EXECUTION COPY

AMENDED AND RESTATED STANDBY BOND PURCHASE AGREEMENT

Dated as of February 22, 2006

among

PACIFICORP,

THE BANKS PARTY HERETO

and

JPMORGAN CHASE BANK, N.A.,
as Agent

Relating to $9,365,000
Carbon County, Utah
Pollution Control Revenue Refunding Bonds
(PacifiCorp Project)
Series 1994

J.P. MORGAN SECURITIES INC.
Lead Arranger and Book Manager

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AMENDED AND RESTATED
STANDBY BOND PURCHASE AGREEMENT

This AMENDED AND RESTATED STANDBY BOND PURCHASE AGREEMENT, dated as of February 22, 2006 among PACIFICORP, an Oregon corporation, THE BANKS PARTY HERETO, and JPMORGAN CHASE BANK, N.A., as Agent.

W I T N E S S E T H :

WHEREAS, pursuant to the Indenture (such term and all other capitalized terms used in these recitals having the meanings set forth or referred to in Section 1.01), the Issuer has issued the Bonds for purposes of refunding the Prior Bonds;

WHEREAS, the payment of the principal of and interest (at a rate per annum not in excess of 18%) on the Bonds (including Unremarketed Bonds purchased by the Banks pursuant to this Agreement) is insured by the Bond Insurance Policy issued by the Bond Insurer for the benefit of the holders from time to time of the Bonds (including the Banks);

WHEREAS, in order to provide liquidity support for the Bonds, the Company has requested the Banks, severally and not jointly and severally, to agree, subject to the terms and conditions of this Agreement, to purchase Unremarketed Bonds from time to time;

WHEREAS, the parties hereto have heretofore entered into a Standby Bond Purchase Agreement dated as of November 15, 2002 (as heretofore amended, the "**Original Agreement**"); and

WHEREAS, the parties hereto desire to amend the Agreement as set forth herein and to restate the Agreement in its entirety to read as set forth below;

NOW, THEREFORE, in consideration of the premises, and in order to induce the Banks to purchase Unremarketed Bonds from time to time, the parties hereto agree as follows:

ARTICLE 1
DEFINITIONS

Section 1.01. *Certain Defined Terms.* The following terms, as used herein, have the following meanings:

"**Acceptable Parent**" means (i) ScottishPower, until the completion of the acquisition by MidAmerican of 100% of the common stock of the Company

pursuant to the Stock Purchase Agreement dated as of May 23, 2005, and (ii) thereafter, MidAmerican.

"Adjusted London Interbank Offered Rate" has the meaning specified in Section 2.05(b).

"Administrative Questionnaire" means, with respect to each Bank, the administrative questionnaire in the form submitted to such Bank by the Agent and submitted to the Agent (with a copy to the Company) duly completed by such Bank.

"Agent" means JPMorgan Chase Bank, N.A., in its capacity as administrative agent for the Banks under this Agreement, or any successor thereto appointed in accordance with Section 8.09.

"Agreement" means the Original Agreement, as amended by this Amended Agreement, and as the same may be further amended from time to time after the date hereof.

"Amended Agreement" means this Amended and Restated Standby Bond Purchase Agreement dated as of February 22, 2006.

"Applicable Lending Office" means, with respect to any Bank, (i) in the case of its Domestic Disbursements, its Domestic Lending Office and (ii) in the case of its Euro-Dollar Disbursements, its Euro-Dollar Lending Office.

"Applicable Margin" has the meaning set forth in Section 2.05(b).

"Assignee" has the meaning set forth in Section 9.07(c).

"Authorized Officer" means (i) the President and Chief Executive Officer of the Company, (ii) the Chief Financial Officer of the Company, (iii) the Treasurer of the Company or (iv) any other officer of the Company designated as such by any of the officers referred to in clauses (i), (ii) and (iii) in a written instrument furnished to the Agent.

"Available Interest Commitment" means, as to any Bank, initially the amount set forth on the signature pages hereto as the "**Initial Available Interest Commitment**" for such Bank, which amount is equal to 62 days of accrued interest on such Bank's Percentage Share of the aggregate principal amount of the Bonds, calculated at the rate of 12% per annum and on the basis of the actual number of days elapsed in a year of 365 or 366 days, as applicable, and thereafter shall mean such initial amount as adjusted automatically (without any necessity for confirmation or notice by the Agent or any Bank) from time to time as follows: (i) simultaneously with any decrease in the Available Principal Commitment of such Bank, downward to an amount equal to 62 days of accrued interest on the

Available Principal Commitment of such Bank as in effect after taking into account such decrease, calculated at the rate of 12% per annum and on the basis of the actual number of days elapsed in a year of 365 or 366 days, as applicable; and (ii) simultaneously with any increase in the Available Principal Commitment of such Bank, upward to an amount equal to 62 days of accrued interest on the Available Principal Commitment of such Bank as in effect after taking into account such increase, calculated at the rate of 12% per annum and on the basis of the actual number of days elapsed in a year of 365 or 366 days, as applicable.

"Available Principal Commitment" means, as to any Bank, initially the amount set forth on the signature pages hereto as the **"Initial Available Principal Commitment"** for such Bank, which amount is equal to such Bank's Percentage Share of the aggregate principal amount of the Bonds, and thereafter shall mean such initial amount as adjusted automatically (without any necessity for confirmation or notice by the Agent or any Bank) from time to time as follows: (i) upon receipt by the Agent of written notice given pursuant to Section 2.08(a), downward by an amount equal to such Bank's Percentage Share of the principal amount of Bonds that are redeemed, purchased and canceled, defeased or otherwise retired, in any case, as set forth in such notice; (ii) upon the purchase by such Bank of any Unremarketed Bonds pursuant to Section 2.01, downward by an amount equal to the principal amount of Unremarketed Bonds that are so purchased by such Bank; (iii) upon the release of any Bank-Owned Bonds pursuant to Section 2.04, upward by an amount equal to such Bank's Percentage Share of the principal amount of such Bank-Owned Bonds released pursuant to said Section; and (iv) upon any assignment or substitution pursuant to Section 3.08, 9.07(c) or 9.08, upward or downward as set forth in the related instrument of assignment and assumption entered into in accordance with such Section.

"Bank" means (i) each bank listed on the signature pages of this Agreement, (ii) each Assignee which becomes a Bank pursuant to Section 9.07(c), (iii) each substitute bank which becomes a Bank pursuant to Section 3.08 or 9.08, and (iv) the successors of each of the foregoing.

"Bank Information" has the meaning set forth in Section 9.04(a).

"Bank-Owned Bond" means any Bond or portion thereof purchased by a Bank pursuant to Section 2.01 (it being understood that a Bond shall cease to be a Bank-Owned Bond only in the manner and at the time specified in Section 2.04).

"Bank Rate" means, as of any given date, with respect to each Bank-Owned Bond, that variable rate of interest (but not in excess of 18% per annum) determined as of such date to be necessary to produce an amount equal to interest at the **"Prime Rate"** (as defined in the Indenture), or with respect to any overdue amount, the **"Prime Rate"** (as so defined) plus two percent (2%) per annum, calculated on (i) the principal amount of such Bank-Owned Bond plus (ii) to the

extent permitted by law, the amount of accrued interest paid by the Banks to purchase such Bank-Owned Bond, until such principal and accrued interest have been paid to the Banks.

"Base Rate" means, for any day, an interest rate per annum equal to the higher of (i) the Prime Rate in effect for such day, and (ii) the sum of the Federal Funds Rate in effect for such day plus 0.50%.

"Bond Documents" means the Bonds, the Loan Agreement and the Indenture.

"Bond Insurance Policy" means the municipal bond insurance policy issued by the Bond Insurer (including any riders and endorsements thereto) with respect to the Bonds.

"Bond Insurer" means (a) AMBAC Assurance Corporation, a Wisconsin-domiciled stock insurance company, and (b) any other insurance or indemnity company or other type of financial institution that either replaces AMBAC Assurance Corporation as **"Insurer"** under the Indenture or is provided as an additional **"Insurer"** under the Indenture, in any case with consent of the Company and all of the Banks.

"Bond Insurer Event of Insolvency" means the occurrence and continuance of one or more of the following events (a) the issuance of an order of rehabilitation, liquidation or dissolution of the Bond Insurer; (b) the commencement by the Bond Insurer of a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect including, without limitation, the appointment of a trustee, receiver, liquidator, custodian or other similar official for itself or any substantial part of its property; (c) the consent of the Bond Insurer to or the acquiescence by the Bond Insurer in any case or proceeding described in the preceding clause (b) that is commenced against it; (d) the making by the Bond Insurer of an assignment for the benefit of creditors; (e) the failure of the Bond Insurer or the admission by the Bond Insurer in writing of its inability to generally pay its debts or claims as they become due; (f) the initiation by the Bond Insurer of any actions to authorize any of the foregoing; (g) the commencement of an involuntary case or other proceeding against the Bond Insurer seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or proceeding remaining undismissed and unstayed for a period of 60 days; or (h) the entering of an order for relief against the Bond Insurer under the federal bankruptcy laws as now or hereafter in effect.

"Bond Insurer Potential Insolvency" means any event or condition which would become a Bond Insurer Event of Insolvency under clause (g) of the definition thereof after the lapse of the 60-day period referred to in such clause (g).

"Bonds" means the Carbon County, Utah Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994, issued and secured under the Indenture in the aggregate original principal amount of $9,365,000. The term **"Bonds"** means and includes Unremarketed Bonds.

"Capitalized Lease Obligation" means, with respect to any Person, the obligation of such Person to pay rent or other amounts under any lease of real or personal property which obligation is required to be classified and accounted for as a capital lease on the balance sheet of such Person under generally accepted accounting principles (including the Statement of Financial Accounting Standards No. 13 of the Financial Accounting Standards Board, but without regard to paragraph 48 of such Statement) and, for purposes of this Agreement, the amount of such obligation shall be the capitalized amount thereof determined in accordance with generally accepted accounting principles (including such Statement No. 13).

"Closing Date" means February 22, 2006 or such other date agreed to between the Company and the Agent occurring prior to February 28, 2006.

"Combined Available Commitment" means, as to any Bank, on any date, an amount equal to the sum of (i) the Available Principal Commitment of such Bank as in effect on such date, and (ii) the Available Interest Commitment of such Bank as in effect on such date.

"Commitment Termination Date" has the meaning set forth in Section 2.09(a).

"Commodity Forward Contract" means a forward contract (i) pursuant to which the Company is entitled to make or receive payment based on a differential or contracted price and the actual spot market of electricity or natural gas and (ii) which is utilized by the Company to hedge its excess or shortage of net electricity or natural gas for future months.

"Company" means PacifiCorp, an Oregon corporation, and its successors.

"Company's 2005 Form 10-K" means the Company's annual report on Form 10-K for the fiscal year ended March 31, 2005, as filed with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934.

"Company's 2005 Form 10-Q" means the Company's quarterly report on Form 10-Q for the fiscal quarter ended December 31, 2005, as filed with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934.

"Consolidated Subsidiary" means at any date any Subsidiary or other entity the accounts of which would be consolidated with those of the Company in its consolidated financial statements if such statements were prepared as of such date.

"Debt" of any Person means at any date, without duplication, (i) all obligations of such Person for borrowed money, (ii) all obligations of such Person evidenced by bonds (other than surety bonds), debentures, notes or other similar instruments, (iii) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, (iv) all Capitalized Lease Obligations of such Person, (v) all non-contingent reimbursement, indemnity or similar obligations of such Person in respect of amounts paid under a letter of credit, surety bond or similar instrument, (vi) all Debt of others secured by a Lien on any asset of such Person, whether or not such Debt is assumed by such Person, and (vii) all Debt of others Guaranteed by such Person. Solely for the purpose of calculating compliance with the requirements of Section 6.14, Debt shall not include Debt of the Company or its Consolidated Subsidiaries arising from the application of Financial Interpretation Number 45 of the Financial Accounting Standards Board, Financial Interpretation Number 46 of the Financial Accounting Standards Board or Issue No. 01-08 of the Emerging Issues Task Force (EITF).

"Default" means any condition or event which constitutes an Event of Default or which with the giving of notice or lapse of time or both would, unless cured or waived, become an Event of Default.

"Disbursement" means a disbursement made by a Bank of its Percentage Share of the Purchase Price of Unremarketed Bonds purchased on any Purchase Date pursuant to Section 2.01. Each Disbursement consists of a Principal Disbursement and, if the Purchase Price of the Unremarketed Bonds being purchased includes accrued interest thereon, an Interest Disbursement.

"Disbursement Group" or **"Group"** means at any time a group of Disbursements consisting of (i) all Disbursements which are Domestic Disbursements at such time or (ii) all Disbursements which are Euro-Dollar Disbursements having the same Interest Period at such time; *provided* that, if a Disbursement of any particular Bank is converted to or made as a Domestic Disbursement pursuant to Section 2.12(b) or 2.12(c), such Disbursement shall be included in the same Disbursement Group from time to time as it would have been in if it had not been so converted or made.

"Domestic Business Day" means any day except a Saturday, Sunday or other day on which commercial banks in New York City, New York are authorized or required by law to close.

"Domestic Disbursement" means a Disbursement which, pursuant to Section 2.06 or Section 2.12, bears interest at a rate of interest determined on the basis of the Base Rate in accordance with Section 2.05(a).

"Domestic Lending Office" means, as to each Bank, its office located at its address set forth in its Administrative Questionnaire (or identified in its Administrative Questionnaire as its Domestic Lending Office) or such other office as such Bank may hereafter designate as its Domestic Lending Office by notice to the Company and the Agent.

"DTC" means The Depository Trust Company and its successors and assigns in the capacity contemplated therefor with respect to the Bonds pursuant to the Indenture.

"Environmental Laws" means any and all federal, state, local and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or other governmental restrictions relating to the environment or to emissions, discharges or releases of pollutants, contaminants, petroleum or petroleum products, chemicals or industrial, toxic or hazardous substances or wastes into the environment including, without limitation, ambient air, surface water, ground water, or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, petroleum or petroleum products, chemicals or industrial, toxic or hazardous substances or wastes or the clean-up or other remediation thereof.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, or any successor statute.

"ERISA Group" means all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with the Company, are treated as a single employer under Section 414 of the Internal Revenue Code.

"Euro-Dollar Business Day" means any Domestic Business Day on which commercial banks are open for international business (including dealings in dollar deposits) in the London interbank market.

"Euro-Dollar Disbursement" means a Disbursement which, pursuant to Section 2.06 or Section 2.12, bears interest at a rate of interest on the basis of an

Adjusted London Interbank Offered Rate determined in accordance with Section 2.05(b).

"Euro-Dollar Lending Office" means, as to each Bank, its office, branch or affiliate located at its address set forth in its Administrative Questionnaire (or identified in its Administrative Questionnaire as its Euro-Dollar Lending Office) or such other office, branch or affiliate of such Bank as it may hereafter designate as its Euro-Dollar Lending Office by notice to the Company and the Agent.

"Euro-Dollar Reserve Percentage" has the meaning set forth in Section 2.05(b).

"Event of Default" has the meaning set forth in Section 7.01.

"Event of Termination" has the meaning set forth in Section 7.02(b).

"Federal Funds Rate" means, for any day, the rate per annum (rounded upwards, if necessary, to the nearest 1/100th of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Domestic Business Day next succeeding such day, *provided* that (i) if such day is not a Domestic Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Domestic Business Day as so published on the next succeeding Domestic Business Day, and (ii) if no such rate is so published on such next succeeding Domestic Business Day, the Federal Funds Rate for such day shall be the average rate quoted to JPMorgan Chase Bank, N.A. on such day on such transactions as determined by the Agent.

"Guarantee" by any Person means any obligation, contingent or otherwise, of such Person directly or indirectly guaranteeing any Debt or other obligation of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or other obligation (whether arising by virtue of partnership arrangements, by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise) or (ii) entered into for the purpose of assuring in any other manner the obligee of such Debt or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part), *provided* that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business. The term **"Guarantee"** used as a verb has a corresponding meaning.

"Hedging Agreement" means any rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of the foregoing transactions) or any combination of the foregoing transactions.

"Indenture" means the Trust Indenture, dated as of November 1, 1994, between the Issuer and the Trustee.

"Interest Disbursement" means a disbursement made by a Bank of its Percentage Share of the portion, if any, of the Purchase Price of Unremarketed Bonds purchased on any Purchase Date that corresponds to the accrued and unpaid interest on such Unremarketed Bonds at such date.

"Interest Payment Date" means the first day of each month.

"Interest Period" means, with respect to each Euro-Dollar Disbursement, a period commencing on the date specified in the applicable Notice of Interest Rate Election and ending one, two, three or six months thereafter, as the Company may elect in the applicable Notice of Interest Rate Election; *provided* that:

(a) any Interest Period that would otherwise end on a day that is not a Euro-Dollar Business Day shall be extended to the next succeeding Euro-Dollar Business Day unless such day falls in another calendar month, in which case such Interest Period shall end on the next preceding Euro-Dollar Business Day;

(b) any Interest Period that begins on the last Euro-Dollar Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall, subject to the provisions of paragraph (c) of this proviso, end on the last Euro-Dollar Business Day of a calendar month; and

(c) if any Interest Period includes a date on which a payment of principal of any Disbursement is required to be made under Section 2.11(a) but does not end on such date, then (i) the principal amount (if any) of each Euro-Dollar Disbursement required to be repaid on such date shall have an Interest Period ending on such date and (ii) the remainder (if any) of each such Euro-Dollar Disbursement shall have an Interest Period determined as set forth above.

"Internal Revenue Code" means the Internal Revenue Code of 1986, as amended, or any successor statute.

"Investment" means any investment in any Person, whether by means of share purchase, capital contribution, loan, time deposit or otherwise.

"Issuer" means Carbon County, Utah.

"Lien" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset. For the purposes of this Agreement, the Company shall be deemed to own subject to a Lien any asset which it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such asset.

"Loan Agreement" means the Loan Agreement dated as of November 1, 1994 between the Company and the Issuer relating to the Bonds.

"London Interbank Offered Rate" has the meaning set forth in Section 2.05(b).

"Material Debt" means Debt of the Company arising under a single or series of related instruments or other agreements exceeding $35,000,000 in principal amount.

"Material Hedging Obligations" means payment obligations in respect of one or more Hedging Agreements with a single counterparty which have Negative Termination Values exceeding $35,000,000 in aggregate amount.

"Material Plan" means at any time a Plan or Plans having aggregate Unfunded Liabilities in excess of $50,000,000.

"MidAmerican" means MidAmerican Energy Holdings Company or any wholly-owned subsidiary thereof that owns the common stock of the Company.

"Moody's" means Moody's Investors Service, Inc. and its successors.

"Moody's Rating" means the highest of the rating of (i) the Company's senior secured debt, (ii) the Bond Insurer's long-term debt and (iii) the Bond Insurer's financial strength rating, each as most recently announced by Moody's.

"Multiemployer Plan" means at any time an employee pension benefit plan within the meaning of Section 4001(a)(3) of ERISA to which any member of the ERISA Group is then making or accruing an obligation to make contributions or has within the preceding five plan years made contributions, including for these purposes any Person which ceased to be a member of the ERISA Group during such five year period.

"**Negative Termination Value**" means, with respect to any Hedging Agreement of the Company, the amount (if any) that the Company would be required to pay if such Hedging Agreement were terminated by reason of a default by or other termination event relating to the Company, such amount to be determined on the basis of an estimate made by the Company in good faith. The Negative Termination Value of any such Hedging Agreement at any date shall be determined (i) as of the end of the most recent fiscal quarter of the Company ended on or prior to such date if such Hedging Agreement was then outstanding or (ii) as of the date such Hedging Agreement is entered into if it is entered into after the end of such fiscal quarter. However, if an applicable agreement between the Company and the relevant counterparty provides that, upon any such termination by such counterparty, one or more other Hedging Agreements (if any then exist) between the Company and such counterparty would also terminate and the amount (if any) payable by the Company would be a net amount reflecting the termination of all the Hedging Agreements so terminated, then the Negative Termination Value of all the Hedging Agreements subject to such netting shall be, at any date, a single amount equal to such net amount (if any) payable by the Company, determined as of the later of (i) the end of the most recently ended fiscal quarter of the Company or (ii) the date on which the most recent Hedging Agreement subject to such netting was entered into.

"**Notice of Interest Rate Election**" has the meaning set forth in Section 2.06.

"**Offering Circular**" means any offering circular or other document (whether preliminary or final) used in connection with the offering and sale or the re-offering and re-sale or remarketing of the Bonds (including, without limitation, the Official Statement).

"**Official Statement**" means the Reoffering Circular, dated February 14, 2006, relating to the Bonds.

"**Original Agreement**" has the meaning set forth in the recitals hereto.

"**Other Company Agreements**" means the Amended and Restated Standby Bond Purchase Agreements dated as of the date hereof among the Company, the banks party thereto and JPMorgan Chase Bank, N.A., as Agent relating to $8,190,000 Converse County, Wyoming Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994, $15,060,000 Lincoln County, Wyoming Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994, $40,655,000 Moffat County, Colorado Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994 and $21,260,000 Sweetwater County, Wyoming Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994, in each case as amended from time to time.

"**Parent**" means, with respect to any Bank, any Person controlling such Bank.

"**Participant**" has the meaning set forth in Section 9.07(b).

"**PBGC**" means the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

"**Percentage Share**" means, with respect to any Bank, the percentage of the Total Combined Available Commitments which is represented by such Bank's Combined Available Commitment (which percentage initially shall be set forth on the signature pages attached hereto and, upon any addition, substitution or deletion of Banks pursuant to Sections 3.08, 9.07(c) or 9.08, shall be set forth in the instrument of assignment and assumption which reflects such addition, substitution or deletion).

"**Person**" means an individual, a corporation, a partnership, an association, a trust or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"**Plan**" means at any time an employee pension benefit plan (other than a Multiemployer Plan) which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Internal Revenue Code and either (i) is maintained, or contributed to, by any member of the ERISA Group for employees of any member of the ERISA Group or (ii) has at any time within the preceding five years been maintained, or contributed to, by any Person which was at such time a member of the ERISA Group for employees of any Person which was at such time a member of the ERISA Group.

"**Pledge Agreement**" has the meaning set forth in the Indenture.

"**Pledged Umbrella Bonds**" means Umbrella Bonds pledged under the Pledge Agreement.

"**Pollution Bonds**" means bonds issued for the purpose of financing all or any part of the cost of facilities acquired or constructed for use by the Company; *provided* that the interest on such bonds is exempt from tax under the Internal Revenue Code as in effect when the debt evidenced by such bonds is incurred.

"**Pollution LC**" means a letter of credit issued for the purpose of (i) supporting payments of principal and interest on Pollution Bonds or (ii) providing funds to purchase Pollution Bonds from the holders thereof.

"**Prime Rate**" means the rate of interest publicly announced by the Agent in New York City from time to time as its Prime Rate.

"**Principal Disbursement**" means a disbursement made by a Bank of its Percentage Share of the portion of the Purchase Price of Unremarketed Bonds purchased on any Purchase Date that corresponds to the principal of such Unremarketed Bonds.

"**Prior Bonds**" has the meaning assigned thereto in the Indenture.

"**Purchase Certificate**" has the meaning set forth in Section 4.03(a)(i).

"**Purchase Contract**" means the Bond Purchase Agreement, dated November 16, 1994, between the Issuer and the Underwriter.

"**Purchase Date**" means each date fixed for the purchase of Bonds by the Banks in accordance with Section 3.03 of the Indenture.

"**Purchase Price**" has the meaning set forth in Section 2.01.

"**Qualifying Junior Subordinated Debt**" means subordinated debt of the Company which has (i) an original maturity of 20 years or more; (ii) provisions permitting the Company to defer the payment of interest for a period or periods of 20 consecutive quarters or more; (iii) no principal payments that are due and payable until after the Stated Expiration Date; and (iv) all other characteristics (except interest rate) materially no less favorable to the Company than the Company's 8¼% Junior Subordinated Deferrable Interest Debentures, Series C maturing on June 30, 2036 and described in PacifiCorp Capital I's Prospectus Supplement dated June 6, 1996.

"**Related Document**" or "**Related Documents**" means, individually or collectively, as the case may be, any or all of the Bond Documents, the Bond Insurance Policy, the Umbrella Documents, the Remarketing Agreement, the Purchase Contract, the Tax Agreement (as defined in the Purchase Contract) and the Indemnity Agreement (as defined in the Purchase Contract).

"**Remarketing Agent**" means Morgan Stanley & Co. Incorporated, as Remarketing Agent for the Bonds, and any successor thereto appointed in accordance herewith and with the Indenture and the Remarketing Agreement.

"**Remarketing Agreement**" means the Remarketing Agreement, dated as of November 1, 1994, between the Company and the Remarketing Agent, or any successor remarketing agreement entered into in connection with the Bonds in accordance herewith and with the Indenture.

"**Required Banks**" means at any time Banks holding in the aggregate more than 50% of the aggregate principal amount of Unremarketed Bonds or, if no Unremarketed Bonds are held by the Banks, Banks whose Combined Available Commitments comprise more than 50% of the Total Combined

Available Commitments; *provided* that if the total number of Banks party to this Agreement is either two or three and if any single Bank shall by itself constitute the Required Banks, then "Required Banks" shall mean such Bank and any other Bank.

"**Revenues**" has the meaning set forth in the Indenture.

"**ScottishPower**" means Scottish Power plc, a public limited company incorporated under the laws of Scotland.

"**S&P**" means Standard & Poor's Ratings Group (a division of McGraw Hill, Inc.) and its successors.

"**S&P Rating**" means the highest of the rating of (i) the Company's senior secured debt, (ii) the Bond Insurer's long-term debt and (iii) the Bond Insurer's financial strength rating, each as most recently announced by S&P.

"**Stated Expiration Date**" means February 22, 2011 or such later date to which the Stated Expiration Date shall have been extended pursuant to Section 2.10 (or if such day is not a Domestic Business Day, the next succeeding Domestic Business Day). For the avoidance of doubt, the commitments and the obligations of the Banks to purchase Unremarketed Bonds shall automatically terminate without notice to any Person pursuant to Section 7.02(b) upon the occurrence of a Bond Insurer Event of Insolvency.

"**Subsidiary**" means any corporation or other entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are at the time directly or indirectly owned by the Company.

"**Tangible Net Worth**" means at any date the consolidated shareholders' equity of the Company and its Consolidated Subsidiaries less their Intangible Assets, all determined as of such date. For purposes of this definition "Intangible Assets" means the amount (to the extent reflected in determining such shareholders' equity) of (i) all write-ups (other than write-ups resulting from foreign currency translations and write-ups of assets of a going concern business made within twelve months after the acquisition of such business) subsequent to March 31, 2005 in the book value of any asset owned by the Company or its Consolidated Subsidiaries, (ii) unamortized debt discount and expense and unamortized deferred charges, but only to the extent that such costs are not recoverable by the Company through inclusion in the Company's utility rates and (iii) goodwill, patents, trademarks, service marks, trade names, copyrights, organization or developmental expenses and other intangible items.

"**Term Period Commencement Date**" means, with respect to any Disbursement, the earlier of (i) the first anniversary of the Purchase Date on which such Disbursement was made and (ii) the Commitment Termination Date.

"**Total Capitalization**" at any date means, without duplication and after intercompany eliminations among the Company and its Consolidated Subsidiaries, the sum of (i) all Debt of the Company and its Consolidated Subsidiaries, (ii) preferred stock of the Company and (iii) common stock equity of the Company, all determined as of such date; provided that Qualifying Junior Subordinated Debt shall be included in Total Capitalization only if and to the extent that the inclusion thereof does not cause the aggregate amount of all preferred stock and Qualifying Junior Subordinated Debt to exceed 15% of Total Capitalization.

"**Total Combined Available Commitments**" means the sum of the Combined Available Commitments of all of the Banks.

"**Total Debt**" at any date means, without duplication and after intercompany eliminations among the Company and its Consolidated Subsidiaries, the sum of (i) all Debt of the Company and its Consolidated Subsidiaries (other than Qualifying Junior Subordinated Debt) and (ii) any portion of mandatorily redeemable preferred stock of the Company or any of its Consolidated Subsidiaries that is a current liability, all determined as of such date.

"**Trustee**" means J.P. Morgan Trust Company, N.A. or any successor trustee appointed in accordance with the Indenture.

"**Umbrella Bonds**" means bonds issued under the Umbrella Mortgage.

"**Umbrella Documents**" means the Umbrella Mortgage, the Umbrella Supplemental Indenture, the Pledge Agreement and the Pledged Umbrella Bonds.

"**Umbrella Mortgage**" means the Mortgage and Deed of Trust dated as of January 9, 1989 between the Company and JPMorgan Chase Bank, N.A. (formerly known as The Chase Manhattan Bank, successor-by-merger to Morgan Guaranty Trust Company of New York), as amended or supplemented from time to time.

"**Umbrella Supplemental Indenture**" means the Tenth Supplemental Indenture dated as of August 1, 1994 supplementing the Umbrella Mortgage and providing for the issuance of the Umbrella Bonds that will constitute the Pledged Umbrella Bonds.

"**Underwriter**" means Morgan Stanley & Co. Incorporated as the initial purchaser of the Bonds under the Purchase Contract.

"**Unfunded Liabilities**" means, with respect to any Plan at any time, the amount (if any) by which (i) the present value of all benefits under such Plan exceeds (ii) the fair market value of all Plan assets allocable to such benefits (excluding any accrued but unpaid contributions), all determined as of the then most recent valuation date for such Plan, but only to the extent that such excess represents a potential liability of a member of the ERISA Group to the PBGC or any other Person under Title IV of ERISA.

"**United States**" means the United States of America, including the States and the District of Columbia, but excluding its territories and possessions.

"**Unremarketed Bonds**" means Bonds which are tendered and/or deemed tendered for purchase pursuant to the provisions of the Indenture and which have not been remarketed by the Remarketing Agent.

Section 1.02. *Accounting Terms and Determinations.* Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared in accordance with generally accepted accounting principles as in effect from time to time, applied on a basis consistent (except for changes concurred in by the Company's independent public accountants) with the most recent audited financial statements of the Company delivered to the Banks; *provided* that, if the Company notifies the Agent that the Company wishes to amend any covenant in Article 6 to eliminate the effect of any change in generally accepted accounting principles on the operation of such covenant (or if the Agent notifies the Company that the Required Banks wish to amend Article 6 for such purpose), then the Company's compliance with such covenant shall be determined on the basis of generally accepted accounting principles in effect immediately before the relevant change in generally accepted accounting principles became effective, until either such notice is withdrawn or such covenant is amended in a manner satisfactory to the Company and the Required Banks; *provided further* that the effects of application of Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities", with respect to unsettled power purchase and power sale contracts of the Company shall be eliminated in determining the Company's compliance with the covenant contained in Section 6.14. Unless the context otherwise requires, all references to financial statements of the Company shall mean consolidated financial statements of the Company and its Consolidated Subsidiaries.

Section 1.03. *Basis for Ratings.* Except with respect to the ratings assigned to the Bonds or the Umbrella Bonds, references herein to credit ratings are to ratings assigned to unsecured obligations without third party credit support. Except as aforesaid, ratings assigned to any obligation that is secured or that has the benefit of third party credit support shall be disregarded. For purposes hereof,

the rating in effect on any date is that in effect on the close of business on such date.

ARTICLE 2

TERMS OF THE COMMITMENT TO PURCHASE UNREMARKETED BONDS

Section 2.01. *Commitment of the Banks to Purchase Unremarketed Bonds.* Subject to the terms and conditions of this Agreement (including, without limitation, the conditions precedent set forth in Section 4.03), each Bank severally agrees to purchase Unremarketed Bonds from time to time prior to the Commitment Termination Date, not later than 2:00 P.M. (New York City time) on each Purchase Date for such Unremarketed Bonds, at a price (the "**Purchase Price**") equal to the principal amount thereof plus (if the Purchase Date is not a day on which interest is payable on such Unremarketed Bonds) accrued and unpaid interest thereon to such Purchase Date; *provided, however*, that the Purchase Price payable by each Bank on such Purchase Date shall not exceed (a) with respect to the portion of such Purchase Price corresponding to principal, the lesser of (i) the Available Principal Commitment of such Bank as in effect on such Purchase Date, and (ii) such Bank's Percentage Share of the aggregate principal amount of Unremarketed Bonds being purchased by the Banks on such Purchase Date, and (b) with respect to the portion of such Purchase Price corresponding to interest, the lesser of (i) the Available Interest Commitment of such Bank as in effect on such Purchase Date, and (ii) such Bank's Percentage Share of the aggregate amount of interest accrued and unpaid on such Unremarketed Bonds on such Purchase Date; and *provided further, however*, that the Company agrees that Unremarketed Bonds which are held by or for the account of the Company, any affiliate of the Company or any broker-dealer holding Unremarketed Bonds pursuant to an arrangement with the Company shall not be purchased by the Banks hereunder. The obligations of the Banks to purchase Unremarketed Bonds pursuant to this Agreement are several and not joint and several. No Bank shall be liable for the failure of any other Bank to purchase Unremarketed Bonds pursuant to this Agreement. The failure of any Bank to purchase Unremarketed Bonds pursuant to this Agreement shall not excuse the several obligations of the other Banks to purchase Unremarketed Bonds pursuant to this Agreement. Each Bank agrees that it shall use its own funds to pay all amounts in respect of the Purchase Price of Unremarketed Bonds and that in no event shall funds or property of the Company be used to purchase any Unremarketed Bonds.

Section 2.02. *Method of Purchase of Unremarketed Bonds.* In connection with each purchase by a Bank of Unremarketed Bonds pursuant to this Agreement, such Bank will wire transfer immediately available funds in the amount of its Percentage Share of the Purchase Price to the Trustee. Any amount disbursed by

the Banks on a Purchase Date to pay the Purchase Price of Unremarketed Bonds which is not used (or deemed used) for such purpose on such Purchase Date shall be repaid to the Agent for the account of the Banks (either (i) in proportion to their respective Percentage Shares or (ii) as otherwise specified by the Agent in the event any Bank shall not have disbursed in full the amount of such Bank's Purchase Price) in immediately available funds and such amount shall not be included as part of the Disbursements made by the Banks on such date. If such amount is not repaid to the Agent for the account of the Banks on such Purchase Date, the Company shall pay, or cause to be paid, to the Agent for the account of the Banks interest on such amount at the Base Rate for each day until the Banks are repaid in full with respect to such amount.

Section 2.03. *Bank-Owned Bonds.* (a) Subject to the second sentence of Section 2.02, upon a Bank having paid to the Trustee its Percentage Share of the Purchase Price of Unremarketed Bonds in accordance with the Purchase Certificate relating thereto, such Bank shall be deemed to have purchased a principal amount of the Unremarketed Bonds equal to such Bank's Percentage Share of the aggregate principal amount of the Unremarketed Bonds specified in such Purchase Certificate and such Bonds shall be held for the proportionate benefit of the Banks as provided in Section 4.03(b).

(b) Neither the Agent nor any Bank shall have any responsibility for, or incur any liability in respect of, any act, or any failure to act, by the Trustee which results in the failure of the Trustee (i) to credit the appropriate account with funds made available by any Bank pursuant to this Agreement or (ii) to effect the purchase for the account of the Banks of Unremarketed Bonds with such funds pursuant to this Agreement.

(c) Unremarketed Bonds purchased by the Banks pursuant to Section 2.01 shall constitute Bank-Owned Bonds and shall bear interest on the unpaid principal amount thereof, payable monthly in arrears on each Interest Payment Date (or in the event that the maturity of the Bonds shall have been accelerated in accordance with the terms of the Bond Documents, payable on demand by the Agent or the Bank), at the Bank Rate until such Bonds cease to be Bank-Owned Bonds in the manner and at the time specified in Section 2.04.

(d) Payments in respect of principal (including premium, if any) and interest received by the Agent in respect of any Bank-Owned Bonds (whether at maturity, upon redemption or acceleration, or otherwise, including payments made with the proceeds of the Bond Insurance Policy and amounts received upon the remarketing of such Bank-Owned Bonds or the sale thereof pursuant to Section 6.07) shall be applied (and to the extent that the Disbursements are not then due and payable, the Disbursements shall be prepaid) as follows:

(i) Payments in respect of principal (including premium, if any) shall be applied to the ratable repayment (or prepayment) of the Principal Disbursements made by the Banks to purchase the principal amount of such Bank-Owned Bonds.

(ii) Payments in respect of interest that was accrued on such Bonds when they were purchased by the Banks shall be applied to the ratable repayment (or prepayment) of the Interest Disbursements made by the Banks with respect to such accrued interest.

(iii) Payments in respect of interest that accrued at the Bank Rate after such Bonds became Bank-Owned Bonds shall be applied in the following order of priorities: *first*, to the ratable payment of interest on the Disbursements that is due and unpaid hereunder, *second*, to the payment of due and unpaid fees payable to the Agent pursuant to Section 8.13 or the Banks pursuant to Section 2.07 and *third*, to the Company (or if such payment shall have been made by the Bond Insurer pursuant to the Bond Insurance Policy, to the Bond Insurer).

(e) The Company shall receive a credit against its obligation to make any payment hereunder if and to the extent that amounts paid in respect of the Bank-Owned Bonds are applied to such payment in accordance with Section 2.03(d), and such obligation shall be discharged to such extent; *provided* that in the event that all or part of any such amount is recovered from any Bank as a preference, fraudulent transfer or similar payment under any bankruptcy, insolvency or similar law, such obligation shall be reinstated as though such amount had not been paid.

Section 2.04. *Remarketing of Bank-Owned Bonds.* No Bank-Owned Bonds shall be remarketed after the Commitment Termination Date or the date, if any, on which the maturity of the Bonds shall have been accelerated in accordance with the terms of the Bond Documents, unless the purchaser of such Bonds shall have acknowledged in a manner reasonably satisfactory to the Agent, that the Available Principal Commitments and the Available Interest Commitments of the Banks have been terminated and that such Bonds shall not be entitled to the benefits of this Agreement. Without limiting the foregoing, upon receipt by the Agent of:

(i) telephonic notice given by the Remarketing Agent pursuant to Section 3.04(b) of the Indenture of the proposed remarketing of any Bank-Owned Bonds (which notice shall be promptly confirmed in writing and shall state the principal amount of Bank-Owned Bonds to be remarketed),

(ii) an amount equal to the sums required to be paid to the Agent for the account of each Bank pursuant to Section 2.11 in respect of the repayment of each Disbursement (each such Disbursement being referred to for purposes of this Section 2.04 as a "**Related Disbursement**") made by the Banks to pay the Purchase Price of such Bank-Owned Bonds (when such Bank-Owned Bonds constituted Unremarketed Bonds), together with interest thereon as provided in Section 2.11(c), and

(iii) in the event that any such Bank-Owned Bonds are being remarketed (other than pursuant to the first sentence of this Section 2.04) on a date that is after the Term Period Commencement Date with respect to the Related Disbursement made with respect to such Bonds, a certificate of the Company signed by an Authorized Officer to the effect that on and as of such date, to the best of such Authorized Officer's knowledge after due inquiry:

(A) the representations and warranties of the Company contained in Article 5 (other than the representations and warranties contained in Sections 5.04(c) and 5.05) are true and correct on and as of such date as though made on such date;

(B) no Default has occurred and is continuing on such date; and

(C) the Bonds are rated Aaa/VMIG-1 or higher by Moody's and AAA/A-1 or higher by S&P on such date,

the Agent on behalf of each Bank shall promptly notify the Trustee pursuant to Section 3.06(a)(ii) of the Indenture that (A) the Trustee may release, or cause to be promptly released, such Bank-Owned Bonds for transfer in connection with such remarketing and (B) upon such release, such Bank-Owned Bonds shall cease to constitute Bank-Owned Bonds and, except in the event of a remarketing pursuant to the first sentence of this Section 2.04, each Bank's Available Principal Commitment and Available Interest Commitment shall be increased to cover such released Bonds in accordance with the definitions of such terms set forth in Section 1.01. For purposes of determining which Bank-Owned Bonds have been remarketed on any date, it shall be assumed that the Bank-Owned Bonds purchased by the Banks on each of the Purchase Dates that occurred prior to such date have been remarketed on a *pro rata* basis (determined by reference to the principal amount of such Bank-Owned Bonds on such date), and Bank-Owned Bonds purchased on any such prior Purchase Date shall be released pursuant to this Section 2.04 on the same basis (until all Bank-Owned Bonds purchased on such prior Purchase Date have been so released).

Section 2.05. *Interest Rates.* (a) Each Domestic Disbursement shall bear interest on the outstanding principal amount thereof, for each day from and including the date such Disbursement is made until and excluding the date such Disbursement is required to be repaid hereunder, at a rate per annum equal to the Base Rate for such day. Such interest shall be payable by the Company monthly in arrears on each Interest Payment Date.

(b) Each Euro-Dollar Disbursement shall bear interest on the outstanding principal amount thereof, for each day during the Interest Period applicable thereto, at a rate per annum equal to the sum of the Applicable Margin for such day plus the Adjusted London Interbank Offered Rate applicable to such Interest Period. Such interest shall be payable by the Company monthly in arrears on each Interest Payment Date.

"**Applicable Margin**" means, with respect to any Euro-Dollar Disbursement on any date, (a) for any date occurring prior to the Term Period Commencement Date relating to such Disbursement, (i) if the S&P Rating is A or higher or the Moody's Rating is A2 or higher, 0.35% per annum; (ii) if the S&P Rating is lower than A and the Moody's Rating is lower than A2, but the S&P Rating is A- or higher or the Moody's Rating is A3 or higher, 0.40% per annum; (iii) if the S&P Rating is lower than A- and the Moody's Rating is lower than A3, but the S&P Rating is BBB+ or higher or the Moody's Rating is Baa1 or higher, 0.50% per annum; and (iv) if the S&P Rating is lower than BBB+ and the Moody's Rating is lower than Baa1, 0.70% per annum; and (b) for any date occurring on or after the Term Period Commencement Date relating to such Disbursement, the rate per annum that would otherwise be applicable pursuant to clause (a) above plus 0.50%.

The "**Adjusted London Interbank Offered Rate**" applicable to any Interest Period means a rate per annum equal to the quotient obtained (rounded upward, if necessary, to the next higher 1/100 of 1%) by dividing (i) the applicable London Interbank Offered Rate by (ii) 1.00 minus the Euro-Dollar Reserve Percentage.

The "**London Interbank Offered Rate**" applicable to any Interest Period means the rate appearing on Page 3750 of the Dow Jones Market Service (or on any successor or substitute page of such Service, or any successor to or substitute for such Service, providing rate quotations comparable to those currently provided on such page of such Service, as determined by the Agent from time to time for purposes of providing quotations of interest rates applicable to dollar deposits in the London interbank market) at approximately 11:00 a.m., London time, two Euro-Dollar Business Days prior to the commencement of such Interest Period, as the rate for dollar deposits with a maturity comparable to such Interest Period. In the event that such rate is not available at such time for any reason, then the "London Interbank Offered Rate" applicable to such Interest Period shall

be the rate at which dollar deposits of $5,000,000 and for a maturity comparable to such Interest Period are offered by the principal London office of the Agent in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, two Euro-Dollar Business Days prior to the commencement of such Interest Period.

"**Euro-Dollar Reserve Percentage**" means for any day that percentage (expressed as a decimal) which is in effect on such day, as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement for a member bank of the Federal Reserve System in New York City with deposits exceeding five billion dollars in respect of "**Eurocurrency liabilities**" (or in respect of any other category of liabilities which includes deposits by reference to which the interest rate on Euro-Dollar Disbursements is determined or any category of extensions of credit or other assets which includes loans by a non-United States office of any Bank to United States residents). The Adjusted London Interbank Offered Rate shall be adjusted automatically on and as of the effective date of any change in the Euro-Dollar Reserve Percentage.

(c) Any overdue principal of, or interest on, any Disbursement and any other amount due hereunder which is not paid when due, whether at stated maturity, by acceleration or otherwise, shall bear interest, payable on demand, from the date the same becomes due until such amount is paid in full, at a rate per annum equal to the sum of 2% plus the Base Rate as in effect from time to time.

(d) The Agent shall determine each interest rate applicable to the Disbursements hereunder. The Agent shall give prompt notice to the Company and the Banks of each rate of interest so determined, and its determination thereof shall be conclusive in the absence of manifest error.

Section 2.06. *Method of Electing Interest Rates.* (a) All Disbursements made by the Banks on any Purchase Date shall initially be Domestic Disbursements. Thereafter, the Company may from time to time elect to change or continue the type of interest rate borne by each Disbursement Group (subject in each case to the provisions of Section 2.12), as follows:

(i) if such Disbursements are Domestic Disbursements, the Company may elect to convert such Disbursements to Euro-Dollar Disbursements as of any Euro-Dollar Business Day; and

(ii) if such Disbursements are Euro-Dollar Disbursements, the Company may elect to convert such Disbursements to Domestic Disbursements or elect to continue such Disbursements as Euro-Dollar Disbursements for an additional Interest Period, in each case effective on

the last day of the then current Interest Period applicable to such Disbursements.

Each such election shall be made by delivering a notice substantially in the form of Exhibit B hereto (a "**Notice of Interest Rate Election**") to the Agent not later than 12:00 Noon (New York City time) on the third Euro-Dollar Business Day before the conversion or continuation selected in such notice is to be effective. A Notice of Interest Rate Election may, if it so specifies, apply to only a portion of the aggregate principal amount of the relevant Disbursement Group; *provided* that (i) such portion is allocated ratably among the Disbursements comprising such Disbursement Group and (ii) the portion to which such Notice of Interest Rate Election applies, and the remaining portion to which it does not apply, are each at least $3,000,000.

(b) Each Notice of Interest Rate Election shall specify:

(i) the Disbursement Group (or portion thereof) to which such notice applies;

(ii) the date on which the conversion or continuation selected in such notice is to be effective, which shall comply with the applicable clause of subsection (a) above;

(iii) if the Disbursements comprising such Disbursement Group are to be converted, the new type of Disbursements (i.e. Domestic or Euro-Dollar) and, if such new Disbursements are Euro-Dollar Disbursements, the duration of the initial Interest Period applicable thereto; and

(iv) if such Disbursements are to be continued as Euro-Dollar Disbursements for an additional Interest Period, the duration of such additional Interest Period.

Each Interest Period specified in a Notice of Interest Rate Election shall comply with the provisions of the definition of Interest Period.

(c) Upon receipt of a Notice of Interest Rate Election from the Company pursuant to subsection (a) above, the Agent shall promptly notify each Bank of the contents thereof and such notice shall not thereafter be revocable by the Company. If the Company fails to deliver a timely Notice of Interest Rate Election to the Agent for any Group of Euro-Dollar Disbursements, such Disbursements shall be converted into Domestic Disbursements on the last day of the then current Interest Period applicable thereto.

Section 2.07. *Fees.* (a) *Commitment Fee.* The Company shall pay to the Agent for the account of the Banks ratably (in proportion to their Percentage Shares) a commitment fee at a per annum rate for each day equal to the Commitment Fee Rate for such day on the Total Combined Available Commitments at the close of business on such day. Such commitment fee shall accrue from and including the Closing Date to but excluding the Commitment Termination Date (or earlier date of termination of the Total Combined Available Commitments in their entirety).

"**Commitment Fee Rate**" means, for any day, (i) if the S&P Rating is A or higher or the Moody's Rating is A2 or higher, 0.07% per annum; (ii) if the S&P Rating is lower than A and the Moody's Rating is lower than A2, but the S&P Rating is A- or higher or the Moody's Rating is A3 or higher, 0.08% per annum; (iii) if the S&P Rating is lower than A- and the Moody's Rating is lower than A3, but the S&P Rating is BBB+ or higher or the Moody's Rating is Baa1 or higher, 0.10% per annum; and (iv) if the S&P Rating is lower than BBB+ and the Moody's Rating is lower than Baa1, 0.15% per annum.

(b) *Payments.* Fees accrued under this Section shall be payable quarterly in arrears on each March 31, June 30, September 30 and December 31 (commencing with March 31, 2006). If the Total Combined Available Commitments are reduced pursuant to Section 2.08 or terminated in their entirety pursuant to Section 2.09, all fees accrued under this Section to but excluding the effective date of such reduction or termination and with respect to the Total Combined Available Commitments (or portion thereof) being reduced or terminated shall be payable on such date.

Section 2.08. *Reduction of Commitment.* (a) In connection with a redemption, a purchase and cancellation, a defeasance, or any other retirement of any of the Bonds, the Trustee shall have the right, on behalf of the Company, permanently and irrevocably to reduce (including, without limitation, a reduction to zero), the Available Principal Commitment of each Bank by an amount equal to such Bank's Percentage Share of the principal amount of Bonds so redeemed, purchased and canceled, defeased, or otherwise retired, by giving to the Agent written notice of such reduction (which notice shall state the amount of such reduction and the date or dates of such redemption, purchase and cancellation, defeasance, or other retirement). Upon any such reduction described in this Section 2.08(a), the Available Interest Commitment of each Bank shall be reduced in accordance with the definition of such term set forth in Section 1.01. The Agent shall notify each Bank promptly of any reduction in the Commitments of the Banks pursuant to this Section 2.08(a).

(b) In connection with the purchase by a Bank of Unremarketed Bonds pursuant to this Agreement, the Available Principal Commitment of such Bank shall be automatically reduced by an amount equal to the principal amount of

Unremarketed Bonds that are so purchased by such Bank (subject to reinstatement in the event of the release by such Bank of the related Bank-Owned Bonds pursuant to Section 2.04). Upon any such reduction (or reinstatement), the Available Interest Commitment of such Bank shall be reduced (or reinstated), in accordance with the definition of such term set forth in Section 1.01.

Section 2.09. *Termination of Commitment.* (a) Each Bank's commitment to purchase Unremarketed Bonds pursuant to the terms of this Agreement shall terminate at 5:00 P.M. (New York City time) on the earliest to occur of the following dates (the "**Commitment Termination Date**"): (i) the Stated Expiration Date, (ii) the date on which the Available Principal Commitment of such Bank is permanently and irrevocably reduced to zero in accordance with this Agreement upon the redemption, purchase and cancellation, defeasance or other retirement of all of the Bonds, (iii) the date on which, in accordance with the Indenture and Section 6.07 hereof, a substitute liquidity facility is substituted for the commitments of the Banks to purchase Unremarketed Bonds pursuant to this Agreement, (iv) the date on which an Event of Termination occurs and (v) the date of a termination by the Company pursuant to Section 2.09(b).

(b) The Company shall have the right to terminate the commitments of all (but not less than all) of the Banks to purchase Unremarketed Bonds pursuant to this Agreement, at any time upon five days' written notice to the Agent, the Bond Insurer, the Trustee and the Remarketing Agent; *provided, however*, that in connection with any such termination the Company shall pay to the Agent and the Banks any and all amounts due and owing to the Agent and the Banks under this Agreement and there shall be purchased from the Banks all Bank-Owned Bonds, together with accrued interest.

Section 2.10. *Extensions of Stated Expiration Date.* The Stated Expiration Date may be extended, in the manner set forth in this Section 2.10, on February 22, 2007 and on each anniversary of such date (an "**Extension Date**") for a period of one year after the date on which the Stated Expiration Date would otherwise have occurred. If the Company wishes to request an extension of the Stated Expiration Date on any Extension Date, it shall give written notice to that effect to the Agent not less than 45 nor more than 365 days prior to such Extension Date, whereupon the Agent shall notify each of the Banks of such notice. Each Bank will use its best efforts to respond, in its sole and absolute discretion, to such request, whether affirmatively or negatively, within 45 days. If all Banks respond affirmatively, then, subject to receipt by the Agent prior to such Extension Date of counterparts of an Extension Agreement in substantially the form of Exhibit C hereto duly completed and signed by all of the parties hereto, the Stated Expiration Date shall be extended, effective on such Extension Date, for a period of one year to the date stated in such Extension Agreement.

Section 2.11. *Repayment and Prepayment of Disbursements.* (a) *Scheduled Repayments.* (i) *Interest Disbursements.* The Company shall pay in full the Interest Disbursements made on (1) in the case of any such Purchase Date occurring prior to the date, if any, on which the maturity of the Bonds shall have been accelerated in accordance with the terms of the Bond Documents, the earlier of (A) the first Interest Payment Date following such Purchase Date and (B) such date of acceleration and (2) in the case of any Purchase Date occurring on or after the date of such acceleration, such Purchase Date.

(ii) *Principal Disbursements.* The Company shall repay each Principal Disbursement in ten equal consecutive semi-annual installments payable commencing on the date falling six months after the Term Period Commencement Date with respect to such Principal Disbursement. If any Bank-Owned Bonds are remarketed and released pursuant to Section 2.04 on a date that is on or after the Term Period Commencement Date with respect to the Principal Disbursement made to purchase such Bank-Owned Bonds, the then remaining installments to be made pursuant to this Section 2.11(a)(ii) with respect to such Principal Disbursement (including any installment due on such date) shall be ratably reduced by an aggregate amount equal to the amount by which such Principal Disbursement was prepaid on such date pursuant to Section 2.11(b).

(b) *Mandatory Prepayments.* On each date that any amount is paid in respect of any Bank-Owned Bonds, whether upon redemption or acceleration or otherwise, including any amount paid upon the remarketing of such Bank-Owned Bonds or the sale thereof in accordance with Section 6.07, the Disbursements shall be prepaid as and to the extent required by Section 2.03(d).

(c) *Ratable Application.* Each repayment or prepayment of Disbursements pursuant to this Section 2.11 shall be made together with all unpaid interest accrued thereon pursuant to Section 2.05 to but excluding the date of payment and shall be applied ratably to the Disbursements of the Banks being repaid or prepaid in proportion to their respective shares.

Section 2.12. *Changes in Circumstances.* (a) *Basis for Determining Interest Rate Inadequate or Unfair.* If on or prior to the first day of any Interest Period for any Group of Euro-Dollar Disbursements:

(i) the Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the Adjusted London Interbank Offered Rate, as applicable, for such Interest Period, or

(ii) the Required Banks advise the Agent that the Adjusted London Interbank Offered Rate as determined by the Agent will not

adequately and fairly reflect the cost to such Banks of funding their Euro-Dollar Disbursements for such Interest Period,

the Agent shall forthwith give notice thereof to the Company and the Banks, whereupon until the Agent notifies the Company that the circumstances giving rise to such suspension no longer exist, the obligations of the Banks to make or continue Euro-Dollar Disbursements or to convert outstanding Domestic Disbursements into Euro-Dollar Disbursements shall be suspended and each outstanding Euro-Dollar Disbursement shall be converted into a Domestic Disbursement on the last day of the then current Interest Period applicable thereto.

(b) *Illegality*. If, on or after the date of this Agreement, the adoption of any applicable law, rule or regulation, or any change in any applicable law, rule or regulation, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any Bank (or its Euro-Dollar Lending Office) with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency shall make it unlawful or impossible for any Bank (or its Euro-Dollar Lending Office) to make, maintain or fund its Euro-Dollar Disbursements (or for any Participant to make, maintain or fund its participation interest therein, the "**Affected Participant**") and such Bank shall so notify the Agent, the Agent shall forthwith give notice thereof to the other Banks and the Company, whereupon until such Bank notifies the Company and the Agent that the circumstances giving rise to such suspension no longer exist, the obligation of such Bank to make or continue Euro-Dollar Disbursements (or the portion thereof corresponding to the Affected Participant) or to convert outstanding Domestic Disbursements (or the portion thereof corresponding to the Affected Participant) into Euro-Dollar Disbursements shall be suspended. Before giving any notice to the Agent pursuant to this Section, such Bank shall designate a different Euro-Dollar Lending Office if such designation will avoid the need for giving such notice and will not, in the judgment of such Bank, be otherwise disadvantageous to such Bank. If such notice is given, each Euro-Dollar Disbursement of such Bank (or the portion thereof corresponding to the Affected Participant) then outstanding shall be converted to a Domestic Disbursement either (i) on the last day of the then current Interest Period applicable to such Euro-Dollar Disbursement if such Bank may lawfully continue to maintain and fund such Disbursement as a Euro-Dollar Disbursement to such day or (ii) immediately if such Bank shall determine that it may not lawfully continue to maintain and fund such Disbursement as a Euro-Dollar Disbursement to such day.

(c) *Domestic Disbursements Substituted for Affected Euro-Dollar Disbursements*. If (i) the obligation of any Bank to make or maintain Euro-Dollar Disbursements has been suspended pursuant to Section 2.12(b) or (ii) any Bank has demanded compensation under Section 3.01 with respect to its Euro-Dollar

Disbursements, and the Company shall, by at least three Euro-Dollar Business Days' prior notice to such Bank through the Agent, have elected that the provisions of this Section shall apply to such Bank, then, unless and until such Bank notifies the Company that the circumstances giving rise to such suspension or demand for compensation no longer apply:

(A) all Disbursements which would otherwise be made by such Bank as (or continued as or converted into) Euro-Dollar Disbursements shall instead be Domestic Disbursements (on which interest and principal shall be payable contemporaneously with the related Euro-Dollar Disbursements of the other Banks), and

(B) after each of its Euro-Dollar Disbursements has been repaid, all payments of principal which would otherwise be applied to repay such Euro-Dollar Disbursements shall be applied to repay its Domestic Disbursements instead.

If such Bank notifies the Company that the circumstances giving rise to such notice no longer apply, the principal amount of each such Domestic Disbursement shall be converted into a Euro-Dollar Disbursement on the first day of the next succeeding Interest Period applicable to the related Euro-Dollar Disbursements of the other Banks. The provisions of this Section 2.12(c) shall not prejudice the right of such Bank to receive compensation pursuant to Section 3.01 in accordance with the terms thereof.

ARTICLE 3
OBLIGATIONS OF COMPANY

Section 3.01. *Increased Costs.* If on or after the date hereof the adoption of any applicable law, rule or regulation, or any change in any applicable law rule or regulation, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any Bank (or its Applicable Lending Office) with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency:

(i) shall subject any Bank (or its Applicable Lending Office) to any tax, duty or other charge with respect to its Disbursements or its obligation to make, continue or convert Disbursements, or shall change the basis of taxation of payments to any Bank (or its Applicable Lending Office) of the principal of or interest on its Disbursements or any other amounts due under this Agreement in respect of its Disbursements or its obligation to make, continue or convert into Disbursements (except for

changes in the rate of tax on the overall net income of such Bank or its Applicable Lending Office imposed by the jurisdiction in which such Bank's principal executive office or Applicable Lending Office is located); or

(ii) shall impose, modify or deem applicable any reserve (including, without limitation, any such requirement imposed by the Board of Governors of the Federal Reserve System, but excluding any such requirement included in an applicable Euro-Dollar Reserve Percentage), special deposit, insurance assessment or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Bank (or its Applicable Lending Office) or shall impose on any Bank (or its Applicable Lending Office) or on the London interbank market any other condition affecting its Disbursements or its obligation to make, continue or convert into Disbursements;

and the result of any of the foregoing is to increase the cost to such Bank (or its Applicable Lending Office) of making or maintaining any Disbursements, or to reduce the amount of any sum received or receivable by such Bank (or its Applicable Lending Office) under this Agreement, by an amount deemed by such Bank to be material, then, within 15 days after demand by such Bank (with a copy to the Agent), the Company shall pay to such Bank such additional amount or amounts as will compensate such Bank for such increased cost or reduction. Each Bank will promptly notify the Company and the Agent of any event of which it has knowledge, occurring after the date hereof, which will entitle such Bank to compensation pursuant to this Section and will designate a different Applicable Lending Office if such designation will avoid the need for, or reduce the amount of, such compensation and will not, in the judgment of such Bank, be otherwise disadvantageous to such Bank. A certificate of any Bank for itself or any of its Participants claiming compensation under this Section and setting forth the additional amount or amounts to be paid to it hereunder shall be conclusive in the absence of manifest error. In determining such amount, such Bank may use any reasonable averaging and attribution methods.

Section 3.02. *Capital Adequacy.* If any Bank shall have determined that, after the date hereof, the adoption of any applicable law, rule or regulation regarding capital adequacy, or any change in any applicable law, rule or regulation, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on capital of such Bank (or its Parent) as a consequence of such Bank's obligations hereunder to a level below that which such Bank (or its Parent) could have achieved but for such adoption, change, request or directive (taking

into consideration its policies with respect to capital adequacy) by an amount deemed by such Bank to be material, then from time to time, within 15 days after demand by such Bank (with a copy to the Agent), the Company shall pay to such Bank such additional amount or amounts as will compensate such Bank (or its Parent) for such reduction. Notwithstanding the foregoing, the Company shall only be obligated to compensate such Bank (or its Parent) for any amount arising or accruing during (i) the period commencing 90 days prior to the date on which such Bank (or its Parent) gave notice to the Company pursuant to this Section 3.02 of the event entitling such Bank (or its Parent) to such compensation and (ii) any period during which, because of the retroactive application of such statute, regulation or other such basis, such Bank (or its Parent) did not know that such amount would arise or accrue. Each Bank will promptly notify the Company and the Agent of any event of which it has knowledge, occurring after the date hereof, which will entitle such Bank to compensation pursuant to this Section and will designate a different Applicable Lending Office if such designation will avoid the need for, or reduce the amount of, such compensation and will not, in the judgment of such Bank, be otherwise disadvantageous to such Bank. A certificate of any Bank for itself or any of its Participants claiming compensation under this Section and setting forth the additional amount or amounts to be paid to it hereunder shall be conclusive in the absence of manifest error. In determining such amount, such Bank may use any reasonable averaging and attribution methods.

Section 3.03. *Withholding Tax Exemption.* No later than 30 days following the date hereof, each Bank that is not incorporated under the laws of the United States of America or a state thereof agrees that it will deliver to each of the Company and the Agent two duly completed copies of United States Internal Revenue Service Form W-8BEN or W-8ECI or successor applicable form, certifying in either case that such Bank is entitled to receive payments under this Agreement without deduction or withholding of any United States federal income taxes. Each Bank which so delivers a Form W-8BEN or W-8ECI or successor applicable form further undertakes to deliver to each of the Company and the Agent two additional copies of such form (or a successor form) on or before the date that such form expires or becomes obsolete or after the occurrence of any event requiring a change in the most recent form so delivered by it, and such amendments thereto or extensions or renewals thereof as may be reasonably requested by the Company or the Agent, in each case certifying that such Bank is entitled to receive payments under this Agreement without deduction or withholding of any United States federal income taxes, unless an event (including without limitation any change in treaty, law or regulation) has occurred prior to the date on which any such delivery would otherwise be required which renders all such forms inapplicable or which would prevent such Bank from duly completing and delivering any such form with respect to it and such Bank advises

the Company and the Agent that it is not capable of receiving payments without any deduction or withholding of United States federal income tax.

Section 3.04. *Payments.* The Company shall make, or cause to be made, each payment of principal of, and interest on, the Disbursements and of fees hereunder, not later than 12:00 Noon (New York City time) on the date when due, in Federal or other funds immediately available in New York City, to the Agent at its address referred to in Section 9.02, without set-off or counterclaim. As between the Company and the Banks, payments required by this Agreement and made by the Company to the Agent in accordance with this Section 3.04 shall be deemed to have been made to the Banks when received by the Agent in immediately available funds and shall satisfy the Company's obligations with respect to such payments to the extent of the amounts so received.

Section 3.05. *Computation of Interest and Fees.* Interest based on the Prime Rate hereunder shall be computed on the basis of a year of 365 days (or 366 days in a leap year) and paid for the actual number of days elapsed (including the first day but excluding the last day). All other interest and fees shall be computed on the basis of a year of 360 days and paid for the actual number of days elapsed (including the first day but excluding the last day). Interest payable on the Bank-Owned Bonds at the Bank Rate shall be computed as provided in the Indenture.

Section 3.06. *Payment on Non-Business Days.* Whenever any payment of principal of, or interest on, any Disbursements or of fees shall be due on a day which is not a Domestic Business Day, the date for payment thereof shall be extended to the next succeeding Domestic Business Day. If the date for any payment of principal is extended by operation of law or otherwise, interest thereon shall be payable for such extended time.

Section 3.07. *Funding Losses.* If any payment of principal with respect to any Euro-Dollar Disbursement is made or any Euro-Dollar Disbursement is converted to a Domestic Disbursement (pursuant to Section 2.11, 2.12(b), 6.07, or otherwise) on any day other than the last day of the Interest Period applicable thereto, the Company shall reimburse each Bank within 15 days after demand for any resulting loss or expense incurred by it (or by an existing or prospective Participant in the related Disbursement), including (without limitation) any loss incurred in obtaining, liquidating or employing deposits from third parties, but excluding loss of margin for the period after any such payment or conversion; *provided* that such Bank shall have delivered to the Company a certificate on behalf of itself or any of its Participants as to the amount of such loss or expense, which certificate shall be conclusive in the absence of manifest error.

Section 3.08. *Replacement of Banks and Participants.* If any Bank or any Participant shall request compensation pursuant to Section 3.01 or 3.02, the

Company, upon five Domestic Business Days' notice, may require that, (a) in the case of a Bank, such Bank transfer all of its right, title and interest under this Agreement to any bank identified by the Company and reasonably satisfactory to the Agent and such Bank and (b) in the case of a Participant, such Participant transfer all of its right, title and interest under the participation agreement with respect to this Agreement to which it is a party, to any bank identified by the Company and reasonably satisfactory to the Agent and the Bank party to the participation agreement with such Participant with respect to this Agreement if (i) such proposed transferee agrees to assume (A) in the case of a transferor that is a Bank, all of the obligations of such Bank for consideration equal to the outstanding amount of such Bank's Disbursements, together with interest thereon to the date of such transfer, and satisfactory arrangements are made for the payment to such Bank of all other amounts payable hereunder to such Bank on or prior to the date of such transfer (including any fees accrued hereunder, any amounts payable under Sections 3.01 and 3.02 and any amounts which would be payable under Section 3.07 as if all of such Bank's Disbursements were being prepaid in full on such date) and (B) in the case of a transferor that is a Participant, all of the obligations of such Participant under the participation agreement with respect to this Agreement to which it is a party for consideration equal to the amount of such Participant's participations in Disbursements then outstanding and interest accrued thereon to the date of such transfer, and satisfactory arrangements are made for the payment to such Participant of all other amounts payable hereunder or otherwise with respect to such participation on or prior to the date of such transfer (including any amounts payable under Sections 3.01 and 3.02 and any amounts which would be payable under Section 3.07 as if all of such Participant's participations in Disbursements were being prepaid on such date) and (ii) such proposed transferee's aggregate requested compensation, if any, pursuant to Section 3.01 or 3.02 with respect to such replaced Bank's Disbursements or such Participant's participation in Disbursements, as the case may be, is lower than that of the Bank or the Participant, as the case may be, replaced; the foregoing notwithstanding, in the case of a proposed transferor that is a Bank, no such transfer shall become effective unless and until (A) the Agent shall have received written confirmation from each of Moody's and S&P that such transfer, in and of itself, will not result in any reduction, suspension or withdrawal of the ratings assigned by Moody's or S&P, as the case may be, to the Bonds and (B) the requirements of Section 4.03 of the Loan Agreement are satisfied. Without prejudice to the survival of any other agreements of the Company hereunder, the agreements of the Company contained in Sections 3.01, 3.02 and 9.04 shall survive for the benefit of any Bank or any Participant replaced under this Section 3.08 with respect to the time prior to such replacement. Each Bank hereby agrees that any participation agreement with respect to this Agreement to which such Bank is a party will obligate each Participant party thereto to comply with the provisions of this Section.

ARTICLE 4
CONDITIONS PRECEDENT

Section 4.01. *Conditions Precedent Subject to Fulfillment on the Closing Date.* The obligation of each Bank to purchase Unremarketed Bonds pursuant to this Agreement is subject to the condition precedent that the Agent shall have received on or before the Closing Date the following, each in form and substance satisfactory to the Agent, each Bank and counsel for the Agent:

(a) This Amended Agreement, duly executed on behalf of the Company and each of the Banks.

(b) (i) A certificate of an Authorized Officer dated the Closing Date, stating that each of the Related Documents is in full force and effect in accordance with its respective terms and has not been amended and (ii) to the extent not already held by the Agent, (A) counterparts (or certified copies thereof) of each of the Related Documents (other than the Bonds and the Umbrella Mortgage) which, when taken together, bear the signatures of all of the respective parties thereto and which are in full force and effect in accordance with their respective terms, (B) a specimen of a Bond and (C) a conformed copy of the Umbrella Mortgage.

(c) Copies of the Official Statement.

(d) A certificate of an Authorized Officer, certifying the names and true signatures of the officers of the Company authorized to execute on behalf of the Company this Amended Agreement.

(e) Evidence that all necessary action required to be taken by (i) the Issuer (including, without limitation, the adoption or enactment by the Issuer of all necessary resolutions and ordinances) and (ii) any governmental or utility regulatory authority, including the Public Utility Commission of Oregon, the Public Service Commission of Wyoming, the Washington Utilities and Transportation Commission, the Idaho Public Utilities Commission, the Public Utilities Commission of California and the Public Service Commission of Utah, in connection with the authorization, execution, issuance, delivery and performance of this Amended Agreement and the Related Documents, and any other document or instrument required to be delivered pursuant hereto or thereto or in connection with the transactions contemplated hereby or thereby, has been taken.

(f) Evidence that the Bonds have been assigned credit ratings of Aaa/VMIG-1 or higher and AAA/A-1 or higher from Moody's and S&P, respectively.

(g) To the extent not already held by the Agent, a copy of the Bond Insurance Policy which shall provide that it insures all principal of and interest (at a rate per annum not in excess of 18% per annum) on the Bonds (including interest on Bank-Owned Bonds at the Bank Rate) executed by the Bond Insurer, together with evidence satisfactory to the Agent that the Bond Insurance Policy is in full force and effect and is non-cancellable and that all premiums required to be paid thereunder have been paid in full.

(h) Legal opinions of (i) Chapman and Cutler, as bond counsel, or a letter from Chapman and Cutler, as bond counsel, to the effect that the Banks are entitled to rely on its opinion dated November 17, 1994 as if it were addressed to them, (ii) Stoel Rives LLP, counsel for the Company, (iii) General Counsel to the Company, (iv) counsel to the Bond Insurer satisfactory to the Agent, (v) Davis Polk & Wardwell, counsel to the Agent, (vi) Milbank, Tweed, Hadley & McCloy, regulatory counsel for the Company, and (vii) counsel to each Bank, in each case, as to such matters incident to this Amended Agreement, the Related Documents and the transactions contemplated hereby and thereby as the Agent or any of the Banks shall have reasonably requested.

(i) Evidence of the power and authority of the Trustee to accept and execute its responsibilities under the Indenture.

(j) A copy of each of the documents required to be delivered to the Trustee under Section 4.03 of the Loan Agreement (together with, in the case of any opinion delivered thereunder, a letter from the counsel rendering such opinion to the effect that the Banks are entitled to rely on such opinion as if it were addressed to them).

(k) Such other documents, instruments, opinions and approvals (and, if requested by the Agent or any Bank, certified duplicates or executed copies thereof) as the Agent or any Bank shall have reasonably requested.

Notwithstanding the foregoing, this Amended Agreement shall not become effective or be binding on any party hereto unless all of the foregoing conditions and the conditions in Section 4.02 are satisfied or waived not later than February 28, 2006. On the Closing Date, if all of the foregoing conditions and the conditions in Section 4.02 are satisfied or waived on or prior thereto, the Original Agreement shall be automatically amended and restated in its entirety to read as this Amended Agreement.

Section 4.02. *Additional Conditions Precedent Subject to Fulfillment on the Closing Date.* The obligation of each Bank to purchase Unremarketed Bonds pursuant to this Agreement is subject to the further conditions precedent that on the Closing Date:

(a) The following statements shall be true and shall be deemed to have been represented by the Company as being true on and as of the Closing Date, and the Agent shall have received (with a copy for each Bank) a certificate of the Company signed by an Authorized Officer dated the Closing Date, stating that, to the best of such official's knowledge after due inquiry:

(i) The representations and warranties of the Company contained in Article 5 are true and correct on and as of the Closing Date as though made on and as of the Closing Date; and

(ii) No event has occurred and is continuing, or would result from the effectiveness of this Agreement, which constitutes a Default.

(b) The Agent shall have received payment in full of all accrued fees and expenses hereunder and all other fees and other sums required to be paid to or for the account of the Agent or the Banks on or prior to the Closing Date.

Section 4.03. *Conditions Subject to Fulfillment on Each Purchase Date.* (a) The obligation of each Bank to purchase Unremarketed Bonds pursuant to this Agreement on each Purchase Date shall be subject to the fulfillment of the following conditions precedent on and as of such Purchase Date:

(i) There shall have been presented to the Agent (by physical delivery or facsimile), at the Agent's address for notices specified in or pursuant to Section 9.02, not later than 12:30 P.M. (New York City time) on such Purchase Date, a written and completed certificate, substantially in the form of Exhibit A hereto (a "**Purchase Certificate**"), signed by a person purporting to be a duly authorized officer of the Trustee, which (among other things) notifies the Agent of the aggregate principal amount of Unremarketed Bonds which the Trustee is demanding the Banks to purchase on such Purchase Date.

(ii) The Unremarketed Bonds to be so purchased are not held by or for the account of the Company, any affiliate of the Company or any broker-dealer holding Unremarketed Bonds pursuant to an arrangement with the Company.

(iii) No Event of Default specified in any of Sections 7.01(g) through (m), inclusive, shall have occurred and be continuing.

(iv) The amount being demanded for payment by the Banks under Section 2.01 does not exceed the amount of the Total Combined Available Commitments on such Purchase Date (prior to giving effect to such payment).

(v) The Commitment Termination Date shall not have occurred.

The Banks shall be obligated to purchase Unremarketed Bonds with respect to which the condition set forth in clause (ii) has been satisfied notwithstanding the fact that such condition has not been satisfied with respect to all of the outstanding Unremarketed Bonds.

(b) If a demand for payment is made by the Trustee pursuant to and in accordance with Section 4.03(a)(i) on a Purchase Date occurring on or prior to the Commitment Termination Date, and provided the conditions precedent to the purchase by the Banks of Unremarketed Bonds under this Agreement have been fulfilled and the documents presented in connection with such demand for payment conform to the terms and conditions of this Agreement, payment of the Purchase Price shall be made by the Banks subject to and in accordance with Sections 2.01 and 2.02; and, upon making payment for such Unremarketed Bonds in accordance with the Purchase Certificate such Unremarketed Bonds shall constitute Bank-Owned Bonds and (i) if the Bonds are issued and maintained in book-entry form only pursuant to Section 2.10 of the Indenture, the ownership interest in such Bonds shall be transferred on the books of DTC to or for the account of the Trustee, or a DTC participant acting on behalf of the Trustee (reflecting the Trustee or such participant as the owner of such Bank-Owned Bonds) and the Trustee (and such participant) shall mark its own books and records to reflect beneficial ownership of such Bank-Owned Bonds by the Agent (or the Agent's nominee or as the Agent may otherwise direct) for the benefit of the Banks, or (ii) if the Bonds are not maintained in book-entry form pursuant to Section 2.10 of the Indenture, the Trustee shall register such Bank-Owned Bonds in the name of the Agent (or the Agent's nominee or as the Agent may otherwise direct) for the benefit of the Banks on the registration books of the Issuer maintained by the Trustee.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES

The Company represents and warrants that:

Section 5.01. *Corporate Existence and Power.* The Company is a corporation duly incorporated and validly existing under the laws of Oregon, and has all corporate powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted.

Section 5.02. *Corporate and Governmental Authorization; No Contravention.* The execution, delivery and performance by the Company of this Agreement and the Related Documents to which the Company is a party are within the Company's corporate powers, have been duly authorized by all

necessary corporate action, require no action by or in respect of, or filing with, any governmental body, agency or official (other than such filings as have been made and remain effective and such approvals or orders as have been obtained and are in full force and effect) and do not contravene, or constitute a default under, any provision of applicable law or regulation or of the articles of incorporation or by-laws of the Company or of any agreement, judgment, injunction, order, decree or other instrument binding upon the Company or to which any of its properties are subject, or result in the creation or imposition of any Lien on any asset of the Company (other than Liens created by or pursuant to this Agreement or the Related Documents).

Section 5.03. *Binding Effect.* This Agreement and each of the Related Documents to which the Company is a party constitutes a valid and binding agreement of the Company, in each case enforceable in accordance with their respective terms except as (i) the foregoing may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally and (ii) rights of acceleration and the availability of equitable remedies may be limited by equitable principles of general applicability.

Section 5.04. *Financial Information.* (a) The audited consolidated balance sheet of the Company and its Consolidated Subsidiaries as of March 31, 2005 and the related audited statements of consolidated income and retained earnings and of consolidated cash flows for the fiscal year then ended, reported on by PricewaterhouseCoopers LLP and set forth in the Company's 2005 Form 10-K, a copy of which has been delivered to each of the Banks, fairly present, in conformity with generally accepted accounting principles, the consolidated financial position of the Company and its Consolidated Subsidiaries as of such date and their consolidated results of operations and cash flows for such fiscal year.

(b) The unaudited consolidated balance sheet of the Company and its Consolidated Subsidiaries as of December 31, 2005 and the related unaudited statements of consolidated income and retained earnings and of consolidated cash flows for the nine months then ended, set forth in the Company's 2005 Form 10-Q, a copy of which has been delivered to each of the Banks, fairly present, in conformity with generally accepted accounting principles, the consolidated financial position of the Company and its Consolidated Subsidiaries as of such date and their consolidated results of operations and cash flows for such nine month period (subject to normal year-end adjustments).

(c) There has since December 31, 2005 been no change in the business, financial position, results of operations or prospects of the Company which would materially adversely affect the ability of the Company to meet its commitments hereunder or under any of the Related Documents.

Section 5.05. *Litigation.* There is no action, suit or proceeding pending against, or to the knowledge of the Company threatened against or affecting, the Company before any court or arbitrator or any governmental body, agency or official (i) in which there is a reasonable possibility of an adverse decision which would materially adversely affect the ability of the Company to meet its commitments hereunder or under the Related Documents to which it is a party (except as disclosed in the Company's 2005 Form 10-K or the Company's quarterly reports on Form 10-Q for the fiscal quarters ended June 30, 2005, September 30, 2005 or the Company's 2005 Form 10-Q, in each case as filed with the Securities and Exchange Commission) or (ii) which in any manner draws into question the validity or enforceability of this Agreement or any of the Related Documents.

Section 5.06. *Environmental Matters.* The Company conducts in the ordinary course of its business a review of the effect of existing Environmental Laws on its business, operations and properties, and as a result thereof has reasonably concluded that such Environmental Laws are unlikely to have a material adverse effect on the ability of the Company to meet its commitments hereunder or under any of the Related Documents.

Section 5.07. *Compliance with ERISA.* Each member of the ERISA Group has fulfilled its obligations under the minimum funding standards of ERISA and the Internal Revenue Code with respect to each Plan and is in compliance in all material respects with the presently applicable provisions of ERISA and the Internal Revenue Code with respect to each Plan. No member of the ERISA Group has (i) failed to make any contribution or payment to any Plan or Multiemployer Plan, or made any amendment to any Plan, which has resulted or would result in the imposition of a Lien or the posting of a bond or other security under ERISA or the Internal Revenue Code or (ii) incurred any liability under Title IV of ERISA other than a liability to the PBGC for premiums under Section 4007 of ERISA, except where such failure or incurrence would not have a material adverse effect on the ability of the Company to meet its commitments hereunder or under any of the Related Documents.

Section 5.08. *Taxes.* The Company has filed all United States Federal income tax returns and all other material tax returns which are required to be filed by it and has paid all taxes due pursuant to such returns or pursuant to any assessment received by the Company. The charges, accruals and reserves on the books of the Company in respect of taxes or other governmental charges are, in the reasonable opinion of the Company, adequate.

Section 5.09. *Not an Investment Company.* The Company is not an "**investment company**" within the meaning of the Investment Company Act of 1940, as amended.

Section 5.10. *Insurance.* The properties and operations of the Company of a character usually insured by Persons of established reputation engaged in the same or a similar business, similarly situated, are adequately insured both as to type of insurance and amount by financially sound and reputable insurers, and the Company carries with such insurers adequate other insurance, including, without limitation, public liability and product liability insurance, as is usually carried by Persons of established reputation engaged in the same or a similar business, similarly situated.

Section 5.11. *Disclosure.* The Official Statement, to the best of the Company's knowledge, does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except that no representation is made by the Company with respect to the Bank Information, or the information presented in the Official Statement under the caption "The Bond Insurer" or "Tax Exemption"). No statement made by the Company in or pursuant to this Agreement or any Related Document or financial statement provided by the Company to the Agent or any Bank in connection with this Agreement contains any untrue statement of a material fact. There is no fact, circumstance or condition known to the Company that has not been disclosed to the Agent and the Banks by the Company which materially and adversely affects or, so far as the Company can now reasonably foresee, will materially and adversely affect (i) the financial condition, properties or operations of the Company or (ii) the validity or enforceability of, or the authority or ability of the Company to perform its obligations under, this Agreement and the Related Documents.

Section 5.12. *Security.* The Pledged Umbrella Bonds are not subject to any Liens other than the Liens created by the Pledge Agreement. The Company is not a party to or otherwise bound by any agreement, other than the Pledge Agreement, which restricts in any manner the rights of the Trustee as secured party to exercise its remedies under the Pledge Agreement or to dispose of the Pledged Umbrella Bonds pursuant thereto (by way of foreclosure, power of sale or otherwise). Assuming compliance with the provisions thereof, the Liens created by the Pledge Agreement constitute valid and perfected security interests in the Pledged Umbrella Bonds subject to no other Lien. There is no registration, recordation or filing with any governmental body, agency or official which (x) is required in connection with the execution or delivery of the Pledge Agreement or is necessary for the validity or enforceability thereof or for the perfection or enforcement of the Liens created thereby and (y) has not been obtained or is not in full force and effect. The Company has not performed and will not perform any acts which might prevent the Trustee from enforcing any of the terms and conditions of the Pledge Agreement in accordance with its terms or which would limit the Trustee in any such enforcement.

Section 5.13. *Representations in Related Documents True and Correct.* Each of the representations and warranties made by the Company in the Related Documents is true and correct as of the Closing Date. The Related Documents have not as of the Closing Date been modified or amended in any respect and no provision or condition contained therein has been waived, except with the express written consent of the Required Banks (to the extent such consent is required by the terms hereof).

ARTICLE 6
COVENANTS

So long as any Bank has any commitment hereunder or the Company shall have any obligation to pay any amount hereunder or any Bank-Owned Bond remains unpaid:

Section 6.01. *Performance of this and Other Agreements.* The Company will punctually pay or cause to be paid when due all amounts payable by it under this Agreement, the Indenture and the other Related Documents and observe and perform all of the conditions, covenants and requirements of this Agreement, the Indenture and the other Related Documents applicable to it.

Section 6.02. *Further Assurances.* The Company will execute, acknowledge where appropriate, and deliver or file, and cause to be executed, acknowledged where appropriate, and delivered or filed, from time to time promptly at the request of the Agent, all such instruments and documents as in the opinion of the Agent are necessary or advisable to carry out the intent and purpose of this Agreement, the Indenture, the Loan Agreement and the other Related Documents.

Section 6.03. *Maintenance of Trustee and Agents.* The Company will maintain in place a Trustee and a Remarketing Agent in accordance with the provisions of the Indenture.

Section 6.04. *Amendments.* Without the prior written approval of the Required Banks (which approval shall not be unreasonably withheld), the Company will not modify, amend or supplement, or give any consent to any modification, amendment or supplement or make any waiver with respect to, any provision of any Related Document if, in the sole judgment of the Required Banks, the effect thereof would be adverse to the Banks (it being understood that, in order to effectuate the provisions of this Section 6.04, the Company will furnish to the Agent and the Banks copies of all proposed modifications, amendments, supplements and waivers of or with respect to the Related Documents); *provided, however*, that nothing contained in this Section 6.04 shall require the consent of the Required Banks to the execution and delivery of any supplement or other

document or instrument that is made for the purpose of modifying, amending, supplementing or waiving the terms of the Umbrella Mortgage (unless such modification, amendment, supplement or waiver requires the consent of all of the holders of the Umbrella Bonds, in which case the consent of all of the Banks shall be required, whether or not the Banks then own any Bonds); and *provided further*, however, that the Required Banks shall be deemed to have consented to any modification, amendment or supplement of, or waiver with respect to, any Related Document if (i) the Agent shall have failed to respond to a written request of the Company for the Required Banks' consent thereto within 10 Domestic Business Days after receipt by the Agent and the Banks of such request, and (ii) such request shall have indicated thereon that the Required Banks shall be deemed to have consented thereto unless the Agent responds to such request within 10 Domestic Business Days after receipt by the Agent of such request. Notwithstanding any other provision of this Agreement or any Related Document to the contrary, the Company shall not, without the prior written consent of all of the Banks, modify, amend or supplement, or give any consent to any modification, amendment or supplement of, or seek or give any waiver with respect to, any provision of any Related Document, or take any other action under any Related Document, if the effect thereof would be to (i) reduce the principal of or rate of interest on any Bank-Owned Bonds; (ii) postpone the date fixed for payment of principal of or interest on any Bank-Owned Bond, including, without limitation, any date for the redemption of all or any portion thereof pursuant to Section 4.03(d) of the Indenture; (iii) amend, modify, supplement or waive any provision of the Bond Insurance Policy or any provision of the Pledge Agreement relating to the release of any collateral subject to the Lien created by the Pledge Agreement; or (iv) waive an "**Insurer Default**" under and as defined in the Indenture or substitute any other insurance or indemnity company or other financial institution for AMBAC Assurance Corporation as "**Bond Insurer**" or as an obligor on or with respect to the Bond Insurance Policy or substitute any collateral for the Pledged Umbrella Bonds under the Pledge Agreement.

Section 6.05. *Offering Circular.* The Company will not include, or permit to be included, any material or reference relating to any Bank in any Offering Circular (excluding the Official Statement) or any tombstone advertisement, unless such material or reference is approved in writing by such Bank prior to its inclusion therein; or distribute, or permit to be distributed or used, any Offering Circular unless copies of such Offering Circular are furnished to the Agent and the Banks.

Section 6.06. *Remarketing.* The Company will not permit the Remarketing Agent to remarket any Bonds at a price less than the principal amount thereof plus accrued interest, if any, thereon to the respective dates of remarketing.

Section 6.07. *Substitute Liquidity Facility.* The Company will not substitute another liquidity facility for the obligation of the Banks to purchase Unremarketed Bonds pursuant to this Agreement unless prior to or simultaneously with such substitution, there shall be purchased from the Banks, at a price not less than the principal amount thereof plus accrued interest, if any, thereon to the date of purchase, all Bank-Owned Bonds and the Company shall have paid to the Agent and the Banks any and all amounts due and owing to the Agent and the Banks under this Agreement (after giving effect to the application of the proceeds of the Bank-Owned Bonds to repay the Agent and the Banks in accordance with Section 2.03).

Section 6.08. *Remarketing Agent.* Without the prior written approval of the Required Banks (which approval shall not be unreasonably withheld), the Company will not appoint or permit or suffer to be appointed any successor Remarketing Agent unless the successor Remarketing Agent (i) is a nationally recognized remarketing agent for municipal obligations and (ii) is the exclusive remarketing agent for at least $3 billion of municipal obligations; and the Company will not enter into any successor Remarketing Agreement or amendment to the Remarketing Agreement without the prior written approval of the Required Banks which contains provisions (including without limitation provisions that protect the rights and interests of the Agent and the Banks) that are not exactly (other than the identity of the successor Remarketing Agent and fees payable thereunder) the same as those contained in the predecessor Remarketing Agreement and the Company shall provide to the Agent and each Bank a copy of such agreement promptly upon execution and delivery thereof; *provided, however,* that the Required Banks shall be deemed to have consented to any successor Remarketing Agreement or amendment to the Remarketing Agreement if (i) the Agent shall have failed to respond to a written request of the Company for the Required Banks' consent thereto within 10 Domestic Business Days after receipt by the Agent of such request, and (ii) such request shall have indicated thereon that the Required Banks shall be deemed to have consented thereto unless the Agent responds to such request within 10 Domestic Business Days after receipt by the Agent of such request.

Section 6.09. *Other Agreements.* The Company will not enter into any agreement containing any provision which would be violated or breached by the performance by the Company of its obligations hereunder or under the Related Documents.

Section 6.10. *Information.* The Company will deliver to each of the Banks:

(a) as soon as available and in any event within 120 days after the end of each fiscal year of the Company, a consolidated balance sheet of the Company and its Consolidated Subsidiaries as of the end of such fiscal year and the related

statements of consolidated income and retained earnings and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on in a manner acceptable to the Securities and Exchange Commission by PricewaterhouseCoopers LLP or other independent public accountants of nationally recognized standing;

(b) as soon as available and in any event within 60 days after the end of each of the first three quarters of each fiscal year of the Company, a consolidated balance sheet of the Company and its Consolidated Subsidiaries as of the end of such quarter, the related statement of consolidated income and retained earnings for such quarter and for the portion of the Company's fiscal year ended at the end of such quarter and the related statement of cash flows for the portion of the Company's fiscal year ended at the end of such quarter, setting forth in each case (except for the consolidated balance sheet of the Company and its Consolidated Subsidiaries as of the end of such quarter) in comparative form the figures for the corresponding quarter and the corresponding portion of the Company's previous fiscal year, all certified (subject to normal year-end adjustments) as to fairness of presentation, generally accepted accounting principles and consistency by an Authorized Officer;

(c) simultaneously with the delivery of each set of financial statements referred to in clauses (a) and (b) above, a certificate of an Authorized Officer (i) setting forth in detail satisfactory to the Agent the calculations required to establish whether the Company was in compliance with the requirements of Sections 6.14, 6.15(j) and 6.15(k) on the date of such financial statements and (ii) stating whether any Default exists on the date of such certificate and, if any Default then exists, setting forth the details thereof and the action which the Company is taking or proposes to take with respect thereto;

(d) simultaneously with the delivery of each set of financial statements referred to in clause (a) above, a statement of the firm of independent public accountants which reported on such statements whether anything has come to their attention to cause them to believe that any Default existed on the date of such statements;

(e) forthwith upon the occurrence of any Default, a certificate of an Authorized Officer setting forth the details thereof and the action which the Company is taking or proposes to take with respect thereto;

(f) promptly upon the mailing thereof to the shareholders of the Company generally, copies of all financial statements, reports and proxy statements so mailed;

(g) promptly upon the filing thereof, copies of all registration statements (other than the exhibits thereto and any registration statements on Form S-8 or its

equivalent) and reports on Forms 10-K, 10-Q and 8-K (or their equivalents) which the Company shall have filed with the Securities and Exchange Commission;

(h) if and when any member of the ERISA Group (i) gives or is required to give notice to the PBGC of any "**reportable event**" (as defined in Section 4043 of ERISA), for which the requirement of notice to the PBGC within 30 days has not been waived, with respect to any Plan which might constitute grounds for a termination of such Plan under Title IV of ERISA, or knows that the plan administrator of any Plan has given or is required to give notice of any such reportable event, a copy of the notice of such reportable event given or required to be given to the PBGC; (ii) receives notice of complete or partial withdrawal liability under Title IV of ERISA in excess of $10,000,000 or notice that any Multiemployer Plan is in reorganization, is insolvent or has been terminated, which reorganization, insolvency or termination is reasonably expected to result in a current payment obligation of one or more members of the ERISA Group in excess of $10,000,000, a copy of such notice; (iii) receives notice from the PBGC under Title IV of ERISA of an intent to terminate, impose liability (other than for premiums under Section 4007 of ERISA) in respect of, or appoint a trustee to administer, any Plan, a copy of such notice; (iv) applies for a waiver of the minimum funding standard under Section 412 of the Internal Revenue Code, a copy of such application; (v) gives notice of intent to terminate any Plan under Section 4041(c) of ERISA, a copy of such notice and other information filed with the PBGC; (vi) gives notice of withdrawal from any Plan pursuant to Section 4063 of ERISA, a copy of such notice; or (vii) fails to make any payment or contribution to any Plan or Multiemployer Plan, or makes any amendment to any Plan, which has resulted or would result in the imposition of a Lien or the posting of a bond or other security, a certificate of an Authorized Officer setting forth details as to such occurrence and action, if any, which the Company or applicable member of the ERISA Group is required or proposes to take; and

(i) from time to time such additional information regarding the financial position or business of the Company as the Agent, at the request of any Bank, may reasonably request.

Section 6.11. *Maintenance of Property; Insurance.* The Company will keep all property useful and necessary in its business in good working order and condition, ordinary wear and tear excepted; will maintain with financially sound and reputable insurance companies, insurance on all its property in at least such amounts and against at least such risks as are usually insured against by companies of established repute engaged in the same or a similar business; and will promptly furnish to the Banks such information as to the insurance carried as may be reasonably requested in writing by the Agent.

Section 6.12. *Conduct of Business and Maintenance of Existence.* The Company will preserve, renew and keep in full force and effect its corporate

existence and its rights, privileges and franchises necessary or desirable in the conduct of its business.

Section 6.13. *Compliance with Laws.* The Company will comply in all respects with all applicable laws, ordinances, rules, regulations and requirements of governmental authorities (including, without limitation, Environmental Laws and ERISA and the rules and regulations thereunder) except where the necessity of compliance therewith is contested in good faith by appropriate proceedings or where non-compliance therewith would not have a material adverse effect on the ability of the Company to meet its commitments hereunder and under the Related Documents.

Section 6.14. *Total Debt.* Total Debt will at no time exceed 65% of Total Capitalization.

Section 6.15. *Negative Pledge.* The Company will not create, assume or suffer to exist any Lien on any asset now owned or hereafter acquired by it, except:

(a) the Lien of the Umbrella Mortgage;

(b) any Lien that qualifies as an "**Excepted Encumbrance**" under Section 1.06 of the Umbrella Mortgage, provided that foreclosure of any Liens for taxes, assessments or other governmental charges so qualifying shall have been effectively stayed;

(c) any Lien on the Company's interest in facilities securing Debt incurred or assumed for the purpose of financing all or any part of the cost of acquiring such facilities, *provided* that the interest on such Debt is exempt from tax under the Internal Revenue Code as in effect when such Debt is incurred or assumed;

(d) any Lien on the Company's interest in Pollution Bonds or cash or cash equivalents securing (i) the obligation of the Company to reimburse the issuer of a Pollution LC for a drawing on such Pollution LC for the purpose of purchasing Pollution Bonds or (ii) the obligation of the Company to reimburse or repay amounts advanced under any facility entered into to provide liquidity or credit support for any issue of Pollution Bonds;

(e) any Lien on any asset securing Debt of the Company incurred or assumed for the purpose of financing all or any part of the cost of acquiring such asset, provided that such Lien attaches to such asset concurrently with or within 90 days after the acquisition thereof;

(f) any Lien on any asset of any corporation existing at the time such corporation is merged or consolidated with or into the Company and not created in contemplation of such event;

(g) any Lien existing on any asset prior to the acquisition thereof by the Company and not created in contemplation of such acquisition;

(h) any Lien arising out of the refinancing, extension, renewal or refunding of any Debt of the Company secured by any Lien permitted by any of the foregoing clauses (b) through (g), inclusive, of this Section, *provided* that such Debt is not increased and is not secured by any additional assets;

(i) Liens incidental to the conduct of its business or the ownership of its assets which (i) do not secure Debt or obligations under Hedging Agreements, (ii) do not secure any single obligation (or series of related obligations) in an amount exceeding $100,000,000 and (iii) do not in the aggregate materially detract from the value of its assets or materially impair the use thereof in the operation of its business;

(j) Liens on cash and cash equivalents securing obligations under Hedging Agreements; *provided* that the aggregate amount of cash and cash equivalents subject to Liens permitted by this clause 6.15(j) shall at no time exceed $75,000,000;

(k) Liens not otherwise permitted by the foregoing clauses of this Section securing Debt of the Company and Liens not permitted by clause 6.15(j) above on cash and cash equivalents securing obligations under Hedging Agreements; *provided* that the sum of (i) the aggregate principal amount of Debt secured by such Liens and (ii) the aggregate amount of cash and cash equivalents subject to Liens not permitted by clause 6.15(j) above securing obligations under Hedging Agreements shall not at any time exceed 7.5% of Tangible Net Worth;

(l) the right of the counterparty to two or more Hedging Agreements with the Company to close out such Hedging Agreements if applicable margin or other requirements are not met and apply any proceeds thereof to any resulting balance due;

(m) Liens on cash and letters of credit securing obligations under Commodity Forward Contracts; and

(n) the right of the counterparty to two or more Commodity Forward Contracts to close out such Commodity Forward Contracts if applicable margin or other requirements are not met and apply any proceeds thereof to any resulting balance due.

Section 6.16. *Consolidations, Mergers and Sales of Assets.* The Company will not, without the prior written consent of the Required Banks:

(i) consolidate or merge with or into any other Person; *provided* that the Company may merge with another Person if (x) the Company is the surviving corporation and (y) on the effective date of such consolidation or merger, and immediately after giving effect thereto, no Default shall have occurred or be continuing, or

(ii) sell, lease or otherwise transfer, directly or indirectly, all or substantially all of the assets of the Company to any other Person.

Section 6.17. *Guarantees.* The Company will not enter into any Guarantee of any Debt or other obligation of any Subsidiary, except (i) any such Guarantees of Debt or other obligations that (a) have been approved by appropriate orders from the utility regulatory authorities to which the Company is at the time subject and (b) pertain solely to Debt or other obligations substantially all of the net proceeds of which are loaned by such Subsidiary to the Company and (ii) any such Guarantees of other obligations which Guarantees are not material to the financial position of the Company either individually or in the aggregate.

ARTICLE 7
EVENTS OF DEFAULT; REMEDIES

Section 7.01. *Events of Default.* It shall constitute an "**Event of Default**" if any of the following events shall occur and be continuing:

(a) the Company shall fail to pay (i) when due, or to cause to be paid when due, any principal of any Disbursement or shall fail to pay, within five days of the due date thereof, any interest or fees payable hereunder or (ii) any other amount claimed by one or more Banks under this Agreement within five days of the due date thereof, unless (A) such claim is disputed in good faith by the Company, (B) such unpaid claimed amount does not exceed $100,000 and (C) the aggregate of all such unpaid claimed amounts does not exceed $300,000; or

(b) any representation, warranty, certification or statement made or deemed made by the Company under or pursuant to this Agreement or in any certificate, financial statement or other document delivered pursuant to this Agreement shall prove to have been incorrect in any material respect when made (or deemed made); or

(c) the Company shall fail to perform or observe any term, covenant or agreement set forth in Sections 6.04 to 6.10 inclusive or Sections 6.14 to 6.17 inclusive; or

(d) the Company shall fail to perform or observe any term, covenant or agreement contained in this Agreement or any Related Document to which it is a party (other than as elsewhere specifically addressed in another paragraph of this Section 7.01), and such failure shall remain unremedied for 15 days after written notice shall have been given to the Company by the Agent at the request of any Bank; or

(e) any material provision of this Agreement or any Related Document to which the Company is a party (other than by reason of payment, or provision for payment, in full of the Bonds) shall at any time for any reason cease to be valid and binding on or enforceable against the Company, or shall be declared to be null and void by final and non-appealable judgment or determination of any court or governmental authority or agency having jurisdiction over the Company, or the validity or the enforceability thereof shall be contested by the Company in a judicial or administrative proceeding; or

(f) any "**Event of Default**" under and as defined in the Indenture shall have occurred and be continuing; or

(g) the ratings assigned to the Bond Insurer's long-term debt or financial strength are withdrawn or are reduced to below BBB- (or its equivalent rating) by S&P and are withdrawn or reduced to below Baa3 (or its equivalent rating) by Moody's; or

(h) a Bond Insurer Event of Insolvency shall have occurred; or

(i) the Bond Insurer shall fail, wholly or partially, to make a payment when and as required under the provisions of the Bond Insurance Policy (including, without limitation, principal of, and interest at the Bank Rate on, Bank-Owned Bonds); or

(j) the Bond Insurer shall claim or assert that the Bond Insurance Policy is invalid or unenforceable against the Bond Insurer or the Bond Insurer shall repudiate its obligations or deny that it has any further liability under the Bond Insurance Policy; or the validity or enforceability of the Bond Insurance Policy shall be contested in any contest or proceeding (including an appellate proceeding) directly or indirectly by the Bond Insurer or any governmental authority and, in the case of a Person other than the Bond Insurer, the Bond Insurer shall fail to defend or assert such validity or enforceability or to appeal such contest or proceeding pursuant to appropriate proceedings or actions; or

(k) any governmental authority with competent jurisdiction shall announce, find or rule that the Bond Insurance Policy is null and void or otherwise invalid or unenforceable against the Bond Insurer; or

(l) the Bond Insurance Policy is surrendered, canceled or terminated, or amended or modified in any material respect that is adverse to the Banks, without each Bank's prior written consent; or

(m) a court of competent jurisdiction enters a final nonappealable judgment that the Bond Insurance Policy is not valid and binding on or enforceable against the Bond Insurer; or

(n) the Company shall fail to make any payment in respect of any Material Debt or Material Hedging Obligations (other than Debt hereunder) when due or within any applicable grace period; or

(o) any event or condition shall occur which results in the acceleration of the maturity of any Material Debt of the Company or enables the holder of such Material Debt or any Person acting on such holder's behalf to accelerate the maturity thereof; or

(p) the Company shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property; or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any corporate action to authorize any of the foregoing; or

(q) an involuntary case or other proceeding shall be commenced against the Company seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of 60 days; or an order for relief shall be entered against the Company under the federal bankruptcy laws as now or hereafter in effect; or

(r) the Company or any member of the ERISA Group shall fail to pay when due an amount or amounts aggregating in excess of $25,000,000 which it shall have become liable to pay to the PBGC or to a Plan under Title IV of ERISA; or notice of intent to terminate a Material Plan shall be filed under Title IV of

ERISA by any member of the ERISA Group, any plan administrator or any combination of the foregoing; or the PBGC shall institute proceedings under Title IV of ERISA to terminate, to impose liability in excess of $25,000,000 (other than for premiums under Section 4007 of ERISA) in respect of, or to cause a trustee to be appointed to administer, any Material Plan or a proceeding shall be instituted by a fiduciary of any Multiemployer Plan against any member of the ERISA Group to enforce Section 515 or 4219(c)(5) of ERISA in respect of an amount or amounts aggregating in excess of $25,000,000, and such proceeding shall not have been dismissed within 30 days thereafter; or a condition shall exist by reason of which the PBGC would be entitled to obtain a decree adjudicating that any Material Plan must be terminated; or there shall occur a complete or partial withdrawal from, or a default, within the meaning of Section 4219(c)(5) of ERISA, with respect to, one or more Multiemployer Plans which would cause one or more members of the ERISA Group to incur a current payment obligation in excess of $25,000,000; or

(s) a judgment or order for the payment of money in excess of $25,000,000 shall be rendered against the Company and such judgment or order shall continue unsatisfied and unstayed for a period of 30 days; or

(t) an Acceptable Parent shall fail to own (directly or indirectly through one or more Subsidiaries) at least 80% of the outstanding shares of common stock of the Company; any person or group of persons (within the meaning of Section 13 or 14 of the Securities Exchange Act of 1934, as amended), except Berkshire Hathaway Inc. or any wholly-owned subsidiary thereof, shall acquire beneficial ownership (within the meaning of Rule 13d 3 promulgated by the Securities and Exchange Commission under said Act) of 35% or more of the outstanding shares of common stock of an Acceptable Parent; or, during (i) the period commencing on the Closing Date and ending on the date immediately preceding the date of election of new directors in connection with the completion of the acquisition by MidAmerican of 100% of the common stock of the Company pursuant to the Stock Purchase Agreement dated as of May 23, 2005 or (ii) any period of 14 consecutive calendar months thereafter, individuals who were directors of the Company on the first day of such period and any new director whose election by the board of directors of the Company or nomination for election by the Company's shareholders was approved by a vote of at least a majority of the directors then still in office who either were directors at the beginning of the applicable period or whose election or nomination for election was previously so approved, shall cease to constitute a majority of the board of directors of the Company.

Section 7.02. *Remedies.* (a) *Suspension of Banks' Obligations.*

(i) In the case of an Event of Default under Section 7.01(j) or Section 7.01(k), the obligation of the Banks to purchase Unremarketed

Bonds shall immediately be suspended (but not terminated) without notice to or demand on any Person and thereafter the Banks shall be under no obligation to purchase any Unremarketed Bonds until the Total Combined Available Commitments are reinstated as described below. Promptly upon obtaining knowledge of such Event of Default, the Agent shall notify the Trustee and the Remarketing Agent of such suspension in writing; *provided, however*, that neither the Agent nor any Bank shall incur any liability or responsibility whatsoever by reason of the Agent's failure to give such notice and such failure shall in no way affect the suspension of the Total Combined Available Commitments or the obligation of the Banks to purchase Unremarketed Bonds pursuant to this Agreement. If a court of competent jurisdiction shall thereafter enter a final nonappealable judgment that the Bond Insurance Policy is not valid and binding on the Bond Insurer, then the Total Combined Available Commitments and the obligation of the Banks to purchase Unremarketed Bonds shall immediately terminate without notice or demand and thereafter the Banks shall be under no obligation to purchase Unremarketed Bonds. If a court of competent jurisdiction shall find or rule that the Bond Insurance Policy is valid and binding on the Bond Insurer in accordance with its terms, then the Total Combined Available Commitments and the obligations of the Banks under this Agreement shall thereupon be reinstated (unless the Commitment Termination Date shall otherwise have occurred). Notwithstanding the foregoing, if three years after the effective date of suspension of the Total Combined Available Commitments and the obligation of the Banks to purchase Unremarketed Bonds pursuant to this Section 7.02(a)(i), this Agreement has not been terminated and litigation is still pending and a judgment regarding the validity and enforceability of the Bond Insurance Policy has not been obtained, then the Total Combined Available Commitments and the obligation of the Banks to purchase Unremarketed Bonds shall, unless previously terminated pursuant to any other provision of this Agreement, at such time terminate without notice or demand and, thereafter, the Banks shall be under no obligation to purchase Unremarketed Bonds.

(ii) The obligations of the Banks to purchase Unremarketed Bonds shall immediately be suspended without notice to or demand on any person upon the occurrence and during the continuance of a Bond Insurer Potential Insolvency and shall be reinstated upon the curing of such Bond Insurer Potential Insolvency prior to such Bond Insurer Potential Insolvency becoming a Bond Insurer Event of Insolvency and shall terminate pursuant to Section 7.02(b) if such Bond Insurer Potential Insolvency becomes a Bond Insurer Event of Insolvency.

(iii) The obligations of the Banks to purchase Unremarketed Bonds shall immediately be suspended without notice to or demand on

any Person upon the occurrence of an Event of Default under Section 7.01(g) and the Total Combined Available Commitments shall terminate 30 days thereafter if such Event of Default shall then be continuing.

(iv) A suspension pursuant to this Section 7.02(a) shall not in any event extend the Stated Expiration Date or affect any other remedy under this Section 7.02.

(b) *Termination.* Upon the occurrence of an Event of Default under Section 7.01(h), (i), (l) or (m) or any event which results in the termination of the Total Combined Available Commitments pursuant to Section 7.02(a) (any such event, an "**Event of Termination**"), the Total Combined Available Commitments and the obligation of the Banks under this Agreement to purchase Unremarketed Bonds shall immediately terminate without notice or demand to any Person and, thereafter, the Banks shall be under no obligation to purchase Unremarketed Bonds. Promptly upon the occurrence of such Event of Termination, the Agent shall give written notice of the same to the Trustee and the Remarketing Agent; *provided, however*, that neither the Agent nor any Bank shall incur any liability or responsibility whatsoever by reason of the Agent's failure to give such notice and such failure shall in no way affect the termination of the Total Combined Available Commitments and the obligation of the Banks to purchase Unremarketed Bonds pursuant to this Agreement.

(c) *Other Remedies.* Upon the occurrence of an Event of Default, the Agent and the Banks shall have all remedies provided at law or equity, including, without limitation, the right to demand and receive specific performance; *provided, however*, that, except as otherwise provided in clauses (a) or (b) of this Section 7.02, neither the Agent nor any Bank shall have the right to suspend or terminate the Total Combined Available Commitments or the obligation of the Banks to purchase Unremarketed Bonds under this Agreement upon the terms and conditions herein stated.

(d) *Nature of Remedies.* The remedies provided in clauses (a) and (b) of this Section 7.02 shall only be exclusive with respect to the Defaults referred to therein to the extent such remedies relate to the termination of the Total Combined Available Commitments and the obligation of the Banks to purchase Unremarketed Bonds under this Agreement. If for any reason whatsoever the Banks are not able to obtain all such remedies, then the Banks hereby reserve the right to pursue any other available remedies, other than acceleration of any amounts due under this Agreement, whether provided by law, equity or this Agreement.

Section 7.03. *Copies of Notices.* The Agent agrees to furnish to the Company and the Remarketing Agent a copy of any notice given pursuant to Section 7.02(a) or Section 7.02(b); *provided* that the failure to furnish any such

copy to the Company or the Remarketing Agent shall not affect the validity of any such notice or the rights of the Agent or the Banks in respect thereof.

ARTICLE 8
THE AGENT AND THE BANKS

Section 8.01. *Appointment and Authorization.* Each Bank hereby appoints JPMorgan Chase Bank, N.A. as the Agent to act as specified herein and in the Related Documents. Each Bank irrevocably appoints and authorizes the Agent to take such action on its behalf under the provisions of this Agreement and the Related Documents and to exercise such powers hereunder and thereunder as are delegated to the Agent by the terms hereof and thereof, together with all such powers as are reasonably incidental thereto.

Section 8.02. *Nature of Duties.* The Agent shall have no duties or responsibilities except those expressly set forth in this Agreement and the Related Documents. The duties of the Agent shall be mechanical and administrative in nature. The Agent shall not have, by reason of this Agreement or the Related Documents or by reason of any transaction contemplated hereby or thereby or any instrument or other document made or executed pursuant hereto or thereto, a fiduciary relationship in respect of any Bank. Nothing in this Agreement, expressed or implied, is intended to or shall be so construed as to impose upon the Agent any obligations in respect of this Agreement or the Related Documents except as expressly set forth herein or therein. Without limiting the generality of the foregoing, the Agent shall not be required to take any action with respect to any Default, except as expressly provided in Article 7.

Section 8.03. *Agent and Affiliates.* JPMorgan Chase Bank, N.A. shall have the same rights and powers under this Agreement and the Related Documents as any other Bank and may exercise or refrain from exercising the same as though it were not the Agent hereunder, and JPMorgan Chase Bank, N.A. and its affiliates may accept deposits from, lend money to, and generally engage in any kind of business with the Company or any Subsidiary or affiliate of the Company as if it were not the Agent hereunder.

Section 8.04. *Consultation with Experts.* The Agent may consult with legal counsel (who may be counsel for the Company or bond counsel), independent public accountants and other experts selected by it and shall not be liable to any of the Banks for any action taken or omitted to be taken by it in good faith in accordance with the advice of such counsel, accountants or experts.

Section 8.05. *Liability of Agent.* Neither the Agent nor any of its affiliates nor any of their respective directors, officers, agents or employees shall be liable to any Bank for any action taken or not taken by it hereunder or under the Related

Documents or in connection herewith or therewith (including, without limitation, the acceptance or approval or rejection or disapproval of any document, opinion or instrument or other action taken or not taken, in each case, in the discretion of the Agent) (i) with the consent or at the request of the Required Banks or (ii) in the absence of its own gross negligence or willful misconduct. The Agent may at any time request instructions from any Bank with respect to any actions or approvals which by the terms of this Agreement or the Related Documents the Agent is permitted or required to take or to grant; and if such instructions are requested, the Agent shall be entitled absolutely to refrain from taking any action or to withhold any approval and shall not be under any liability whatsoever to any Person for refraining from any action or withholding any approval under this Agreement or the Related Documents until it shall have received instructions from such Bank or the Required Banks, as the case may be. Neither the Agent nor any of its affiliates nor any of their respective directors, officers, agents or employees shall be responsible for or have any duty to ascertain, inquire into or verify (i) any statement, warranty or representation made in connection with this Agreement, the Related Documents or any demand for purchase of Unremarketed Bonds under this Agreement; (ii) the performance or observance of any of the covenants or agreements of the Company or the Bond Insurer; (iii) the satisfaction of any condition specified in Article 4, except receipt of items required to be delivered to the Agent; or (iv) the validity, effectiveness or genuineness of this Agreement, the Related Documents or any other instrument or writing furnished in connection herewith or therewith. The Agent shall not incur any liability by acting in reliance upon any notice, consent, certificate, statement, or other writing (which may be a wire, telex, facsimile transmission or similar writing) believed by it to be genuine or to be signed by the proper party or parties.

Section 8.06. *Acknowledgment of Independent Appraisal by Each Bank.* Each Bank acknowledges and represents that it has made its own independent appraisal of the business, affairs and financial condition of each of the Bond Insurer and the Company as well as of the sufficiency and collectibility of the Revenues, will continue to be responsible for making its own independent appraisal of such matters and has not relied upon and will not hereafter rely upon the Agent or any other Bank or any information prepared, distributed or otherwise made available by the Agent (whether orally or in writing) for any such appraisal or other assessment or review of the Bond Insurer or the Company. The Agent shall have no duty or responsibility, either initially or on a continuing basis, to provide any Bank with any credit or other information with respect to the business, affairs or financial condition of the Bond Insurer or the Company, whether coming into its possession before the Closing Date or at any time or times thereafter.

Section 8.07. *Indemnification of the Agent.* To the extent that the Agent is not reimbursed and indemnified by the Company, each Bank will, in proportion to its Percentage Share, reimburse and indemnify the Agent and its affiliates and

their respective directors, officers, agents and employees for and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against, the Agent in any way relating to or arising out of this Agreement, the Related Documents or any action taken or omitted by the Agent hereunder or thereunder; *provided, however*, that no Bank shall be liable for any portion of such liabilities, judgments, suits, costs, expenses or disbursements resulting solely from the indemnitees' gross negligence or willful misconduct. The obligations of the Banks under this Section 8.07 shall survive the termination of this Agreement.

Section 8.08. *Notices Received by the Agent.* Upon receipt by the Agent of any notices, certificates or documents delivered by or on behalf of the Company and the Bond Insurer pursuant to this Agreement and the Related Documents, the Agent shall provide copies thereof to each Bank.

Section 8.09. *Successor Agent.* The Agent may resign at any time by giving written notice thereof to the Banks, the Trustee and the Company. Upon any such resignation, the Required Banks (with the consent of the Company so long as no Event of Default exists) shall agree upon and appoint a successor Agent. If no successor Agent shall have been so appointed by the Required Banks and shall have accepted such appointment, within 10 Domestic Business Days after the retiring Agent gives notice of resignation, then the retiring Agent may, on behalf of the Banks, appoint a successor Agent which shall be a commercial bank organized or licensed under the laws of the United States of America or any State thereof and having a combined capital and surplus of at least $500,000,000. Upon the acceptance of its appointment as Agent hereunder by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all the rights and duties of the retiring Agent, and the retiring Agent shall be discharged from any subsequent duties and obligations hereunder. After any retiring Agent's resignation hereunder as Agent, the provisions of this Article and of Sections 9.04 to 9.06 inclusive shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent.

Section 8.10. *Excess Payments.* Except for payments made pursuant to Sections 3.01, 3.02, 3.07 or 9.05, if any Bank shall receive, out of the assets of the Bond Insurer or the Company or otherwise, any payment on account of any amounts owing by the Company to such Bank hereunder or under the Bank-Owned Bonds which would result in such Bank receiving an amount in excess of its Percentage Share of all amounts received by the Banks as payments on account of the amounts owing hereunder or under the Bank-Owned Bonds, whether the same be paid, received or applied voluntarily, involuntarily or by operation of law, by application of any offset or counterclaim on any debt or otherwise, then such Bank shall purchase for cash from the other Banks an interest in all of the outstanding obligations of the same class hereunder or under the Bank-Owned

Bonds in an amount, determined by the Agent, which shall result in each Bank receiving its Percentage Share of such total sums; *provided, however*, that if any such purchase is made and the excess payment (or portion thereof) requiring such purchase is thereafter recovered (in whole or in part) from the purchasing Bank, then such purchase shall be *pro tanto* rescinded and the applicable portion of the purchase price restored to the purchasing Bank, without interest; and *provided further, however*, that nothing in this Section 8.10 shall impair the right of any Bank to exercise any right of set-off or counterclaim it may have and to apply the amount subject to such exercise to the payment of indebtedness of the Company other than its indebtedness under this Agreement.

Section 8.11. *Payments to Banks.* Upon and only upon actual receipt by the Agent of any amounts paid to the Agent for the account of the Banks hereunder, the Agent shall promptly pay to each Bank in accordance with its payment instructions set forth in its Administrative Questionnaire (or such other account as such Bank may designate to the Agent for such purpose), in like funds as those received by the Agent, an amount equal to such Bank's *pro rata* share of such amounts, determined in accordance with the Percentage Share of such Bank; *provided, however*, that each Bank shall be entitled to receive any such amounts only to the extent it has not defaulted in its obligation hereunder to purchase Unremarketed Bonds.

Section 8.12. *Disbursements of Purchase Price of Unremarketed Bonds.* (a) Promptly upon receipt thereof, but in no event later than 12:45 P.M., New York City time, on the date of receipt thereof, the Agent shall furnish to each Bank by facsimile a copy of each Purchase Certificate received by the Agent on behalf of the Banks, together with a statement of the Agent's calculation of each Bank's Percentage Share of the Purchase Price demanded under such Purchase Certificate, and the Agent shall confirm by telephone that each Bank has received such copy and such statement. To facilitate payments of the Purchase Price of Unremarketed Bonds pursuant to Section 2.01, unless the Agent shall have been notified by any Bank prior to 1:00 P.M., New York City time, on the date of any such payment of the Purchase Price that such Bank does not intend to pay such Purchase Price, the Agent may assume that such Bank has determined to pay such Purchase Price and may, in reliance on such assumption (but without any obligation to do so), pay to the Trustee for the account of such Bank an amount equal to such Bank's Percentage Share of such Purchase Price. Each such payment shall be deemed to constitute an advance made by the Agent to such Bank and the paying of such Bank's Percentage Share of such Purchase Price by such Bank, and shall be conclusive and binding upon such Bank.

(b) Each Bank shall be obligated to pay to the Agent the amount of any advance made by the Agent to such Bank pursuant to Section 8.12(a) in immediately available funds, together with interest at the Federal Funds Rate. The obligation of each Bank to remit amounts to the Agent pursuant to this

Section 8.12(b) shall be absolute, unconditional and irrevocable under any and all circumstances and may not be terminated for any reason whatsoever. All amounts received by the Agent pursuant to this Section 8.12(b) shall be for the account of the Agent.

(c) If any Bank does not repay any advance made to such Bank pursuant to Section 8.12(a) by the Agent's close of business on the Domestic Business Day next succeeding the date such advance was made, the Agent shall be entitled to retain for its own account any Bank-Owned Bonds purchased with such advance and to recover such sum from the Company together with interest from the date such advance was made to the date the same is paid in full at the Base Rate and to exercise all rights of such defaulting Bank under this Agreement with respect to such Bank-Owned Bonds and the Purchase Price of such Bank-Owned Bonds; *provided* that if such defaulting Bank repays its advance to the Agent in accordance with Section 8.12(b), such payment shall constitute such Bank's Percentage Share of such Purchase Price for purposes hereof. Nothing in this Section 8.12(c) shall be deemed to relieve any Bank from its obligation to fulfill its commitment under Section 2.01 or to prejudice any rights which the Company may have in respect of such commitment.

(d) If the Agent on behalf of any Bank, in its discretion, determines not to advance from the Agent's funds pursuant to Section 8.12(a) such Bank's Percentage Share of the Purchase Price of any Unremarketed Bonds pursuant to Section 2.01, the Agent will notify such Bank of such determination and furnish to such Bank any necessary payment instructions with respect to such disbursement by facsimile at or prior to 12:45 P.M., New York City time, on the date of receipt by the Agent of a Purchase Certificate and such Bank shall pay its Percentage Share of such Purchase Price by wire transfer of funds directly to the Trustee in accordance with such Purchase Certificate.

Section 8.13. *Agent's Fee.* The Company shall pay to the Agent for its own account fees in the amounts and at the times previously agreed upon between the Company and the Agent.

ARTICLE 9
MISCELLANEOUS

Section 9.01. *Amendments, Etc.* No amendment or waiver of any provision of this Agreement, nor consent to any departure by the Company therefrom, shall in any event be effective unless the same shall be in writing and signed by the Required Banks and, in the case of an amendment, the Company, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; *provided, however,* that no amendment, modification, supplement or waiver of or to any provision of this

Agreement, and no consent to any departure by the Company therefrom shall, unless the same shall be in writing and signed by all of the Banks, do any of the following: (i) increase or decrease the Combined Available Commitment of any Bank (except for a ratable decrease in the Commitments of all Banks) or subject any Bank to any additional obligation; (ii) reduce the Bank Rate or the principal of or the rate of interest on any Disbursement or any fees hereunder; (iii) change the definition of "**Required Banks**"; (iv) modify any of the provisions of Section 2.07, 2.12, 3.01, 3.02, 4.03, 8.10, 9.04, 9.05 or 9.06; (v) postpone the date fixed for any payment of principal of or interest on any Disbursement, or of or on any Bank-Owned Bonds, or any fees hereunder or for any reduction or termination of any commitment of any Bank hereunder; or (vi) extend the Stated Expiration Date or change the definition of "**Term Period Commencement Date**" or "**Commitment Termination Date**"; and *provided further, however*, that no amendment, modification, supplement or waiver of or to any provision of this Agreement or the Related Documents shall be effective unless signed by the Agent if the rights or duties of the Agent are affected thereby.

Section 9.02. *Notices, Etc.* Except as otherwise expressly provided herein, all notices and other communications provided for hereunder shall be in writing (including facsimile communication) and shall be given to such party: (w) in the case of the Company or the Agent, at its address or facsimile number set forth on the signature pages hereof, (x) in the case of any Bank, at its address or facsimile number set forth in its Administrative Questionnaire, (y) in the case of the Trustee and the Remarketing Agent, to their respective addresses or facsimile numbers set forth in the Indenture and/or the other Related Documents or (z) as to each of the foregoing, at such other address or facsimile number as shall be designated by such Person in a written notice to the others. All such notices and communications shall be effective (i) if given by facsimile transmission, when transmitted to the facsimile number specified as aforesaid and confirmation of receipt is received, (ii) if given by mail, 72 hours after such communication is deposited in the mails with first class postage prepaid, addressed as aforesaid or (iii) if given by other means, when delivered at the address specified as aforesaid, except that written notices to the Agent and/or the Banks pursuant to the provisions of Articles 2, 4 or 8 and to the Trustee and/or the Company pursuant to Articles 3 or 4 shall not be effective until received by such Person.

Section 9.03. *No Waiver; Remedies.* No failure on the part of the Agent or any Bank to exercise, and no delay in exercising, any right, power or privilege under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by law.

Section 9.04. *Indemnification.* The Company agrees to indemnify the Agent and each Bank, their respective affiliates and the respective directors, officers, agents and employees of the foregoing (each an "**Indemnitee**") and hold harmless each Indemnitee from and against any and all liabilities, losses, damages, costs and reasonable expenses of any kind, including, without limitation, the reasonable fees and disbursements of counsel, which may be incurred by such Indemnitee in connection with any investigative, administrative or judicial proceeding (whether or not such Indemnitee shall be designated a party thereto) in any way relating to or arising out of:

(a) any inaccuracy in any material respect, or any untrue statement or alleged untrue statement of any material fact, contained in any Offering Circular or any amendment or supplement thereto, or by reason of the omission or alleged omission to state therein a material fact necessary to make the statements contained in any Offering Circular or any amendment or supplement thereto in the light of the circumstances under which they were made, not misleading, other than any action or proceeding alleging any inaccuracy in a material respect, or an untrue statement of a material fact, with respect to information supplied by and describing a Bank in any Offering Circular or any amendment or supplement thereto (the "**Bank Information**"), or alleging any omission to state therein a material fact necessary to make the statements in the Bank Information, in the light of the circumstances under which they were made, not misleading; or

(b) the execution, delivery or performance of this Agreement, any Related Document or any transaction contemplated hereby or thereby (including without limitation by reason of or in connection with the purchase by any Bank of Unremarketed Bonds or the failure by any Bank to make any payment required to be made by it under this Agreement); *provided, however*, that the Company shall not be required to indemnify any Indemnitee pursuant to this Section 9.04(b) for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by the willful misconduct or gross negligence of such Indemnitee as determined by a court of competent jurisdiction.

Nothing in this Section 9.04 is intended to limit the obligations of the Company contained in Articles 2 and 3 or the commitment of any Bank to purchase Unremarketed Bonds in accordance with the terms hereof (or to prejudice any rights which the Company may have in respect of such commitment).

Section 9.05. *Liability of the Agent and the Banks.* (a) The Company assumes all risks of the acts or omissions of the Trustee, the Remarketing Agent and the Bond Insurer with respect to its use of the Disbursements of the Banks under this Agreement. Neither the Agent nor any Bank nor any of their respective officers, directors, agents or employees shall be liable or responsible for: (i) the use which may be made of the commitment of the Banks under this Agreement or

any acts or omissions of the Trustee and/or the Remarketing Agent in connection therewith; (ii) the validity, sufficiency or genuineness of documents, or of any endorsement thereon, even if such documents should prove to be in any or all respects invalid, insufficient, fraudulent or forged; (iii) payment by any Bank against presentation of a Purchase Certificate which does not comply with the terms of this Agreement; or (iv) any other circumstances whatsoever in making or failing to make payment under this Agreement; *provided* that the Company shall have a claim against a Bank, and such Bank shall be liable to the Company, to the extent of any direct, as opposed to consequential, damages suffered by the Company which the Company proves were caused by such Bank's willful misconduct or gross negligence. In furtherance and not in limitation of the foregoing, the Agent and each Bank may accept documents that appear on their face to be in order, without responsibility for further investigation.

(b) Neither the Agent nor any Bank shall be liable or responsible in any respect for (i) any mechanical error, omission, interruption or delay, in each case, in the transmission, dispatch or delivery of any message or advice, however transmitted, in connection with this Agreement, or (ii) any action, inaction or omission which may be taken by it in good faith, absent willful misconduct or gross negligence (in which event the extent of the Agent's or such Bank's potential liability to the Company shall be limited as set forth in the immediately preceding paragraph), in connection with this Agreement.

Section 9.06. *Costs, Expenses and Taxes.* The Company shall pay (i) all reasonable out-of-pocket expenses of the Agent, including fees and disbursements of special counsel for the Agent, in connection with the preparation and negotiation of this Agreement, any waiver or consent hereunder or any amendment hereof or any Default or alleged Default hereunder and (ii) if an Event of Default occurs, all reasonable out-of-pocket expenses incurred by the Agent or any Bank, including (without duplication) the fees and disbursements of outside counsel and the allocated cost of inside counsel, in connection with such Event of Default and collection, bankruptcy, insolvency, workout, restructuring and other enforcement proceedings resulting therefrom. In addition, the Company shall pay any and all costs and expenses of the Agent and the Banks (including reasonable counsel fees and expenses) in connection with the transfer, exchange and registration of Bank-Owned Bonds and any and all recording, stamp and other taxes and fees payable or determined to be payable in connection with the execution, delivery, filing and recording of this Agreement, any Related Document and such other documents, and agrees to save the Agent and each Bank harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such taxes or fees. To the extent that the payment of interest on the accrued interest portion of the Purchase Price of Unremarketed Bonds pursuant to Section 2.05 would be prohibited by law if calculated as interest on the principal amount of such Unremarketed Bonds, the Company agrees, to the fullest extent that it may lawfully do so, to pay such

amount (which is not payable under Section 2.05 because of such prohibition by law) to the Agent, for the account of the Banks, on demand pursuant to this Section 9.06 as interest on the total sum advanced pursuant to Section 2.01.

Section 9.07. *Binding Effect*; *Assignment*; *Participations*. (a) This Agreement shall be binding upon and inure to the benefit of the Company, the Agent and the Banks and their respective successors and assigns, except that the Company shall not have the right to assign or otherwise transfer any of its rights hereunder or any interest herein without the prior written consent of the Agent and all of the Banks.

(b) Each Bank may at any time grant to one or more banks or other institutions (each a "**Participant**") participating interests in its Combined Available Commitment or any or all of its Disbursements (including a corresponding interest in its interest in the Bank-Owned Bonds), together with its rights and obligations hereunder. In the event of any such grant by any Bank of a participating interest to a Participant, such Bank shall remain responsible for the performance of its obligations hereunder and under the Related Documents, and the Company, the Agent and the other Banks shall deal solely and directly with such Bank in connection with such Bank's rights and obligations under this Agreement. Promptly after any Bank grants any such participating interest, such Bank shall inform the Company of the identity of the Participant and the amount of such participating interest. Any agreement pursuant to which any Bank may grant such a participating interest shall provide that such Bank shall retain the sole right and responsibility to enforce the obligations of the Company hereunder and under the Related Documents. The Company agrees that each Participant shall be entitled to the full benefit of the rights provided to the Banks in Sections 3.01, 3.02 and 3.07; *provided, however*, that, without limiting the foregoing, in no circumstance shall a Participant be deemed to be a Bank. In granting any such participating interest, a Bank shall not convey to any Participant the right to direct such Bank in the taking or the refraining from taking of any action under this Agreement or the Related Documents that has the effect of giving such Participant voting rights greater than what such Participant would have had such Participant been a Bank with a Combined Available Commitment equal to the amount of its participating interest; *provided* that any agreement pursuant to which any Bank may grant such participating interest may provide that the consent or direction of two parties thereto shall be required to authorize the taking or the refraining from taking of any such action. No Bank may grant a participating interest pursuant to this Section 9.07(b) unless it concurrently grants to the same Participant a *pro rata* participating interest in its right under the Other Company Agreements.

(c) Each Bank may assign to one or more banks or other institutions whose short-term debt is rated at the time of assignment P-1 (or equivalent) or better by Moody's and A-1 (or equivalent) or better by S&P (each an "**Assignee**") all or a proportionate part (equivalent to an initial "**Combined Available**

Commitment" under this Agreement and the Other Company Agreements of not less than $5,000,000) of its rights and obligations under this Agreement, only with and subject to the consent of the Agent and the Company (which consents shall not be unreasonably withheld or delayed), *provided that* the consent of the Company will not be required if an Event of Default has occurred and is continuing; it being acknowledged and agreed that (i) no such assignment shall become effective unless and until the Agent shall have received written confirmation from each of Moody's and S&P that such assignment, in and of itself, will not result in any reduction, suspension or withdrawal of the ratings assigned by Moody's and S&P to the Bonds or otherwise prevent the Company from complying with its obligations under Section 4.03 of the Loan Agreement and (ii) no Bank may assign all or any part of its rights and obligations under this Agreement unless it concurrently assigns to the same Assignee a *pro rata* part of its rights and obligations under the Other Company Agreements. Upon execution and delivery of an instrument of assumption, payment by the Assignee to the transferor Bank of an amount equal to the purchase price agreed between such Assignee and such transferor Bank and the preparation by the Agent and the execution and delivery by the parties thereto of a supplement to this Agreement reflecting such assignment, such Assignee shall be a Bank party to this Agreement and shall have all of the rights and obligations of a Bank with a Combined Available Commitment and a Percentage Share as set forth in such supplement, and the transferor Bank shall be released from its obligations hereunder to a corresponding extent, in each case, without any further consent or action by any Person. In connection with any such assignment, the transferor Bank shall pay to the Agent an administrative fee of $3,500 for processing such assignment.

(d) Any Bank may at any time assign all or any of its rights under this Agreement to a Federal Reserve Bank. No such assignment shall release the transferor Bank from its obligations hereunder.

Section 9.08. *Substitution of Banks.* If (i) Moody's or S&P shall (a) reduce its rating of any short-term debt of a Bank below P-1 (or equivalent) or A-1 (or equivalent), respectively or (b) withdraw or terminate its rating of any short-term or long-term debt of a Bank (other than by reason of the payment or defeasance thereof), or (ii) a Bank shall fail to make available its Percentage Share of any payment under Section 2.01 or a Bank shall through its own gross negligence or willful misconduct fail to perform its other obligations hereunder, or (iii) a Bank shall fail to grant to the Company any approval required under Section 6.04 unless the Required Banks have also failed to grant such approval or (iv) a Bank shall fail to agree to extend the Stated Expiration Date if so requested by the Company pursuant to Section 2.10, then the Company shall have the right (with the consent of the Agent) to seek a mutually satisfactory substitute bank or banks (which may be one or more of the Banks) to assume the obligation of such Bank under this Agreement to purchase Unremarketed Bonds on the Purchase

Dates and to purchase its Bank-Owned Bonds. Upon execution and delivery of an instrument of assumption, payment by the substitute bank or banks to the replaced Bank of an amount equal to the purchase price or prices agreed between such substitute bank or banks and the replaced Bank and the preparation by the Agent of a supplement to this Agreement reflecting such substitution, such substitute bank or banks shall be a Bank or Banks party to this Agreement and shall have all of the rights and obligations of a Bank with a Combined Available Commitment and a Percentage Share as set forth in such supplement, and the replaced Bank shall be released from its obligations hereunder to a corresponding extent, in each case, without any further consent or action by any Person.

Section 9.09. *Advertisement by Agent or Banks.* Neither the Agent nor any Bank will include, or permit to be included, any material or reference relating to the Company in any tombstone or other type of advertisement, unless such material or reference is approved in writing by the Company prior to the inclusion therein.

Section 9.10. *Severability.* Any provision of this Agreement which is prohibited, unenforceable, or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

Section 9.11. *GOVERNING LAW.* THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK. THE COMPANY HEREBY SUBMITS TO THE NONEXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK AND OF ANY NEW YORK STATE COURT SITTING IN NEW YORK CITY FOR PURPOSES OF ALL LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. THE COMPANY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF THE VENUE OF ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT AND ANY CLAIM THAT ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

Section 9.12. *WAIVER OF JURY TRIAL.* THE AGENT AND EACH BANK AND THE COMPANY IRREVOCABLY AND UNCONDITIONALLY WAIVE THE RIGHT TO TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING ARISING OUT OF, OR BASED UPON, OR IN ANY WAY CONNECTED WITH THIS AGREEMENT AND IN ANY COUNTERCLAIM THEREON.

Section 9.13. *Survival of Representations and Warranties.* All agreements, representations and warranties made in this Agreement and in any certificates delivered pursuant hereto shall survive the execution and delivery of this Agreement, and the agreements contained in Sections 9.04 and 9.06 shall survive payment of the Bonds, the reimbursement to the Agent and each Bank of any payments or disbursements under this Agreement and the termination of this Agreement.

Section 9.14. *Entirety.* This Agreement constitutes the entire agreement and understanding among the parties hereto with respect to the commitment of the Banks to purchase Unremarketed Bonds on and after the Closing Date and supersedes any and all prior agreements and understandings, oral or written, relating to the subject matter hereof.

Section 9.15. *Execution in Counterparts.* This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same Agreement.

Section 9.16. *Headings.* Section headings and the table of contents in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

Section 9.17. *Effectiveness.* This Agreement shall become effective upon receipt by the Agent of counterparts hereof signed by each of the parties hereto (or, in the case of any party as to which an executed counterpart shall not have been received, receipt by the Agent in form satisfactory to it of telegraphic, telex, facsimile or other written confirmation from such party of execution of a counterpart hereof by such party).

Section 9.18. *Beneficiaries.* Nothing contained herein, express or implied, is intended to give any Person other than the parties hereto, any indemnitees, the Trustee and the holders of the Bonds any right, remedy, or claim hereunder or by reason hereof; *provided* that the provisions of clause *third* of Section 2.03(d)(iii) providing for amounts to be rebated to the Bond Insurer under certain circumstances are for the benefit of, and shall be directly enforceable by, the Bond Insurer.

Section 9.19. *Confidentiality.* Each of the Agent and the Banks agrees to exercise all reasonable efforts to keep any proprietary or financial information delivered or made available to it by the Company, confidential from anyone other than (x) the officers, directors and employees of the Agent, any Bank or any of their respective affiliates who have a need to know such information in accordance with customary banking practices and (y) agents of, or persons

retained by, the Agent or any Bank who are or are expected to become engaged in evaluating, approving, structuring or administering this Agreement, and who, in the case of (x) and (y), receive such information having been made aware of the restrictions set forth in this Section 9.19; *provided* that nothing herein shall prevent the Agent or any Bank from disclosing such information (i) to the Agent or any Bank in connection with the transactions contemplated by this Agreement, (ii) upon the order of any court or administrative agency or otherwise pursuant to subpoena or similar procedure in accordance with law, (iii) upon the request or demand of any regulatory agency or authority having jurisdiction over the Agent or any Bank, (iv) which has been publicly disclosed, (v) to the extent reasonably required in connection with any litigation to which the Agent, any Bank or their respective affiliates may be a party, (vi) to the Agent's or any Bank's legal counsel and independent auditors, (vii) to any actual or proposed Participant or Assignee which has agreed in writing to be bound by the provisions of this Section 9.19, (viii) in connection with the exercise of any remedy hereunder or (ix) with the prior written consent of the Company. The Agent and each Bank shall attempt in good faith, to the extent permitted by applicable law, (i) to notify the Company of any disclosure of such information referred to in clause (ii) of the preceding sentence and (ii) upon a reasonable and timely request by the Company, cooperate with the Company (at the Company's expense) for any application the Company may make for an appropriate protective order to preserve the confidentiality of such information or limit the disclosure thereof.

Section 9.20. *Patriot Act Notice.* Each Bank that is subject to the Act (as hereinafter defined) and the Agent (for itself and not on behalf of any Bank) hereby notifies the Company that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "**Act**"), it is required to obtain, verify and record information that identifies the Company, which information includes the name and address of the Company and other information that will allow such Bank or the Agent, as applicable, to identify the Company in accordance with the Act.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first set forth above.

PACIFICORP

By: Bruce N Williams

Name: Bruce N. Williams
Title: Treasurer

825 NE Multnomah
Suite 1900
Portland, Oregon 97232
Facsimile number: (503) 813-5673

JPMORGAN CHASE BANK, N.A., as Agent

By: _____
Name: Thomas L. Casey
Title: Vice President

Address: 270 Park Avenue
4th floor
New York, NY 10017
Attention: Thomas L. Casey
Telephone: 212-270-5305
Facsimile: 212-270-3089

with a copy to:
Address: Loan & Agency Services
1111 Fannin Street
Floor 10
Houston, TX 77002-6925
Attention: Cliff Trapani
Telephone: 713-750-7909
Facsimile: 713-750-2938

Wire Transfer Instructions
Name of Bank: JPMorgan Chase Bank, N.A.
ABA No.: 021000021
A/C #: 9008109962
Reference: PacifiCorp

Initial Available Principal Commitment: $9,365,000.00
Initial Available Interest Commitment: $190,892.06
Initial Combined Available Commitment: $9,555,892.06
Percentage Share: 100%

JPMORGAN CHASE BANK, N.A.

By: _____
Name: Thomas L. Casey
Title: Vice President

EXHIBIT A

FORM OF
CERTIFICATE REQUESTING
PURCHASE OF UNREMARKETED BONDS

The undersigned, a duly authorized officer of the undersigned trustee (the "**Trustee**"), hereby certifies to JPMorgan Chase Bank, N.A., as Agent (the "**Agent**"), pursuant to Section 4.03(a)(i) of the Amended and Restated Standby Bond Purchase Agreement, dated as of February 22, 2006, among PacifiCorp (the "**Company**"), the Banks party thereto and the Agent (as amended from time to time in accordance with its provisions, the "**Purchase Agreement**"; the terms defined therein and not otherwise defined herein being used herein as therein defined) relating to $9,365,000 Carbon County, Utah Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994 (the "**Bonds**"), that:

(1) The Trustee is the trustee under the Indenture for the Bonds.

(2) The Trustee is making demand for payment by the Banks under Section 2.01 of the Purchase Agreement in respect of the Purchase Price of Unremarketed Bonds which is due and payable on _____ (the "*Purchase Date*").

(3) The amount being demanded for payment by the Banks under Section 2.01 of the Purchase Agreement is $_____, which amount:

(i) represents the sum of (a) $_____, the aggregate principal amount of Unremarketed Bonds on the Purchase Date, *plus* (b) $_____, the amount of interest which is accrued and unpaid thereon to the Purchase Date, and

(ii) should be provided in [immediately available/next day] funds to [specify account information and any applicable wire transfer instructions].

(4) The undersigned has not received any notice from the Agent that the obligations of the Banks to purchase Unremarketed Bonds have been suspended or terminated.

(5) To the best knowledge of the Trustee, the conditions precedent to the purchase of Unremarketed Bonds on the Purchase Date specified in Section 4.03(a)(iv) and (v) of the Purchase Agreement have been fulfilled.

The Trustee hereby acknowledges that, pursuant to the terms of the Purchase Agreement, and subject to upward adjustment as provided in the

Purchase Agreement, the honoring by the Banks of the demand for payment made by this Certificate will automatically result in downward adjustments in the amounts of the Total Combined Available Commitments, the Available Principal Commitments of the Banks and the Available Interest Commitments of the Banks in accordance with the terms of the Purchase Agreement.

IN WITNESS WHEREOF, the Trustee has executed and delivered this Certificate as of the ____ day of _____, 20__.

[NAME OF TRUSTEE]
as Trustee

By: _____
Name:
Title:

EXHIBIT B

FORM OF NOTICE OF INTEREST RATE ELECTION

JPMorgan Chase Bank, N.A., as Agent
under the Amended and Restated
Standby Bond Purchase Agreement
referred to below
270 Park Avenue
New York, NY 10017

Dear Sirs:

This Notice of Interest Rate Election is being delivered by PacifiCorp (the "**Company**") pursuant to the Amended and Restated Standby Bond Purchase Agreement (as amended from time to time, the "**Agreement**") dated as of February 22, 2006 among the Company, the Banks listed therein and JPMorgan Chase Bank, N.A., as Agent, relating to $9,365,000 Carbon County, Utah Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994:

[(1) The Company hereby elects to continue[1] $[specify aggregate principal amount of Disbursements to which this election applies][2] of [Domestic Disbursements][Euro-Dollar Disbursements having [a/an] [one][two][three][six] month Interest Period ending [specify date] as [Domestic Disbursements][Euro-Dollar Disbursements having [a/an][one][two][three][six] month Interest Period ending [specify date][3].]

[(2) The Company hereby elects to convert $[specify aggregate principal amount of Disbursements to which this election applies][2] of [Domestic Disbursements][Euro-Dollar Disbursements having [a/an] [one][two][three][six] month Interest Period ending [specify date] to [Domestic Disbursements][Euro-Dollar Disbursements having [a/an] [one][two][three][six] month Interest Period ending [specify date].[3]]

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[1] Choose either (or both) of paragraph (1) (to continue the current interest rate election) and paragraph (2) (to convert interest rate election) to the extent applicable, and renumber paragraphs accordingly.

[2] If such election applies to less than all of such Disbursements, the aggregate principal amount to which such election applies, and the remaining portion to which it does not apply, must be at least $3,000,000.

[3] Refer to definition of Interest Period.

(3) The election[s] specified in this Notice of Interest Rate Election shall become effective on [specify date].[4]

Capitalized terms used herein that are not defined herein shall have the meaning specified in the Agreement.

Very truly yours,

PACIFICORP

By: _____
Name:
Title:

[4] Refer to Section 2.06(a) of Amended and Restated Standby Bond Purchase Agreement.

EXHIBIT C

EXTENSION AGREEMENT

PacifiCorp
825 NE Multnomah
Suite 1900
Portland, Oregon 97232

JPMorgan Chase Bank, N.A., as Agent
under the Amended and Restated
Standby Bond Purchase Agreement
referred to below
270 Park Avenue
New York, NY 10017

Re: $9,365,000 Carbon County, Utah Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1994
Due: November 1, 2024 (the "*Bonds*")

Gentlemen:

The undersigned hereby agrees to extend the Stated Expiration Date under the Amended and Restated Standby Bond Purchase Agreement relating to the Bonds dated as of February 22, 2006 among PacifiCorp, the Banks listed therein and JPMorgan Chase Bank, N.A., as Agent (the "**Standby Bond Purchase Agreement**"), such extension to be effective from [Extension Date], and to be for one year to [date to which the Stated Expiration Date is extended]. Terms defined in the Standby Bond Purchase Agreement are used herein as therein defined.

This Extension Agreement shall be construed in accordance with and governed by the law of the State of New York.

[NAME OF BANK]

By: _____
Title:

[NAME OF BANK]

By: _____
Title:

Agreed and accepted:

PACIFICORP

By_____
Title:

JPMORGAN CHASE BANK, N.A., as Agent

By_____
Title: