee to the possession and control of any cash, securities at the time held by, or payable or deliverable under the provisions of this Indenture to, the Trustees. In every case, when a receiver of the whole or any part of the trust estate shall be appointed under this §10.20 or otherwise, the net income and profits of the trust estate shall be paid over to, and shall be received by, the Trustees for the benefit of the holders of the Bonds.

§10.21. Anything in this Indenture to the contrary notwithstanding, the holders of not less than a majority in aggregate principal amount of the Bonds then outstanding, from time to time, shall, if they so elect and manifest such election by an instrument or concurrent instruments in writing executed and delivered to the Trustee, have the right (1) to require the Trustees, or either of them to the extent permitted by §15.19, to proceed to enforce the lien of this Indenture, either by suit or suits at law or in equity for the enforcement of the payment of the Bonds then outstanding hereunder and for the foreclosure of this Indenture and for the sale of the trust estate under the judgment or decree of a court of competent jurisdiction, or at the election of the Trustees, by exercise of their powers with respect to entry or sale, and (2) to direct and control the time, method and place of conducting any and all proceedings hereby authorized for any sale of the trust estate, or any adjournment thereof, or for the foreclosure of this Indenture, or for the appointment of a receiver, or any other action or proceeding hereunder instituted by the Trustees, provided, however, that such direction shall not be otherwise than in accordance with the provisions

of law and this Indenture, and the Trustees shall not be responsible to any one for any action taken or omitted by them pursuant to any such direction; provided, however, that subject to the provisions of §15.02, the Trustees shall have the right to decline to follow any such direction if the Trustees shall be advised by counsel that the action or proceeding so directed may not be lawfully taken or if the Trustees in good faith shall by responsible officers, as defined in §1.01(m), determine that the action or proceeding so directed would involve the Trustees in personal liability or be unjustifiably prejudicial to the non-assenting bondholders, or that they will not be sufficiently indemnified for any expenditures in any action or proceeding so directed.

§10.22. No holder of any Bond or coupon issued hereunder shall have the right to institute any suit, action or proceeding in equity or at law for the foreclosure of this Indenture, or for the execution of any trust or power hereof, or for the appointment of a receiver, or for the enforcement of any other remedy under or upon this Indenture, unless

(1) such holder shall previously have given to the Trustees written notice of some existing event of default, as hereinbefore provided; and

(2) the holders of not less than twenty-five per centum (25%) in principal amount of the Bonds at the time outstanding shall, after the right to exercise such powers, or right of action, as the case may be, shall have accrued, have requested the Trustees in writing to act; and

(3) such holder or holders shall have offered to the Trustees security and indemnity satisfactory to them against the costs, expenses and liabilities to be incurred therein or thereby; and

(4) the Trustees shall have refused or neglected to comply with such request for a period of sixty (60) days.

Nothing in this Indenture contained shall, however, affect or impair the right of the holder of any Bond, which is absolute and unconditional, to receive the payment of the principal of and interest on such Bond at and after the maturity thereof as therein expressed, or to institute suit for the enforcement of any such payment on or after maturity thereof, or affect the obligation of the Company, which is also absolute

and unconditional, to pay the principal of and interest on each of the Bonds to the respective holders thereof at the time and place in said Bonds and the appurtenant coupons expressed.

No bondholder or bondholders may, however, institute any such suit, action or proceeding if and to the extent that the institution or prosecution thereof or the entry of a judgment or a decree therein would, under applicable law, result in the surrender, impairment, waiver or loss of the lien of this Indenture upon any property subject thereto.

§10.23. The Company, by vote of its Board of Directors, may waive any period of grace provided for in this Article 10.

§10.24. Anything elsewhere in this Indenture to the contrary notwithstanding, the holders of seventy-five per centum (75%) or more in principal amount of the Bonds then outstanding (including, if more than one series of Bonds be at the time outstanding, not less than sixty per centum (60%) in principal amount of the Bonds of each such series) may, by a written instrument or instruments, signed by such bondholders and delivered to the Trustee and to the Company, waive any past default hereunder and its consequences, except a default in the payment of the principal or interest (subject to the provisions of §12.01), of any of the Bonds as and when the same shall become due by the terms of such Bonds, and upon such waiver such default shall be deemed not to exist for any purpose of this Indenture.

§10.25. No delay or omission of the Trustees, or either of them, or of any holder of Bonds to exercise any right or power arising from any default shall impair any such right or power or shall be construed as a waiver of such default or an acquiescence therein, nor shall the action of the Trustees, or either of them, or of the bondholders, in case of any default or of any event of default and the subsequent waiver of such default, affect or impair the rights of the Trustees, or either of them, or of such holders in respect of any subsequent default on the part of the Company or impair any right resulting therefrom; and every right, power and remedy given by this Article 10 to the Trustees, or either of them, or to the bondholders, respectively, may be exercised from time to time and as often as may be deemed expedient by the Trustees or by the bondholders, respectively.

§10.26. In case the Trustees, or either of them, shall have proceeded to enforce any right, power or remedy under this Indenture, by foreclosure or otherwise, and such proceedings shall have been discontinued or abandoned because of any waiver as in this Article 10 provided or for any other reason, or shall have been determined adversely to the Trustees, then and in each and every such case the Company and the Trustees shall be restored to their former positions and rights hereunder in respect of the trust estate, and all rights, powers and remedies of the Trustees shall continue as though no such proceedings had been taken.

§10.27. Unless herein expressly provided to the contrary, no remedy herein conferred upon or reserved to the Trustees or the holders of the Bonds is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute; and the employment of any remedy hereunder or otherwise shall not prevent the concurrent employment of any other appropriate remedy or remedies.

§10.28. All rights of action under this Indenture may be enforced by the Trustees, or either of them to the extent permitted by §15.19, without the possession of any of the Bonds or any of the coupons appertaining thereto or the production thereof at the trial or other proceedings relative thereto.

§10.29. No coupon belonging to any Bond which in any way before, at or after maturity shall have been transferred or pledged separate and apart from the Bond to which it relates, shall, unless accompanied by such Bond, be entitled in case of an event of default hereunder to any benefit of or from this Indenture, except after the prior payment in full of the principal of all Bonds issued hereunder and of all coupons not so transferred or pledged. No purchase or sale of coupons nor any advance or loan thereon by or on behalf of or at the request of or with the privity of the Company, and no redemption of coupons or any of them by any guarantor of the payment of same, shall be taken or shall operate as keeping such coupons alive or in force as a lien upon the mortgaged property or under this Indenture as against the holders of the Bonds or of the remaining coupons. In

case the time for the payment of any coupon issued hereunder shall be extended otherwise than pursuant to §12.01, whether or not such extension be by or with the consent of the Company, such coupon so extended shall not be entitled in case of an event of default hereunder to the lien, benefit or security of this Indenture, except after the prior payment in full of the principal of all Bonds then outstanding and of all coupons, the time for the payment of which shall not have been extended. The provisions of this §10.29 shall apply with like force and effect to interest and claims for interest on registered Bonds without coupons.

ARTICLE 11.

EFFECT OF MERGER, CONSOLIDATION, ETC.

§11.01. Nothing in this Indenture or any of the Bonds contained shall prevent any merger or consolidation of any other corporation or corporations into or with the Company, or any merger or consolidation of the Company (either singly or with one or more other corporations) into or with, or any sale, conveyance, transfer or lease, subject to the lien of this Indenture and to all the provisions hereof, of all the mortgaged property as, or substantially as, an entirety to, any corporation lawfully entitled to acquire or lease and operate the same, or prevent successive similar consolidations, mergers, sales, conveyances, transfers or leases to which the Company or its successor or assign or any subsequent successor or assign shall be a party; provided, however, and the Company covenants and agrees that, such consolidation, merger, sale, conveyance, transfer or lease shall be upon such terms as in no respect to impair the lien and security of this Indenture or any of the rights or powers of the Trustees, or either of them, or of the bondholders hereunder; and provided, further, that any such lease shall contain a provision that, if an event of default as defined in §10.01 shall exist when such lease is made, or shall occur while it is in effect, such lease may be terminated, at any time while such event of default exists, by the Trustees or by the purchaser of the property so leased at any sale hereunder whether such sale be made under the power of sale hereby conferred or under judicial proceedings.

§11.02. In case the Company, pursuant to the provisions of §11.01 shall be merged or consolidated (either singly or with one or more other

corporations) into or with any other corporation, or shall convey or transfer to another corporation, subject to the lien of this Indenture, all the mortgaged property as, or substantially as, an entirety (but not in case of any lease and not in case any other corporation or corporations shall be merged or consolidated into or with the Company under such circumstances that the corporate identity of the Company is not changed) the corporation resulting from such merger or consolidation or into or with which the Company shall have been merged or consolidated or which shall have received a conveyance or transfer as aforesaid (such corporation being sometimes in this Article 11 called the "successor corporation") shall execute and cause to be recorded a supplemental indenture to and with the Trustees, satisfactory to the Trustees, whereby the 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 any coupons thereto appertaining and this Indenture, and shall agree to perform and fulfill all the terms, covenants and conditions of this Indenture binding the Company. Such successor corporation shall thereupon succeed to, and be substituted for, the Company with the same effect as if it had been named herein as the mortgagor company and in the Bonds and coupons as the obligor thereon or maker thereof, and the successor corporation may thereupon use any Bonds theretofore executed by the Company or any intermediate successor corporation and may cause to be signed, issued and delivered either in its own name or in the name of Sierra Pacific Power Company or in the name of any intermediate successor corporation any or all such Bonds which shall not theretofore have been signed by the Company or any intermediate successor corporation and authenticated by the Trustee; and upon the application of the successor corporation in lieu of the Company, and subject to all the terms, conditions and restrictions in this Indenture prescribed with respect to the authentication and delivery of Bonds, the Trustee shall authenticate and deliver any of such Bonds which shall have been previously signed and delivered by the officers of the Company or any intermediate successor corporation to the Trustee for authentication, and any of such Bonds which the successor corporation shall thereafter, in accordance with the provisions of this Indenture, cause to be signed by its appropriate officers and delivered to the Trustee for such purpose. All the Bonds so issued shall in all respects have the same legal rank and security as the Bonds theretofore or thereafter issued

in accordance with the terms of this Indenture as though all of said Bonds had been issued at the date of the execution hereof.

§11.03. In respect of property owned by the Company at the time of any consolidation, merger, sale, conveyance or transfer to which the provisions of §11.02 are applicable, and substitutions, replacements, accessions, additions, alterations, improvements, betterments, developments, extensions and enlargements thereto subsequently made, constructed or acquired, the rights and duties of the successor corporation hereunder shall be the same as the rights and duties of the Company would have been had such consolidation, merger, sale, conveyance or transfer not taken place.

§11.04. In respect of property at the time of such consolidation, merger, sale, conveyance or transfer owned by the successor corporation, and/or owned by any other corporation or corporations merged or consolidated into or with, or the property of other corporations which is conveyed or transferred to, such successor corporation, and/or of property thereafter acquired by the successor corporation, except said substitutions, replacements, accessions, additions, alterations, improvements, betterments, developments, extensions and enlargements to, of or upon the property owned by the Company referred to in §11.03, this Indenture or the supplemental indenture to be filed as above provided in §11.02 shall not become or be a lien upon any of such property except so much thereof as shall be subjected to the lien hereof by supplemental indenture, duly executed, subject, however to the provisions of §11.01. Such supplemental indenture may, but need not necessarily, form one and the same instrument with the supplemental indenture provided for in said §11.02. Nothing herein shall be construed to prevent such supplemental indenture, at the option of the Company or the successor corporation, from subjecting to the lien hereof all or any part of the property of such successor corporation then owned or thereafter acquired.

§11.05. The successor corporation shall be entitled to use any public utility property subjected to the lien hereof as provided in §11.04 (provided that there shall also have been subjected to the lien hereof by supplemental indenture, duly executed, any other property, franchises and/or rights necessary in the opinion of counsel and an engineer for the use and operation of such public utility property), as the basis for the issue of Bonds or release of cash or property here-

under as and to the extent that the Company might have so used the same had it acquired the same by purchase and charged the same to its fixed property accounts; provided that the fair value of such property shall be determined by an independent engineer as of the date on which the same shall be subjected to the lien hereof as aforesaid, and the fair value so determined shall be deemed its cost and fair value for the purposes of any such use. All the covenants and agreements of the Company herein with respect to mortgaged property shall apply to such property to be subjected to the lien hereof.

§11.06. In case (pursuant to the provisions of §11.01) any other corporation or corporations shall be merged or consolidated into or with the Company under such circumstances that the corporate identity of the Company is not changed, the rights and duties of the Company, with respect to the property owned by such other corporation or corporations at the time of such merger or consolidation which is acquired by the Company by virtue of the merger or consolidation and charged to its fixed property accounts, shall be the same as if such property had been acquired by the Company by purchase and charged to its fixed property accounts as of the date of such merger or consolidation; provided that, and as a condition precedent, any public utility property so acquired shall not be made the basis of the issue of any Bonds or the release of cash or property under the provisions of this Indenture until the Company shall have caused to be executed and filed for record a supplemental indenture with the Trustees, satisfactory to the Trustees, giving to the Trustees (or to the Individual Trustee or a co-trustee if and to the extent that the Trustees request) a lien, subject only to permitted liens, not only upon such public utility property but also upon any other property, franchises and/or rights owned by the Company and necessary in the opinion of counsel and an independent engineer for the use and operation of such public utility property as, or as a part of, an integrated public utility system or systems; and provided further that the use of such public utility property for the aforesaid or any other purposes hereunder shall be subject to the terms and conditions provided in this Indenture.

§11.07. The Company covenants that if Bonds at any time be issued in any new name the Company will provide for the stamping or for the exchange of any Bonds previously issued for Bonds of the same

tenor and amounts issued in any such new name, at the option of the holders and without expense to them, and the Trustee shall also do such acts as may be necessary on its part to that end, including authentication of the Bonds so to be issued in exchange.

§11.08. In case of any such consolidation, merger, sale, conveyance, transfer or lease the Trustee shall be furnished with an opinion of counsel which opinion the Trustee may receive, to the extent permitted by §15.02 and §15.03, as conclusive evidence, that the applicable provisions of §§11.01 to 11.06 inclusive, or any of them, have been complied with or that any supplemental indenture made under any of said sections of this Article 11 complies with the conditions and provisions thereof.

§11.09. At any time prior to the exercise of any power by this Article 11 reserved to the Company or to a successor corporation, the Company or such successor corporation may surrender any such reserved power by delivering to the Trustee a duly executed instrument of such surrender and a certificate of the Company that the execution of such instrument was authorized by the vote of at least two-thirds of its entire Board of Directors passed at a meeting duly held; and thereupon the power so surrendered shall cease. Until so surrendered, the provisions of this Article 11 shall continue to apply to any number of successive mergers, consolidations, sales, conveyances or transfers, the term "the Company" referring in each such case to the corporation which immediately before such merger, consolidation, sale, conveyance or transfer was the owner of the mortgaged property.

ARTICLE 12.

MODIFICATIONS WITH CONSENT OF BONDHOLDERS.

§12.01. Modifications or alterations of this Indenture and/or any indenture supplemental hereto and/or of the rights and obligations of the Company and/or of the holders of Bonds and coupons issued hereunder may be made at any time and from time to time when authorized by the Board of Directors of the Company by resolution duly adopted and approved or consented to, in writing, by the holders of not less than seventy-five per centum (75%) in principal amount of the Bonds outstanding hereunder, and unless all of the Bonds then outstanding

under said Indenture are affected in the same manner and to the same extent by such modification or alteration, with the written approvals or consents of the bearers or registered owners of not less than seventy-five per centum (75%) in principal amount of the Bonds of each series outstanding, provided, however, that no such modification or alteration shall, without the written approval or consent of the holder of any Bond issued hereunder affected thereby (a) impair or affect the right of such holder to receive payment of the principal of and interest on such Bond at the specified rate, on or after the respective due dates expressed in such Bond, or to institute suit for the enforcement of any such payment on or after such respective dates, except that the holders of not less than seventy-five per centum (75%) in principal amount of the Bonds outstanding may consent on behalf of the holders of all of the Bonds to the postponement of any interest payment for a period of not exceeding three (3) years from its due date, or (b) deprive any such holder of a lien on the mortgaged and pledged property, or (c) reduce the percentage of the Bonds upon the approval or consent of holders of which modifications or alterations may be effected as aforesaid.

The approvals or consents of bondholders to any such modification or alteration shall be evidenced by an instrument or instruments in writing in a form approved by the Trustee, signed by such holders and filed with the Trustee.

To obtain the approval or consent of the bondholders to any action as aforesaid, the Company, or the Trustee at the written request of the Company (unless such notice is waived by the holders of all outstanding Bonds), (1) shall mail, not less than thirty (30) days prior to the date on or before which written approvals or consents to be accepted must be filed with the Trustee, a notice stating in general terms the character and nature of the proposed modification or alteration, together with a form of consent to be signed by the bondholders, (i) to each registered holder of Bonds then outstanding hereunder addressed to him at his address appearing on the bond registry books, (ii) to each holder of any Bond, payable to bearer, who shall have filed with the Trustee an address for notices to be addressed to him, and (iii) to each bondholder whose name and address appears in the files of the Trustee and is preserved by it as provided in §9.02; and (2) shall give notice of such proposed modification or alteration by such other

method, either by publication at least once a week for four (4) successive calendar weeks (upon any secular day of each such week) immediately preceding the date on or before which written approvals or consents to be accepted must be filed with the Trustee in an authorized newspaper, in the City of Boston, Massachusetts and in an authorized newspaper in the Borough of Manhattan, City and State of New York, and in such other cities as the Company, in its sole discretion, may determine, or otherwise, as may be approved by the Company. Any such modification or alteration made pursuant to this §12.01 shall be binding upon all the bondholders, except as in this §12.01 otherwise provided.

The Trustee, subject to the provisions of §15.02 and §15.03, may rely upon evidence of the ownership or control of any Bonds furnished to it pursuant to §8.02 hereof or the Trustee, in its discretion, may adopt such other rules and regulations as to it may seem proper and adequate for the deposit of Bonds with, or the stamping of Bonds by, any banks, bankers, trust or insurance company.

The Trustee, if sufficient approvals or consents of bondholders to the action proposed by the resolution of the Board of Directors have been received as of the date fixed for such receipt thereof in the notice and/or publication, shall forthwith notify the Company and shall mail a notice to each bearer or registered holder of Bonds referred to in (i), (ii) and (iii) of this §12.01, that the bondholders have approved or consented to the action declared advisable by the Board of Directors; whereupon such action shall be deemed conclusively to be binding upon the Company, the Trustees, and the holders of all Bonds issued hereunder; provided that no such approval or consents of the bondholders or resolution of the Board of Directors of the Company shall in any manner be so construed as to change or modify any of the rights, immunities or obligations of the Trustees without their written assent thereto.

Nothing in this Article 12 shall be deemed or construed to authorize or permit, by reason of any approval or consent of a bondholder, any hindrance or delay in the exercise of any right or rights conferred upon or reserved to the Trustees, to the Company or to the bondholders under any other provision of this Indenture or of the Bonds issued hereunder or any modification or alteration of this Indenture which

would be in conflict with the Trust Indenture Act of 1939, as at the time in effect.

§12.02. Bonds authenticated and delivered after any modification or alteration shall have become effective pursuant to this Article 12 may bear a notation in form approved by the Trustee as to such modification or alteration and upon demand of the holder of any Bond outstanding at such date and presentation of his Bond for the purpose at the principal office of the Trustee, the Company shall cause suitable notation to be made on such Bond by endorsement or otherwise. If the Company or the Trustee shall so determine, new Bonds so modified as in the opinion of the Trustee and the Board of Directors of the Company to conform to any action authorized by written approvals or consents of bondholders pursuant to §12.01 shall be prepared, authenticated and delivered, and upon demand of the holder of any Bond then outstanding and affected thereby shall be exchanged without cost to such bondholder for Bonds then outstanding hereunder upon surrender of such Bonds with all unmatured coupons, if any, appertaining thereto. The Company or the Trustee may require Bonds outstanding to be presented for notation or exchange as aforesaid if either shall see fit to do so. Instruments supplemental to this Indenture embodying any modification or alteration of this Indenture or of any Indenture supplemental hereto authorized by written approvals or consents of bondholders may be executed by the Trustees and the Company and upon demand of the Trustee, or, if so directed in any such written approvals or consents of the bondholders, shall be executed by the Company and the Trustees.

§12.03. Notwithstanding anything in this Article contained, the Company may at any time, and from time to time, by resolution of the Board of Directors filed with the Trustee, stipulate that from and after the date of the filing of such resolution no action thereafter taken under the provisions of this Article shall be of any force and effect whatever either as respects (1) all Bonds theretofore authenticated and delivered by the Trustee hereunder and then outstanding and/or (2) as to any Bonds and/or all Bonds thereafter authenticated and delivered by the Trustee hereunder, and in any such event a supplemental indenture setting out in detail the stipulations contained in such resolution shall be made.

ARTICLE 13.

PAYMENT AND DEFEASANCE.

§13.01. If the Company, its successors or assigns shall

(a) pay or cause to be paid the principal of and interest on the Bonds at the time and in the manner stipulated therein and herein, and/or

(b) provide for the payment of, principal and premium, if any, of the Bonds and interest thereon by depositing in cash with the Trustee at or at any time before maturity the entire amount due or to become due thereon for principal and interest to maturity of all said Bonds outstanding, and/or

(c) deliver to the Trustee (i) proof satisfactory to the Trustee that notice of redemption of all of the outstanding Bonds not surrendered or to be surrendered to it for cancellation has been given as provided in Article 4 hereof, or that arrangements satisfactory to the Trustee have been made insuring that such notice will be given, or (ii) a written instrument executed by the Company under its corporate seal and expressed to be irrevocable, authorizing the Trustee to give such notice for and on behalf of the Company, or (iii) file with the Trustee a waiver of such notice of redemption signed by the holders of all of the outstanding Bonds, and in any such case, deposit with the Trustee on or before the date on which such Bonds are to be redeemed, as provided in said Article 4, the entire amount of the redemption price, including accrued interest, and premium, if any, and/or

(d) surrender to the Trustee for cancellation all Bonds and coupons thereto appertaining for which payment is not so provided, and shall also pay all other sums due and payable hereunder by the Company (except in respect of the reimbursement of taxes for which the bearers and registered owners of Bonds shall look only to the Company), then and in that case, at the request of the Company, all the mortgaged property shall revert to the Company and the entire estate, right, title and interest of the Trustees, and of the bearers and registered owners of the Bonds and coupons in respect thereof shall there-

upon cease, determine and become void; and the Trustees in such case, upon the cancellation of all Bonds and coupons for the payment of which cash shall not have been deposited in accordance with the provisions of this Indenture, shall upon receipt of a written request of the Company and of an opinion of counsel that it is proper, execute to the Company, or its order, proper instruments acknowledging satisfaction of this Indenture and surrender to the Company, or its order, all cash and deposited securities, if any (other than cash for the payment of the Bonds), which shall then be held hereunder as a part of the mortgaged property.

In the absence of a request by the Company to have the mortgaged property revert to it and to have the lien of this Indenture cancelled and discharged, the fact that all indebtedness secured by this Indenture shall have been fully paid and satisfied shall not render this Indenture inoperative or prevent the Company from again and from time to time issuing Bonds hereunder pursuant to the terms and conditions hereof.

§13.02. All sums which may become due and payable for principal (and premium, if any) upon any Bond issued hereunder shall be paid to the bearer of such Bond, unless registered, and if registered, to the registered owner thereof, but only upon surrender of such Bond in negotiable form, accompanied by all unmatured coupons, if any, thereunto belonging. The interest on registered Bonds, without coupons, shall be paid only to the registered owners thereof. The interest on coupon Bonds shall be paid only upon the surrender of the several coupons for such interest as they respectively mature.

§13.03. When the Company shall have deposited at any time with the Trustee in a special account in trust for the purpose, in the manner provided in §5.01, or left with it if previously so deposited, funds sufficient to pay the principal of any Bonds (and premium, if any) when the same become due, either at maturity or otherwise, or at the date fixed for the redemption thereof, together with all interest due thereon to the date of the maturity of such Bonds or to the date fixed for the redemption thereof, or to pay any coupons at the due date thereof, as the case may be, for the use and benefit of the holders thereof, then upon such deposit all such Bonds and appurtenant coupons shall cease to be entitled to any lien, benefit or security of this Indenture except

the right to receive the funds so deposited, and such Bonds and/or coupons shall be deemed not to be outstanding hereunder; and it shall be the duty of the Trustee to hold the funds so deposited for the benefit of the holders of such Bonds or coupons, as the case may be, subject, however, to the provisions of §13.04 and §5.01; and from and after such due date, redemption date or maturity, interest on such Bonds or coupons, as the case may be, shall cease to accrue, and all liability of the Company to the holders of such Bonds for the payment of the principal thereof and interest thereon (and premium, if any), or to the holders of such coupons for the payment thereof and interest thereon, as the case may be, shall cease, determine and be completely discharged.

§13.04. If the amount required to pay any Bonds at the date of maturity thereof shall be deposited with the Trustee before such date, the holders of the Bonds to be paid shall have the right to receive prepayment of the amount to be due on their Bonds at the date of maturity thereof, including interest to such date, at any time after the deposit of such amount and prior to the date of maturity of such Bonds; and if the amount required to redeem any Bonds called for redemption shall be deposited with the Trustee before the date specified for the redemption of such Bonds, the holders of the Bonds to be redeemed shall have the right to receive prepayment of the redemption price of their Bonds, including interest to such redemption date, at any time after such deposit of such redemption price and prior to such redemption date.

ARTICLE 14.

LIMITATIONS OF LIABILITY.

§14.01. Each of the Bonds is issued upon the express conditions, to which each successive holder thereof expressly assents and by receiving the same agrees, that no recourse under or upon any obligation, covenant or agreement contained in this Indenture or in any indenture supplemental hereto or in any Bond or coupon issued hereunder or thereunder, or arising out of or because of the creation of any indebtedness hereby secured, shall be had against any promoter, subscriber to the capital stock, incorporator, stockholder, officer, or director, past, present or future, of the Company, as such, or of any predecessor

or successor corporation, either directly or through the Company, or through any receiver, assignee or trustee in bankruptcy, or by the enforcement of any assessment, penalty or subscription or by any legal or equitable proceeding, by virtue of any constitution, statute, rule of law or otherwise; it being expressly agreed and understood that this Indenture and any indenture supplemental hereto, and the obligations issued hereunder and thereunder, are solely corporate obligations, and that no personal liability whatever shall attach to or be incurred by the promoters, subscribers, incorporators, stockholders, officers or directors of the Company, or of any predecessor or successor corporation, or any of them, because of the incurring of the indebtedness hereby authorized, or under or by reason of any of the obligations, covenants or agreements contained in this Indenture, or in any indenture supplemental hereto, or in any of the Bonds or coupons issued hereunder or thereunder, or implied therefrom; and that any and all personal liability of every name and nature, and any and all rights and claims against every such promoter, subscriber, incorporator, stockholder, officer or director, whether arising at common law or in equity, or created by statute or constitution, are hereby expressly released and waived as a condition of, and as a part of the consideration for, the execution of this Indenture and the issue of the Bonds and interest obligations issued hereunder.

ARTICLE 15.

CONCERNING THE TRUSTEES.

§15.01. The Trustee shall at all times be a bank or trust company eligible under §5.15 and having a combined capital and surplus of not less than One Million Dollars (\$1,000,000). If the Trustee publishes reports of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority referred to in §5.15, then for the purpose of this Section the combined capital and surplus of the Trustee shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

§15.02. The Trustees hereby accept the trust hereby created. The Trustees undertake, prior to default and after the curing of all defaults which may have occurred, to perform such duties and only such duties as are specifically set forth in this Indenture, and in case of default

(which has not been cured) to exercise such of the rights and powers vested in them by this Indenture, and to use the same degree of care and skill in their exercise as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

The Trustees, upon receipt of evidence furnished to them by or on behalf of the Company pursuant to any provision of this Indenture, shall examine the same to determine whether or not such evidence conforms to the requirements of this Indenture.

§15.03. No provision of this Indenture shall be construed to relieve the Trustees, or either of them, from liability for their own negligent action, their own negligent failure to act, or their own willful misconduct, except that

(a) prior to default hereunder and after the curing of all defaults which may have occurred, the Trustees shall not be liable except for the performance of such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustees, or either of them, but the duties and obligations of the Trustees, prior to default and after the curing of all defaults which may have occurred, shall be determined solely by the express provisions of this Indenture;

(b) prior to default hereunder and after the curing of all defaults which may have occurred, and in the absence of bad faith on the part of the Trustees, the Trustees may conclusively rely as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions conforming to the requirements of this Indenture;

(c) the Trustees shall not be personally liable for any error of judgment made in good faith by the Co-Trustee or, in the case of the Trustee, by a responsible officer or officers of the Trustee (as defined in §1.01(m) hereof) unless it shall be proved that such trustee was negligent in ascertaining the pertinent facts; and

(d) the Trustees shall not be personally liable with respect to any action taken or omitted to be taken by them, or either of them, in good faith in accordance with the direction of the holders of not less than a majority in principal amount of the Bonds at

the time outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustees, or either of them, or exercising any trust or power conferred upon the Trustees, or either of them, under this Indenture.

§15.04. The recitals of fact contained herein and in the Bonds shall be taken as the statements of the Company and the Trustees assume no responsibility for the correctness of the same. The Trustees make no representations as to the value of the mortgaged and pledged property or any part thereof, or as to the title of the Company thereto, or as to the validity or adequacy of the security afforded thereby and hereby, or as to the validity of this Indenture or of the Bonds or coupons issued hereunder.

§15.05. The Trustees shall not be personally liable in case of entry by them, or either of them, upon the mortgaged and pledged property for debts contracted or liability or damages incurred in the management or operation of said property.

§15.06. To the extent permitted by §15.02 and §15.03:

(1) The Trustees may rely and shall be protected in acting upon any resolution, certificate, opinion, notice, request, consent, order, appraisal, report, bond, or other paper or document believed by them to be genuine and to have been signed or presented by the proper party or parties; and

(2) The Trustees may consult with counsel and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by them hereunder in good faith and in accordance with the opinion of such counsel.

§15.07. The Trustees shall not be under any responsibility for the approval of any engineer, accountant or other expert for any of the purposes expressed in this Indenture, except that nothing in this §15.07 contained shall relieve the Trustees of their obligation to exercise reasonable care with respect to the approval of independent experts who may furnish opinions or certificates to the Trustees pursuant to any provision of this Indenture.

Nothing contained in this §15.07 shall be deemed to modify the obligation of the Trustees to exercise after default the rights and powers vested in them by this Indenture with the degree of care and skill specified in §15.02.

§15.08. Subject to the provisions of §15.14 and §15.15, the Trustees, or either of them, in their individual or any other capacity may buy, hold, sell or deal in the Bonds and coupons, and other securities of the Company, and may engage or be interested in any financial or other transaction with the Company, and may act as, and the Trustee may permit any of its officers or directors to act as, a member of, or may act as depository, trustee or agent for, any committee formed to protect the rights of the bondholders or the holders of other obligations, whether or not issued hereunder, or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Indenture or other obligations, whether or not any such committee represents the holders of the majority in principal amount of the Bonds outstanding hereunder, all as freely as if they were not Trustees hereunder.

§15.09. Subject to the provisions of §5.01, all moneys received by the Trustee, whether as Trustee or paying agent, shall, until used or applied as herein provided, be held in trust for the purposes for which they were paid. The Trustee may allow and credit to the Company interest on any moneys received by it hereunder at such rate, if any, as may be agreed upon with the Company from time to time and as may be permitted by law.

§15.10. The Company covenants and agrees to pay to the Trustees from time to time, and the Trustees shall be entitled to, reasonable compensation for all services rendered by them in the execution of the trusts hereby created and in the exercise and performance of any of the powers and duties hereunder of the Trustees, which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust, and the Company will reimburse the Trustees for all advances made by the Trustees in accordance with any of the provisions of this Indenture and will pay to the Trustees from time to time their expenses and disbursements (including the reasonable compensation and the expenses and disbursements of their counsel and of all persons not regularly in their employ). The Company also

covenants to indemnify the Trustees for, and to hold them harmless against, any loss, liability or expense incurred without negligence or bad faith on the part of the Trustees, arising out of or in connection with the acceptance or administration of this trust, including the costs and expenses of defending against any claim of liability in the premises. The Company further covenants and agrees to pay interest at the rate of six per centum (6%) per annum until paid, upon all amounts paid, advanced or disbursed by the Trustees, or either of them, for which they are entitled to reimbursement or indemnity as herein provided. The obligations of the Company to the Trustees under this Section shall constitute additional indebtedness secured hereby. Such additional indebtedness shall be secured by a lien prior to that of the Bonds upon the trust estate, including all property or funds held or collected by the Trustees as such.

§15.11. In order further to assure the Trustees that they will be compensated, reimbursed and indemnified as provided in §15.10 and that the prior lien provided for in §15.10 upon the trust estate to secure the payment of such compensation, reimbursement and indemnity will be enforced for the benefit of the Trustees, all parties to this Indenture agree, and each holder or owner of any bond by his acceptance thereof shall be deemed to have agreed that in the event of

(1) the adjudication of the Company as a bankrupt by any court of competent jurisdiction,

(2) the filing of any petition seeking the reorganization of the Company under the Federal Bankruptcy Laws or any other applicable law or statute of the United States of America or of any State thereof,

(3) the appointment of one or more trustees or receivers of all or substantially all of the property of the Company,

(4) the filing of any bill to foreclose this Indenture,

(5) the filing by the Company of a petition to take advantage of any insolvency act, or

(6) the institution of any other proceeding wherein it shall become necessary or desirable to file or present claims against the Company,

the Trustees may file from time to time in any such proceeding or proceedings one or more claims, supplemental claims and amended claims as secured creditors for their reasonable compensation for all services rendered by them (including services rendered during the course of any such proceeding or proceedings) and for reimbursement for all advances, expenses and disbursements (including the reasonable compensation and the expenses and disbursements of their counsel and of all persons not regularly in their employ) made or incurred by them in the execution of the trusts hereby created and in the exercise and performance of any of the powers and duties herein of the Trustees, and for any and all amounts to which the Trustees are entitled as indemnity as provided in §15.10; and the Trustees and their counsel and agents may file in any such proceeding or proceedings applications or petitions for compensation for such services rendered, for reimbursement for such advances, expenses and disbursements, and for such indemnity. The claim or claims of the Trustees filed in any such proceeding or proceedings shall be reduced by the amount of compensation for services, reimbursement for advances, expenses and disbursements, and indemnity paid to them following final allowance to them and to their counsel and agents by the court in any such proceeding as an expense of administration or in connection with a plan of reorganization or readjustment. To the extent that compensation, reimbursement and indemnity are denied to the Trustees or to their counsel or other agents because of not being rendered or incurred in connection with the administration of an estate in a proceeding or in connection with a plan of reorganization or readjustment approved as required by law, because such services were not rendered in the interests of and with benefit to the estate of the Company as a whole but in the interests of and with benefit to the holders of the Bonds, in the execution of the trusts hereby created or in the exercise and performance of any of the powers and duties hereunder of the Trustees or because of any other reason, the Trustees and their counsel and other agents shall be entitled to have the Court allow such claim, as supplemented and amended, in any such proceeding or proceedings and for the purposes of any plan of reorganization or readjustment of the Company's obligations, classified and allowed as a secured claim of a class separate and distinct from that of other creditors and of a class having priority and precedence over the class in which the holders of Bonds are placed by reason of having a lien, prior and superior to that of

the holders of the Bonds, upon the trust estate, including all property or funds held or collected by the Trustees as such. The amount of the claim or claims of the Trustees for services rendered and for advances, expenses and disbursements, including the reasonable compensation and the expenses and disbursements of their counsel and of all persons not regularly in their employ, which are not allowed and paid in any such proceeding but for which the Trustees are entitled to the allowance of a secured claim as herein provided, may be fixed by the court or judge in any such proceeding or proceedings to the extent that such court or judge has or exercises jurisdiction over the amount of any such claim or claims.

If, and to the extent that, the Trustees and their counsel and other persons not regularly in their employ do not receive compensation for services rendered, reimbursement of their advances, expenses and disbursements, or indemnity, as herein provided, as the result of allowances made in any such proceeding or by any plan of reorganization or readjustment of obligations of the Company, the Trustees shall be entitled, in priority to the holders of the Bonds, to receive any distributions of any securities, dividends or other disbursements which would otherwise be made to the holders of Bonds in any such proceeding or proceedings and the Trustee is hereby constituted and appointed, irrevocably, the attorney-in-fact for the holders of the Bonds and each of them to collect and receive, in their name, place and stead, such distributions, dividends or other disbursements, to deduct therefrom the amounts due to the Trustees, their counsel and other persons not regularly in their employ on account of services rendered, advances, expenses and disbursements made or incurred, or indemnity, and to pay and distribute the balance, pro rata, to the holders of the Bonds. The Trustees shall have a lien upon any securities or other considerations to which the holders of Bonds may become entitled pursuant to any such plan of reorganization or readjustment of obligations, or in any such proceeding or proceedings; and the court or judge in any such proceeding or proceedings may determine the terms and conditions under which any such lien shall exist and be enforced.

§15.12. Whenever in the administration of the trusts of this Indenture, prior to a default hereunder, the Trustees shall deem it necessary or desirable that a matter be proved or established prior to taking or

suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of bad faith on the part of the Trustees, be deemed to be conclusively proved and established by a certificate of the Company delivered to the Trustee, and such certificate shall be full warrant to the Trustees for any action taken or suffered by them, or either of them, under the provisions of this Indenture upon the faith thereof.

§15.13. Whenever it is provided in this Indenture that the Trustees, or either of them, shall take any action upon the happening of a specified event or upon the fulfillment of any condition or upon the request of the Company or of bondholders, the trustee taking such action shall have full power to give any and all notices and to do any and all acts and things incidental to such action.

§15.14. (a) If the Trustee or the Co-Trustee (which as hereinafter used shall include the Individual Trustee and any other co-trustee that may be appointed pursuant to this Indenture) has or acquires any conflicting interest, as defined by subsection (c) of this Section, (A) the Trustee or the Co-Trustee, as the case may be, shall within ninety (90) days after ascertaining that it has such conflicting interest, either eliminate such conflicting interest or resign by giving written notice to the Company (and in the case of the Co-Trustee, by written notice to the Trustee), but such resignation shall not become effective until the appointment of a successor trustee and such successor's acceptance of such appointment. The Company covenants, in the case of the Trustee, to take prompt steps to have a successor appointed in the manner hereinafter provided in §15.18. Upon giving such notice of resignation, the resigning trustee shall publish notice thereof in an authorized newspaper in the City of Boston, Massachusetts, and in one such newspaper in the Borough of Manhattan, City and State of New York and in one such newspaper in each of the other cities in which the principal of any of the Bonds shall be payable, once in each of three (3) successive calendar weeks, in each case on any business day of the week. If the resigning trustee fails to publish such notice within ten (10) days after giving written notice of its resignation to the Company, the Company shall publish such notice.

(b) In the event that the Trustee or the Co-Trustee, as the case may be, shall fail to comply with the provisions of the preceding sub-

section (a) of this Section, (1) such trustee shall within ten (10) days after the expiration of such ninety (90) day period transmit notice of such failure to the bondholders, in the manner and to the extent provided in subsection (c) of §9.04 with respect to reports pursuant to subsection (a) of §9.04.

(c) Subject to the provisions of §16.02, any bondholder who has been a bona fide holder of a Bond or Bonds for at least six (6) months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee, or the Co-Trustee, as the case may be, and the appointment of a successor, if such trustee fails, after written request therefor by such holder, to comply with the provisions of subsection (a) of this Section.

(d) The Trustee or the Co-Trustee, as the case may be, shall be deemed to have a conflicting interest if—

(1) Such trustee is trustee under another indenture under which any other securities, or certificates of interest or participation in any other securities, of an obligor upon the Bonds are outstanding unless such other indenture is a collateral trust indenture under which the only collateral consists of Bonds issued under this Indenture, provided that there shall be excluded from the operation of this paragraph any indenture or indentures excluded under Section 310(b) of the Trust Indenture Act of 1939 under which other securities, or certificates of interest or participation in other securities, of an obligor upon the Bonds are outstanding, if the Company shall have sustained the burden of proving, on application to the Securities and Exchange Commission and after opportunity for hearing thereon that the trusteeship under this Indenture and such other indenture is not so likely to involve a material conflict of interest as to make it necessary in the public interest or for the protection of investors to disqualify such trustee from acting as such under one of such indentures;

(2) such trustee or, in the case of the Trustee, any of its directors or executive officers is an obligor upon the Bonds or an underwriter for such an obligor;

(3) such trustee directly or indirectly controls or is directly or indirectly controlled by or is under direct or indirect common

control with an obligor upon the Bonds or an underwriter for such an obligor;

(4) such trustee or, in the case of the Trustee, any of its directors or executive officers is a director, officer, partner, employee, appointee or representative of an obligor upon the Bonds, or of an underwriter (other than such trustee itself) for such an obligor who is currently engaged in the business of underwriting, except that (A) one individual may be a director and/or an executive officer of the Trustee and a director and/or an executive officer of such obligor, but may not be at the same time an executive officer of both the Trustee and of such obligor; (B) if and so long as the number of directors of the Trustee in office is more than nine, one additional individual may be a director and/or an executive officer of the Trustee and a director of such obligor; and (C) the Trustee may be designated by any such obligor or by any underwriter for any such obligor to act in the capacity of transfer agent, registrar, custodian, paying agent, fiscal agent, escrow agent or depository or in any other similar capacity or, subject to the provisions of paragraph (1) of this subsection, to act as trustee whether under an indenture or otherwise;

(5) ten per centum (10%) or more of the voting securities of the Trustee is beneficially owned either by an obligor upon the Bonds or by any director, partner or executive officer thereof, or twenty per centum (20%) or more of such voting securities is beneficially owned, collectively, by any two or more of such persons; or ten per centum (10%) or more of the voting securities of the Trustee is beneficially owned either by an underwriter for any such obligor or by any director, partner or executive officer thereof, or is beneficially owned, collectively, by any two or more such persons;

(6) such trustee is the beneficial owner of or holds as collateral security for an obligation which is in default, (A) five per centum (5%) or more of the voting securities or ten per centum (10%) or more of any other class of security of an obligor upon the Bonds, not including the Bonds issued under this Indenture and securities issued under any other indenture under which such trustee is also trustee, or (B) ten per centum (10%) or more of any class of security of an underwriter for any such obligor;

(7) such trustee is the beneficial owner of, or holds as collateral security for an obligation which is in default, five per centum (5%) or more of the voting securities of any person who, to the knowledge of such trustee, owns ten per centum (10%) or more of the voting securities of, or controls directly or indirectly or is under direct or indirect common control with, an obligor upon the Bonds;

(8) such trustee is the beneficial owner of or holds as collateral security for an obligation which is in default, ten per centum (10%) or more of any class of security of any person who, to the knowledge of such trustee, owns fifty per centum (50%) or more of the voting securities of an obligor upon the Bonds; or

(9) such trustee owns on May 15th in any calendar year in the capacity of executor, administrator, testamentary or inter vivos trustee, guardian, committee or conservator, or in any other similar capacity, an aggregate of twenty-five per centum (25%) or more of the voting securities or of any class of security, of any person, the beneficial ownership of a specified percentage of which would have constituted a conflicting interest under paragraph (6), (7), or (8) of this subsection. As to any such securities of which such trustee acquired ownership through becoming executor, administrator or testamentary trustee of an estate which included them, the provisions of the preceding sentence shall not apply for a period of two (2) years from the date of such acquisition, to the extent that such securities included in such estate do not exceed twenty-five per centum (25%) of such voting securities or twenty-five per centum (25%) of any such class of security. Promptly after May 15th, in each calendar year, such trustee shall make a check of its holdings of such securities in any of the above-mentioned capacities as of May 15th. If the Company fails to make payment in full of principal or interest upon the Bonds when and as the same become due and payable, and such failure continues for thirty (30) days thereafter, such trustee shall make a prompt check of its holdings of such securities in any of the above-mentioned capacities as of the date of the expiration of such thirty-day period and after such date, notwithstanding the foregoing provisions of this paragraph, all such securities so held by such trustee with sole or joint control over such securities vested in it, shall,

but only so long as such failure shall continue, be considered as though beneficially owned by such trustee for the purposes of paragraphs (6), (7), and (8) of this subsection (c).

The specifications of percentages in paragraphs (5) to (9), inclusive, of this subsection shall not be construed as indicating that the ownership of such percentages of the securities of a person is or is not necessary or sufficient to constitute direct or indirect control for the purposes of paragraph (3) or (7) of this subsection.

For the purposes of paragraphs (6), (7), (8) and (9) of this subsection only, (A) the terms "security" and "securities" shall include only such securities as are generally known as corporate securities, but shall not include any note or other evidence of indebtedness issued to evidence an obligation to repay moneys lent to a person by one or more banks, trust companies or banking firms or any certificate of interest or participation in any such note or evidence of indebtedness; (B) an obligation shall be deemed to be in default when a default in payment of principal shall have continued for thirty (30) days or more and shall not have been cured; and (C) the Trustee or the Co-Trustee, as the case may be, shall not be deemed to be the owner or holder of (i) any security which it holds as collateral security (as trustee or otherwise) for an obligation which is not in default as above defined, or (ii) any security which it holds as collateral security under this Indenture, irrespective of any default hereunder, or (iii) any security which it holds as agent for collection, or as custodian, escrow agent or depository, or in any similar representative capacity.

The percentages of voting securities and other securities specified in this Section shall be calculated in accordance with the following provisions:

(A) A specified percentage of the voting securities of the Trustee, the Company or any other person referred to in this Section (each of whom is referred to as a "person" in this paragraph and in the following paragraph) means such amount of the outstanding voting securities of such person as entitles the holder or holders thereof to cast such specified percentage of the aggregate votes which the holders of all the outstanding voting securities of such person are entitled to cast in the direction or management of the affairs of such person.

(B) A specified percentage of a class of securities of a person means such percentage of the aggregate amount of securities of the class outstanding.

(C) The term "amount", when used in regard to securities, means the principal amount if relating to evidences of indebtedness, the number of shares if relating to capital shares, and the number of units if relating to any other kind of security.

(D) The term "outstanding" means issued and not held by or for the account of the issuer. The following securities shall not be deemed outstanding within the meaning of this definition:

(1) Securities of an issuer held in a sinking fund relating to securities of the issuer of the same class;

(2) Securities of an issuer held in a sinking fund relating to another class of securities of the issuer, if the obligation evidenced by such other class of securities is not in default as to principal or interest or otherwise;

(3) Securities pledged by the issuer thereof as security for an obligation of the issuer not in default as to principal or interest or otherwise;

(4) Securities held in escrow if placed in escrow by the issuer thereof;

provided, however, that any voting securities of an issuer shall be deemed outstanding if any person other than the issuer is entitled to exercise the voting rights thereof.

(E) A security shall be deemed to be of the same class as another security if both securities confer upon the holder or holders thereof substantially the same rights and privileges, provided, however, that, in the case of secured evidences of indebtedness, all of which are issued under a single indenture, differences in the interest rates or maturity dates of various series thereof shall not be deemed sufficient to constitute such series different classes, and provided, further, that, in the case of unsecured evidences of indebtedness, differences in the interest rates or maturity dates thereof shall not be deemed sufficient to constitute them securities of different classes, whether or not they are issued under a single indenture.

For the purposes of this Section, the term "voting security" means any security presently entitling the owner or holder thereof to vote in the direction or management of the affairs of a person, or any security issued under or pursuant to any trust, agreement, or arrangement whereby a trustee or trustees or agent or agents for the owner or holder of such security are presently entitled to vote in the direction or management of the affairs of a person; the term "director" means any director of a corporation, or any individual performing similar functions with respect to any organization whether incorporated or unincorporated; the term "executive officer" means the president, every vice-president, every trust officer, the cashier, the secretary, and the treasurer of a corporation, and any individual customarily performing similar functions with respect to any organization whether incorporated or unincorporated, but shall not include the chairman of the board of directors; and the term "underwriter" when used with reference to an obligor upon the Bonds means every person, who, within three (3) years prior to the time as of which the determination is made, has purchased from such obligor with a view to, or has sold for such obligor in connection with, the distribution of any security of such obligor outstanding at such time, or has participated or has had a direct or indirect participation in any such undertaking, or has participated or has had a participation in the direct or indirect underwriting of any such undertaking, but such term shall not include a person whose interest was limited to a commission from an underwriter or dealer not in excess of the usual and customary distributors' or sellers' commission.

§15.15. (a) Subject to the provisions of subsection (b) of this Section, if the Trustee or the Co-Trustee shall be or shall become a creditor, directly or indirectly, secured or unsecured, of an obligor upon the Bonds within four (4) months prior to a default (as defined in the last paragraph of this subsection), or subsequent to such a default, then, unless and until such default shall be cured, the Trustee or the Co-Trustee, as the case may be, shall set apart and hold in a special account for the benefit of such trustee individually, the holders of the Bonds, and the holders of other indenture securities (as defined in the last paragraph of this subsection)

(1) an amount equal to any and all reductions in the amount due and owing upon any claim as such creditor in respect of prin-

cipal or interest effected after the beginning of such four (4) months' period and valid as against such obligor and its other creditors, except any such reduction resulting from the receipt or disposition of any property described in paragraph (2) of this subsection, or from the exercise of any right of set-off which such trustee could have exercised if a petition in bankruptcy had been filed by or against such obligor upon the date of such default; and

(2) all property received in respect of any claim as such creditor, either as security therefor, or in satisfaction or composition thereof, or otherwise, after the beginning of such four (4) months' period, or an amount equal to the proceeds of any such property, if disposed of, subject, however, to the rights, if any, of such obligor and its other creditors in such property or such proceeds.

Nothing herein contained, however, shall affect the right of the Trustee or the Co-Trustee, as the case may be,

(A) to retain for its own account (i) payments made on account of any such claim by any person (other than such obligor) who is liable thereon, and (ii) the proceeds of the bona fide sale of any such claim by such trustee to a third person, and (iii) distributions made in cash, securities, or other property in respect of claims filed against such obligor in bankruptcy or receivership; or

(B) to realize, for its own account, upon any property held by it as security for any such claim, if such property was so held prior to the beginning of such four (4) months' period or in proceedings for reorganization pursuant to the Bankruptcy Act or applicable State law; or

(C) to realize, for its own account, but only to the extent of the claim hereinafter mentioned, upon any property held by it as security for any such claim, if such claim was created after the beginning of such four (4) months' period and such property was received as security therefor simultaneously with the creation thereof, and if such trustee shall sustain the burden of proving that at the time such property was so received such trustee had no reasonable cause to believe that a default as defined in the last paragraph of this subsection would occur within four (4) months; or

(D) to receive payment on any claim referred to in paragraph (B) or (C), against the release of any property held as security for such claim as provided in paragraph (B) or (C), as the case may be, to the extent of the fair value of such property.

For the purposes of paragraphs (B), (C), and (D), property substituted after the beginning of such four (4) months' period for property held as security at the time of such substitution shall, to the extent of the fair value of the property released, have the same status as the property released, and, to the extent that any claim referred to in any of such paragraphs is created in renewal of or in substitution for or for the purpose of repaying or refunding any pre-existing claim of such trustee as such creditor, such claim shall have the same status as such pre-existing claim.

If the Trustee or the Co-Trustee shall be required to account, the funds and property held in such special account and the proceeds thereof shall be apportioned between such trustee, the bondholders, and the holders of other indenture securities in such manner that such trustee, the bondholders, and the holders of other indenture securities realize, as a result of payments from such special account and payments of dividends on claims filed against such obligor in bankruptcy or receivership or in proceedings for reorganization pursuant to the Bankruptcy Act or applicable State law, the same percentage of their respective claims, figured before crediting to the claim of such trustee anything on account of the receipt by it from such obligor of the funds and property in such special account and before crediting to the respective claims of such trustees, the bondholders, and the holders of other indenture securities dividends on claims filed against such obligor in bankruptcy or receivership or in proceedings for reorganization pursuant to the Bankruptcy Act or applicable State law, but after crediting thereon receipts on account of the indebtedness represented by their respective claims from all sources other than from such dividends and from the funds and property so held in such special account. As used in this paragraph, with respect to any claim, the term "dividends" shall include any distribution with respect to such claim, in bankruptcy or receivership or in proceedings for reorganization pursuant to the Bankruptcy Act or applicable State law, whether such distribution is made in cash, securities, or other property, but shall not include any such distribution with respect to the secured portion,

if any, of such claim. The court in which such bankruptcy, receivership, or proceeding for reorganization is pending shall have jurisdiction (i) to apportion between such trustees, the bondholders, and the holders of other indenture securities, in accordance with the provisions of this paragraph, the funds and property held in such special account and the proceeds thereof, or (ii) in lieu of such apportionment, in whole or in part, to give to the provisions of this paragraph due consideration in determining the fairness of the distributions to be made to such trustees, the bondholders, and the holders of other indenture securities, with respect to their respective claims, in which event it shall not be necessary to liquidate or to appraise the value of any securities or other property held in such special account or as security for any such claim, or to make a specific allocation of such distributions as between the secured and unsecured portions of such claims, or otherwise to apply the provisions of this paragraph as a mathematical formula.

Any trustee who has resigned or been removed after the beginning of such four (4) months' period shall be subject to the provisions of this subsection as though such resignation or removal had not occurred. If any trustee has resigned or been removed prior to the beginning of such four (4) months' period, it shall be subject to the provisions of this subsection if and only if the following conditions exist—

(i) the receipt of property or reduction of claim which would have given rise to the obligation to account, if such trustee had continued as trustee, occurred after the beginning of such four (4) months' period; and

(ii) such receipt of property or reduction of claim occurred within four (4) months after such resignation or removal.

As used in this Section, the term "default" means any failure to make payment in full of the principal of or interest upon the Bonds or upon the other indenture securities when and as such principal or interest becomes due and payable; and the term "other indenture securities" means securities upon which an obligor upon the Bonds is an obligor (as defined in the Trust Indenture Act of 1939) outstanding under any other indenture (a) under which the Trustee or the Co-Trustee, as the case may be, is also trustee, (b) which contains provisions substantially similar to the provisions of this subsection, and (c)

under which a default exists at the time of the apportionment of the funds and property held in said special account.

(b) There shall be excluded from the operation of subsection (a) of this Section a creditor relationship arising from—

(1) the ownership or acquisition of securities issued under any indenture, or any security or securities having a maturity of one year or more at the time of acquisition by the Trustee or the Co-Trustee, as the case may be;

(2) advances authorized by a receivership or bankruptcy court of competent jurisdiction or by this Indenture for the purpose of preserving the property subject to the lien of this Indenture or of discharging tax liens or other prior liens or encumbrances on the trust estate, if notice of such advances and of the circumstances surrounding the making thereof is given to the bondholders as provided in subsections (a), (b) and (c) of §9.04 with respect to advances by the Trustee as such;

(3) disbursements made in the ordinary course of business in the capacity of trustee under an indenture, transfer agent, registrar, custodian, paying agent, fiscal agent or depositary, or other similar capacity;

(4) an indebtedness created as a result of services rendered or premises rented; or an indebtedness created as a result of goods or securities sold in a cash transaction as defined in the last paragraph of this subsection;

(5) the ownership of stock or of other securities of a corporation organized under the provisions of Section 25(a) of the Federal Reserve Act, as amended, which is directly or indirectly a creditor of an obligor upon the Bonds; or

(6) the acquisition, ownership, acceptance or negotiation of any drafts, bills of exchange, acceptances or obligations which fall within the classification of self-liquidating paper as defined in the last paragraph of this subsection.

As used in this subsection (b), the term "security" shall have the meaning assigned to such term in the Securities Act of 1933, as

amended and in force on the date of the execution of this Indenture; the term "cash transaction" shall mean any transaction in which full payment for goods or securities sold is made within seven (7) days after delivery of the goods or securities in currency or in checks or other orders drawn upon banks or bankers and payable upon demand; and the term "self-liquidating paper" shall mean any draft, bill of exchange, acceptance or obligation which is made, drawn, negotiated or incurred by an obligor upon the Bonds for the purpose of financing the purchase, processing, manufacture, shipment, storage or sale of goods, wares or merchandise and which is secured by documents evidencing title to, possession of or a lien upon the goods, wares or merchandise or the receivables or proceeds arising from the sale of the goods, wares or merchandise previously constituting the security, provided the security is received by the Trustee or the Co-Trustee, as the case may be, simultaneously with the creation of the creditor relationship with such obligor arising from the making, drawing, negotiating or incurring of the draft, bill of exchange, acceptance or obligation.

§15.16. The Trustee may at any time resign and be discharged of the trusts hereby created by giving written notice to the Company specifying the day upon which such resignation shall take effect and thereafter publishing notice thereof in one authorized newspaper in the City of Boston, Massachusetts, and in one such newspaper in the Borough of Manhattan, City and State of New York, and in one such newspaper in each of the cities in which the principal of any of the bonds shall be payable, once in each of three (3) successive calendar weeks, in each case on any business day of the week, and such resignation shall take effect upon the day specified in such notice unless previously a successor trustee shall have been appointed by the bondholders or the Company in the manner hereinafter provided in §15.18, and in such event such resignation shall take effect immediately on the appointment of such successor trustee. This Section shall not be applicable to resignations pursuant to §15.14.

§15.17. The Trustee may be removed at any time by an instrument or concurrent instruments in writing filed with the Trustee and signed and acknowledged by the holders of a majority in principal amount of the Bonds then outstanding or by their attorneys-in-fact duly authorized.

In case at any time the Trustee shall cease to be eligible in accordance with the provisions of §15.01, then the Trustee shall resign immediately in the manner and with the effect specified in §15.16; and in the event that the Trustee does not resign immediately in such case, then it may be removed forthwith by an instrument or concurrent instruments in writing filed with the Trustee and either (a) signed by the President or a Vice-President of the Company with its corporate seal attested by the Secretary or an Assistant Secretary of the Company, or (b) signed and acknowledged by the holders of a majority in principal amount of the Bonds then outstanding or by their attorneys-in-fact duly authorized.

§15.18. In case at any time the Trustee shall resign or shall be removed (unless the Trustee shall be removed as provided in subsection (c) of §15.14 in which event the vacancy shall be filled as provided in said subsection) or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver of the Trustee or of its property shall be appointed, or if any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, a vacancy shall be deemed to exist in the office of the Trustee, and a successor or successors may be appointed by the holders of a majority in principal amount of the Bonds then outstanding hereunder, by an instrument or concurrent instruments in writing signed and acknowledged by such bondholders or by their attorneys-in-fact duly authorized, and delivered to such new trustee, notification thereof being given to the Company and the retiring trustee; provided, nevertheless, that until a new trustee shall be appointed by the bondholders as aforesaid, the Company, by instrument executed by order of its Board of Directors and duly acknowledged by its President or a Vice-President, may appoint a trustee to fill such vacancy until a new trustee shall be appointed by the bondholders as herein authorized. The Company shall publish notice of any such appointment made by it in the manner provided in §15.16. Any new trustee appointed by the Company shall, immediately and without further act, be superseded by a trustee appointed by the bondholders, as above provided, if such appointment by the bondholders be made prior to the expiration of one year after the first publication of notice of the appointment of the new trustee by the Company.

If in a proper case no appointment of a successor trustee shall be made pursuant to the foregoing provisions of this Section within six (6) months after a vacancy shall have occurred in the office of Trustee, the holder of any Bond outstanding hereunder or any retiring trustee may apply to any court of competent jurisdiction to appoint a successor trustee. Said court may thereupon after such notice, if any, as such court may deem proper and prescribe, appoint a successor trustee.

If the Trustee resigns because of a conflict of interest as provided in subsection (a) of §15.14 and a successor has not been appointed by the Company or the bondholders or, if appointed, has not accepted the appointment within thirty (30) days after the date of such resignation, the resigning trustee may apply to any court of competent jurisdiction for the appointment of a successor trustee.

Any trustee appointed under the provisions of this Section in succession to the Trustee shall be a bank or trust company eligible under §15.01 and qualified under §15.14.

Any trustee which has resigned or been removed shall nevertheless retain the lien upon the trust estate, including all property or funds held or collected by the trustee as such, to secure the amounts due to such trustee as compensation, reimbursement, expenses and indemnity, afforded to it by §15.10 and retain the rights afforded to it by §15.11.

§15.19. The rights, powers, duties, and obligations conferred or imposed upon the Trustees hereunder, or either of them, shall be exercised or performed by the Trustee or the Trustee and the Co-Trustee, jointly, except as otherwise provided herein and to the extent that under any law of any jurisdiction in which any particular act or acts are to be performed the Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations shall be exercised and performed by the Co-Trustee.

§15.20. The Company and the Trustee, at any time by an instrument in writing executed by them jointly, may accept the resignation of or remove the Co-Trustee, and, upon the request of the Trustee, the Company shall, for such purpose, join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to make effective such resignation or removal. In

the event that the Company shall not have joined in such action within fifteen (15) days after the receipt by it of a request so to do, the Trustee alone shall have power to accept such resignation or to remove the Co-Trustee.

In case at any time the Co-Trustee shall resign or shall be removed (unless the Co-Trustee shall be removed as provided in subsection (c) of §15.14 in which event the vacancy shall be filled as provided in said subsection) or shall die or shall become incapable of acting, a successor may be appointed by the Company and the Trustee and, upon the request of the Trustee, the Company shall for such purpose join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to appoint such successor. In the event that the Company shall not have joined in such appointment within fifteen (15) days after the receipt by it of a request so to do, the Trustee alone shall have power to make such appointment.

§15.21 No trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder.

§15.22 The lien created hereby upon that part of the mortgaged property situated in the State of California has been vested solely in Leo W. Huegle as Individual Trustee hereunder, and it is intended that the lien hereof upon all property so situated covered hereby shall at all times remain vested solely in the Individual Trustee and his successor or successors; and it is accordingly agreed that any act which is by any provision of this Indenture required to be performed by the Trustees or by the Trustee, if it is to be done in California or if it relates to the title to or the lien hereby created upon any property situated in California, shall be done by the Individual Trustee or his successor, and that any act, which is by any provision of this Indenture permitted to be done by the Trustees or by the Trustee, if it is to be done in California or if it relates to the title to or the lien hereby created upon any property situated in California, may be done by the Individual Trustee or his successor but only upon the written request of the Trustee; provided, however, that the Trustee may join in any such action by the Individual Trustee or his successor if advised by counsel that it is not by so doing violating any law of the State of California, but it shall not be necessary to the validity or effectiveness of any such action that the Trustee shall join therein;

and provided further that if the Trustee shall hereafter at any time be advised in writing by counsel that the Trustee is competent and qualified under the laws of California to act as trustee hereunder of the property subject to the lien hereof situated in California, then the Company and the Individual Trustee or his successor shall, if the Trustee so requests, execute such instrument or instruments as may be advised by such counsel in order to vest the lien hereof in respect of the property so situated (including after-acquired property to the extent which this Indenture purports to cover the same) in the Trustee and the Individual Trustee or his successor jointly; and after the delivery and due recording of such instrument or instruments the provisions of this paragraph shall have no further force or effect except that the Company, the Individual Trustee, and/or the Trustee shall from time to time take such further action, if any, as may be advised by counsel, by way of further assurance or otherwise, to vest the lien hereof in respect of the property so situated in the Trustees jointly. No purchaser of property situated in California, or other person relying on any act of the Individual Trustee relating to any property so situated, shall be bound to inquire into the authority of the Individual Trustee, or as to any facts required by the provisions hereof for the exercise of such authority. So long as the provisions of this paragraph remain in force, the covenants of the Company contained in §§5.03, 5.08, 5.10, 5.11 and 10.18 shall, insofar as they relate to property situated in the State of California, be construed as covenants entered into with and running to the Individual Trustee whenever such construction may be necessary to enable the Individual Trustee to enforce any such covenant or to take any action dependent upon the non-performance of any such covenant; and wherever in this Indenture the expression "the Trustees" is used, such expression shall be construed to mean the Individual Trustee to the extent that such construction will enable the Individual Trustee to take any action or enforce any right for the benefit of the holders of the Bonds which the Trustees are unable to take or to enforce jointly or which the Trustee is unwilling to join in taking or enforcing by reason of the fact that it relates to property situated in California, the lien upon which is vested hereby in the Individual Trustee.

Except as provided in the last preceding paragraph in respect of property situated in California, said Leo W. Huegle has been joined as Individual Trustee hereunder, so that if, by any present or future

law in any jurisdiction in which it may be necessary to perform any act in the execution of the trusts hereby created, said The New England Trust Company, as Trustee, or its successor or successors, may be incompetent or unqualified to act as such Trustee, then all the acts required to be performed in such jurisdiction, in the execution of the trusts hereby created, shall and will be performed by said Individual Trustee, or his successor or successors, acting alone. Except as it may be deemed necessary for the Individual Trustee solely or jointly with the Trustee to execute the trusts hereby created, and except as provided in the last preceding paragraph in respect to property situated in California, the Trustee may solely have and exercise the powers, and shall be solely charged with the performance of the duties herein declared on the part of the Trustees, or either of them to be had and exercised or to be performed.

The Individual Trustee may delegate to the Trustee the exercise of any power, discretionary or otherwise, conferred by any provision of this Indenture and shall pay over to the Trustee all moneys received by him pursuant to the provisions hereof; and said Leo W. Huegle, the Individual Trustee herein named, hereby makes, constitutes and appoints The New England Trust Company, the Trustee herein named, his true and lawful attorney for him and in his name, or in the name of the Trustee, to do and perform all acts necessary or proper in the execution and prosecution of the duties of the Trustees hereunder in as full and ample a manner as he might do personally provided that this delegation and appointment shall not authorize the Trustee to take any action in California or any action relating to the title to or the lien created hereby upon any property situated in California until the lien hereof upon such property shall have been vested in the Trustees jointly pursuant to the first paragraph of this §15.22.

Any request in writing by the Trustee to the Individual Trustee hereunder shall be sufficient warrant and full protection for the Individual Trustee in taking such action as may be requested.

§15.23. Any successor trustee appointed hereunder shall execute, acknowledge and deliver to his or its predecessor trustee, and also to the Company, an instrument accepting such appointment hereunder, and thereupon such successor trustee, without any further act, deed or conveyance, shall become fully vested with all the estates, properties,

rights, powers, trusts, duties and obligations of his or its predecessor in trust hereunder, with like effect as if originally named as trustee herein; but the trustee ceasing to act shall nevertheless, on the written request of the Company, or of the successor trustee, or of the holders of ten per centum (10%) in principal amount of the Bonds then outstanding hereunder, execute, and upon receipt by it of all amounts owing to it hereunder, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor trustee all the right, title and interest of the trustee to which he or it succeeds, in and to the mortgaged and pledged property and such rights, powers, trusts, duties and obligations, and the trustee ceasing to act shall also, upon like request and payment, pay over, assign and deliver to the successor trustee any money or other property subject to the lien of this Indenture, including any pledged securities which may then be in his or its possession. Should any deed, conveyance or instrument in writing from the Company be required by the new trustee for more fully and certainly vesting in and confirming to such new trustee such estates, properties, rights, powers, trusts and duties, any and all such deeds, conveyances and instruments in writing shall, on request, be executed, acknowledged and delivered by the Company.

§15.24. Any corporation into which the Trustee may be merged or with which it may be consolidated or any corporation resulting from any merger or consolidation to which the Trustee shall be a party or any corporation to which substantially all the business and assets of the Trustee may be transferred, provided such corporation shall be eligible under the provisions of §15.01 and qualified under §15.14, shall be the successor trustee under this Indenture, without the execution or filing of any paper or the performance of any further act on the part of any other parties hereto, anything herein to the contrary notwithstanding. In case any of the Bonds contemplated to be issued hereunder shall have been authenticated but not delivered, any such successor to the Trustee may, subject to the same terms and conditions as though such successor had itself authenticated such bonds, adopt the certificate of authentication of the original Trustee or of any successor to it as trustee hereunder, and deliver the said bonds so authenticated; and in case any of said Bonds shall not have been authenticated, any successor

to the Trustee may authenticate such Bonds either in the name of any predecessor hereunder or in the name of the successor trustee, and in all such cases such certificate shall have the full force which it is anywhere in said Bonds or in this Indenture provided that the certificate of the Trustee shall have; provided, however, that the right to authenticate Bonds in the name of the Trustee shall apply only to its successor or successors by merger or consolidation or sale as aforesaid.

ARTICLE 16.

MISCELLANEOUS PROVISIONS.

§16.01. The Company may execute and file with the Trustees and the Trustees at the request of the Company shall join in indentures supplemental hereto and which thereafter shall form a part hereof, for any one or more of the following purposes, in addition to the purposes hereinbefore specifically provided for and without compliance with the provisions of Article 12:

(a) to close this Indenture against or to restrict the issue of additional Bonds hereunder and the issue and purposes of issue of Bonds under this Indenture by imposing additional conditions and restrictions to be thereafter observed, whether applicable in respect of all Bonds issued and to be issued hereunder or in respect of one or more series thereof, or otherwise;

(b) to add to the covenants and agreements of the Company such further covenants or agreements as the Board of Directors of the Company shall consider to be for the protection of the trust estate and of the holders of Bonds, although the freedom of action of the Company may be materially restricted thereby;

(c) to describe the terms of any new series of Bonds as established by resolution of the Board of Directors of the Company pursuant to §2.03;

(d) to subject to the lien of this Indenture or to perfect the lien hereof upon, any additional properties of any character;

(e) to make such provisions in regard to matters or questions arising under this Indenture as may be necessary or desirable and not inconsistent with this Indenture;

(f) to modify any of the provisions of this Indenture, provided (a) that no such modification (unless made pursuant to Article 12) shall be or become operative or effective, or in any manner impair any of the rights of the bondholders or of the Trustees, while any Bonds of Series A or of any other series established prior to the execution of such supplemental indenture shall remain outstanding, (b) and provided, further, that such supplemental indenture shall be specifically referred to in the text of all Bonds of any series established after the execution of such supplemental indenture; (c) that the Trustees, or the Trustee, may in their or its uncontrolled discretion decline to enter into any such supplemental indenture which in their opinion may not afford adequate protection to the Trustees, or the Trustee, when the same shall become operative and (d) that no such modification shall be made if the same would be in conflict with the provisions of the Trust Indenture Act of 1939, as at the time in effect; and/or

(g) for any other purpose not inconsistent with the terms of this Indenture and which shall not impair the security of the same or for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective or inconsistent provision contained herein;

and the Company hereby covenants that it will fully perform all the requirements of any such supplemental indenture which may be in effect from time to time; provided, however, that no restriction or obligation imposed hereby or by any supplemental indenture upon the Company with respect to any of the Bonds or series of Bonds then outstanding under this Indenture may be waived or modified by such supplemental indenture or otherwise, and nothing in this Article 16 contained shall affect or limit the right or obligation of the Company or any successor corporation to execute and deliver to the Trustees any instrument of further assurance or other instrument which elsewhere in this Indenture it is provided shall be delivered to the Trustees.

§16.02. All parties to this Indenture agree, and each holder or owner of any Bond by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustees, or either of them, for any action taken

or omitted by them as such trustees, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted by the Trustees, or either of them, to any suit instituted by any bondholder, or group of bondholders, holding in the aggregate more than ten per centum (10%) in principal amount of the Bonds outstanding, or to any suit instituted by any bondholder for the enforcement of the payment of the principal of or interest on any Bond, on or after the respective due dates expressed in such Bond.

§16.03. If and to the extent any provision of this Indenture limits, qualifies, or conflicts with another provision of this Indenture required to be included herein by any of Sections 310 to 317, inclusive, of the Trust Indenture Act of 1939, such required provision shall control.

§16.04. Nothing in this Indenture or in the Bonds issued hereunder, expressed or implied, is intended or shall be construed to give to any person or corporation other than the parties hereto and the holders of Bonds and coupons, any legal or equitable right, remedy or claim under or in respect of this Indenture or under any covenant, condition or provision herein contained; all its covenants, conditions and provisions being intended to be and being for the sole and exclusive benefit of the parties hereto and of the holders of the Bonds and coupons.

§16.05. Nothing in this Indenture or in the Bonds issued hereunder, expressed or implied, is intended or shall be construed to prevent any Bonds from having also any independent security or guaranty and the benefit of any covenants or agreements outside this Indenture, concerning which a notation may or may not be endorsed thereon, and the references herein or in the Bonds to the equal security hereunder of all Bonds shall not be deemed applicable to such independent security, guaranty, covenants or agreements and the rights hereunder of the holders of such Bonds shall not be affected thereby.

§16.06. Any notice, demand or request authorized by this Indenture to be given or delivered to the Company shall be sufficiently given

or delivered for all purposes hereof if delivered to any officer of the Company or if mailed and addressed to the Company at Reno, Nevada, or to its office or agency last known to the Trustees.

§16.07. In case by reason of the temporary or permanent suspension of publication of any newspaper, or by reason of any other cause, it shall be impossible for the Company to make publication of any notice required hereby in a newspaper or newspapers as herein provided, then such publication in lieu thereof as the Company shall make with the approval of the Trustees shall constitute a sufficient publication of such notice. Such publication shall, so far as may be, approximate the terms and conditions of the publication in lieu of which it is given.

§16.08. Anything in this Indenture contained to the contrary notwithstanding, (a) if the Trustee shall have been furnished with evidence satisfactory to it that all of the Bonds outstanding hereunder, or, in case of any notice affecting or relating to only the Bonds of some particular series, all of the outstanding Bonds of such series, shall be held by not more than twenty-five persons, in lieu of any notice by publication herein provided for, notice may be given to such persons by mailing the same, first class postage prepaid and registered, to any address furnished by such persons to the Trustee for the mailing of notices or to such address of such persons as shall have otherwise been satisfactorily evidenced to the Trustee, not later than the date on which the first publication of such notice would otherwise have been required to be made; and (b) the publication or giving of any notice, the elapsing of any period of time in respect of any notice herein provided for, or the mailing or delivering to bondholders of any report, summary or other document herein provided for may be omitted or dispensed with pursuant to the waiver in writing of any such action filed with the Trustee, by the registered holders of all of the Bonds outstanding hereunder, or of any series solely affected thereby, as the case may be, if all of such outstanding Bonds or of the Bonds of such series shall at the time be registered as to principal, or of the holders of all of such outstanding Bonds or of the Bonds of such series, whether or not the same be registered as to principal, if the Trustee shall have been furnished with evidence satisfactory to it as

to the ownership of such outstanding Bonds or of the Bonds of such series by not more than twenty-five persons.

§16.09. The same officer or officers of the Company, or the same engineers or counsel or other person, as the case may be, need not certify to all the matters required to be certified under the provisions of any Article, section, subdivision or other portion hereof, but different officers, engineers, counsel or other persons may certify to different facts, respectively.

Where any person or persons are required to make, give or execute two or more orders, requests, certificates, opinions or other instruments under this Indenture, any such orders, requests, certificates, opinions or other instruments may, but need not, be consolidated and form one instrument.

§16.10. The title of Articles, any table of contents, and any wording on the cover of this Indenture are inserted for convenience only and are not a part of the Indenture.

§16.11. All the covenants, stipulations, promises and agreements in this Indenture contained by or on behalf of the Company or of the Trustees shall inure to and bind their respective successors and assigns.


§16.12. Although this Indenture is dated for convenience and for the purpose of reference as of December 1, 1940, the actual date or dates of execution by the Company and by the Trustees are as indicated by their respective acknowledgments hereto annexed.

§16.13. In order to facilitate the recording or filing of this Indenture, the same may be simultaneously executed in several counterparts, each of which shall be deemed to be an original, and such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, SIERRA PACIFIC POWER COMPANY has caused this Indenture to be signed in its corporate name and behalf by its President or one of its Vice Presidents and its corporate seal to be hereunto affixed and attested by its Secretary or one of its Assistant Secretaries; and The New England Trust Company in token of its acceptance of the trust hereby created has caused this Indenture to be signed in its corporate name and behalf by its President or one of its Vice Presidents

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and its corporate seal to be hereunto affixed and attested by its Secretary or one of its Assistant Secretaries; and Leo W. Huegle in token of his acceptance of the trust hereby created has hereunto set his hand and seal, all as of the day and year first above written.



SEAL
Affixed

SIERRA PACIFIC POWER COMPANY,

By *Frederick S. Pratt*
Vice President.

Attest:

George E. Mahue
Secretary.

Signed, sealed and delivered on behalf of
SIERRA PACIFIC POWER COMPANY, in the
presence of:

Edw. Sampson
Claude R. Hazen

THE NEW ENGLAND TRUST COMPANY,

By

Robert C. Cobb
Vice President.

Attest:


Joseph W. Wyde
Assistant Secretary.

Signed, sealed and delivered on behalf of
THE NEW ENGLAND TRUST COMPANY, in
the presence of:

Ninian T. Northley
Charles H. Jamison


Signed, sealed and delivered by
LEO W. HUEGLE, in the presence of:

Ninian T. Northley
Charles H. Jamison



SEAL
Affixed

Leo W. Huegle



Commonwealth of Massachusetts }
County of Suffolk } ss.

On this 9th day of December, 1940, before me appeared FREDERICK S. PRATT and GEORGE E. KEHOE, to me personally known, who being by me duly sworn did say that they are respectively the Vice President and Secretary of Sierra Pacific Power Company and that the seal affixed to the foregoing instrument is the corporate seal of said Corporation, and that the foregoing instrument was signed by them and sealed on behalf of said Corporation by authority of the Stockholders and Directors, and the said Frederick S. Pratt and George E. Kehoe acknowledged the said instrument to be the free act and deed of said Corporation.

W. G. Wainwright

Notary Public.

My commission expires *September 23, 1943*



COMMONWEALTH OF MASSACHUSETTS

Suffolk, ^{ss.}

Thomas Dorgan

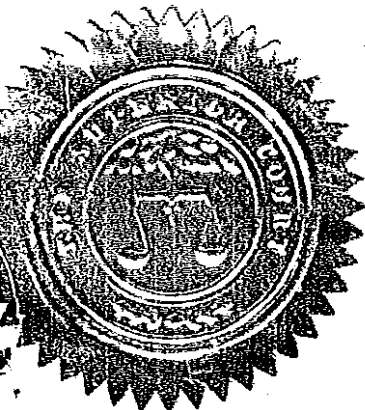
Clerk's Office of Superior Court

I, ~~JAMES F. DENNETT~~, of Boston, in said County, duly qualified and sworn as Clerk of the Superior Court, for and within said County and Commonwealth, dwelling in Boston in said County, said Court being a Court of record with a seal which is hereto affixed, the records and seal of which Court I have the custody, do herein and hereby in the performance of my duty as said Clerk, certify and attest that *R. G. Quinn, Wellington*

before whom the annexed affidavit, proof or acknowledgment was taken and subscribed, is a *Notary Public* for, within, and including the whole of said Commonwealth, doing business in said County, duly appointed, commissioned, qualified, sworn and authorized by the laws of said Commonwealth to act as such; and also duly authorized by the laws of said Commonwealth to take affidavits and take and certify proofs of acknowledgment of deeds of conveyances for lands, tenements, hereditaments, lying and being in said Commonwealth; in any part thereof and to be recorded therein, wherever situated and however bounded; that he was at the time of taking the affidavit, proof or acknowledgment, hereto annexed, such *Notary Public* that due faith and credit are and ought to be given to his official acts; that I am well acquainted with his signature and handwriting, and I verily believe that the signature to the said affidavit, proof or acknowledgment is genuine, and, further, that the annexed instrument is executed and acknowledged according to the laws of said Commonwealth.

Witness my hand and the seal of said Court at Boston, in said County and Commonwealth, this *ninth* day of *December*, A. D. 1940.

Thomas Dorgan
Clerk



Commonwealth of Massachusetts }
County of Suffolk } ss.

On this *9th* day of December, 1940, before me appeared LEON M. LITTLE and JOSEPH W. HYDE, to me personally known, who being by me duly sworn did say that they are the Vice President and Assistant Secretary respectively of The New England Trust Company, and that the seal affixed to the foregoing instrument is the corporate seal of said trust company, and that the foregoing instrument was signed and sealed by them on behalf of said trust company, and the said Leon M. Little and Joseph W. Hyde acknowledged said instrument to be the free act and deed of said trust company.

T. Eugene Keeling

Notary Public.

My commission expires *September 23, 1943*



Commonwealth of Massachusetts }
County of Suffolk } ss.

On this *9th* day of December, 1940, before me appeared LEO W. HUEGLE, to me personally known, who being by me duly sworn did say that the foregoing instrument was signed by him as his free act and deed.

R. Gaynor Mearns

Notary Public.

My commission expires *September 23, 1943*



Commonwealth of Massachusetts }
County of Suffolk } ss.

On this *9th* day of December A. D., 1940, personally appeared before me, a Notary Public in and for the County of Suffolk, LEON M. LITTLE, known to me to be the Vice President of The New England Trust Company, one of the corporations that executed the foregoing instrument, and upon oath did depose that he is the officer of said corporation as above designated, that he is acquainted with the seal of said corporation, and that the said seal affixed to said instrument is the corporate seal of said corporation; that the signatures to said instrument were made by the officers of said corporation as indicated after said signatures, and that the corporation executed the said instrument freely and voluntarily and for the purposes and uses therein named.

R. Gagnon Meling

Notary Public.

My commission expires *September 23, 1943*



Commonwealth of Massachusetts } ss.
County of Suffolk }

On this 9th day of December A. D., 1940, personally appeared before me, a Notary Public in and for the County of Suffolk, GEORGE E. KEHOE, known to me to be the Secretary of Sierra Pacific Power Company, one of the corporations that executed the foregoing instrument, and upon oath did depose that he is the officer of said corporation as above designated, that he is acquainted with the seal of said corporation, and that the said seal affixed to said instrument is the corporate seal of said corporation; that the signatures to said instrument were made by the officers of said corporation as indicated after said signatures, and that the corporation executed the said instrument freely and voluntarily and for the purposes and uses therein named.

J. G. [Signature]

Notary Public.

My commission expires September 23, 1943.



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Commonwealth of Massachusetts }
County of Suffolk } ss.

On this 9th day of December A. D., 1940, personally appeared before me, a Notary Public in and for the County of Suffolk, Leo W. Huegle, known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

R. G. Wiggins
Notary Public.

My commission expires *September 23, 1943*



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Commonwealth of Massachusetts } ss.
County of Suffolk }

FREDERICK S. PRATT and GEORGE E. KEHOE, being duly sworn, each for himself, deposes and says: That said Frederick S. Pratt is a Vice President of Sierra Pacific Power Company, a corporation duly organized under and by virtue of the laws of the State of Maine, the party of the first part in the foregoing instrument, and that said George E. Kehoe is the Secretary thereof; that said instrument is made in good faith, and without any design to hinder, delay or defraud creditors.

Frederick S. Pratt George E. Kehoe

Subscribed and sworn to before me this 9th day of December, 1940.

R. J. W. Wiggins

Notary Public.

My commission expires *September 23, 1943.*



Commonwealth of Massachusetts }
County of Suffolk } ss.

LEON M. LITTLE and JOSEPH W. HYDE, being duly sworn, each for himself, deposes and says: That said Leon M. Little is a Vice President of The New England Trust Company, a corporation duly organized under and by virtue of the laws of the Commonwealth of Massachusetts, one of the parties of the second part in the foregoing instrument, and that said Joseph W. Hyde is an Assistant Secretary thereof; that said instrument is made in good faith, and without any design to hinder, delay or defraud creditors.

Leon M. Little *Joseph W. Hyde*

Subscribed and sworn to before me this 9th day of December, 1940.

W. Eugene McCreary

Notary Public.

My commission expires September 23, 1943



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Commonwealth of Massachusetts }
County of Suffolk } ss.

LEO W. HUEGLE, being duly sworn, deposes and says: That he is one of the parties of the second part in the foregoing instrument, and that said instrument is made in good faith, and without any design to hinder, delay or defraud creditors.

Leo W. Huegle

Subscribed and sworn to before me this 4th day of December, 1940.

H. Gayman Mearns

Notary Public.

My commission expires September 23, 1943



94540

File No. 39250

RECORDED AT THE REQUEST OF

Sierra Pacific Power Co.

November 20 A.D. 1963

At 30 minutes past 11 A. M.

In Liber _____ of _____

Page _____ Records of

EUREKA COUNTY, NEVADA

Willis C. Decker Recorder

By _____ Deputy

Fee \$ 35

Filed for Record at the Request of
WASHOE COUNTY TITLE GUARANTY CO.
DEC 17 1940

at 52 Minutes past 10 o'clock A.M.

Recorded in Volume 72 of

Mortgages

Page 248 et seq., Records of
Washoe County, Nevada.

Willis C. Decker
County Recorder

By _____ Deputy

Fee for Recording \$ 176

Copied 11-25-63 by W.C. Decker

Indexed 11-25-63

Verified 11-25-63 by W.C. Decker

Record & Index as Mortgage

Also Index as Trust Deed