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**LETTER OF CREDIT AND  
REIMBURSEMENT AGREEMENT**

**Dated as of March 26, 2013**

**between**

**PACIFICORP**

**and**

**THE BANK OF NOVA SCOTIA,**

**relating to**

***\$22,485,000 Converse County, Wyoming  
Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1992***

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*EXHIBITS*

- Exhibit A* - *Form of Letter of Credit*
- Exhibit B* - *Form of Custodian Agreement*
- Exhibit C* - *Form of Assignment and Assumption Agreement*
- Exhibit D* - *Form of Opinion of Paul J. Leighton, Esq., Counsel to the Company*
- Exhibit E* - *Form of Reliance Letter of Chapman and Cutler LLP regarding Opinion of Bond Counsel*

*SCHEDULES*

- Schedule I* - *List of Material Subsidiaries*

**LETTER OF CREDIT AND  
REIMBURSEMENT AGREEMENT**

**LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT**, dated as of March 26, 2013, between:

- (i) PACIFICORP, an Oregon corporation (the “*Company*”); and
- (ii) THE BANK OF NOVA SCOTIA (the “*Bank*”).

**PRELIMINARY STATEMENTS**

(1) Converse County, Wyoming (the “*Issuer*”) has caused to be issued, sold and delivered, pursuant to a Trust Indenture, dated as of September 1, 1992, as amended and restated by a Third Supplemental Indenture, dated as of September 1, 2010 (as amended from time to time in accordance with the terms thereof and hereof, the “*Indenture*”), between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (such entity, or its successor as trustee, being the “*Trustee*”), U.S.\$22,485,000 original aggregate principal amount of Converse County, Wyoming Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1992 (the “*Bonds*”) to various purchasers.

(2) The Company has requested that the Bank issue, and the Bank agrees to issue, on the terms and conditions set forth in this Agreement, its Irrevocable Transferable Letter of Credit No. [REDACTED] in favor of the Trustee in the stated amount of U.S.\$22,839,832, a form of which is attached hereto as Exhibit A (such letter of credit, as it may from time to time be extended or amended pursuant to the terms of this Agreement (as defined below), the “*Letter of Credit*”), of which (i) U.S.\$ 22,485,000 shall support the payment of principal of the Bonds, and (ii) U.S.\$354,832 shall support the payment of up to 48 days’ interest on the principal amount of the Bonds computed at a maximum rate of 12.0% *per annum* (calculated on the basis of a year of 365 days for the actual days elapsed).

NOW, THEREFORE, in consideration of the premises and in order to induce the Bank to issue and maintain the Letter of Credit as provided herein, the parties hereto agree as follows:

**ARTICLE I.**

**DEFINITIONS**

**SECTION 1.01. *Certain Defined Terms.*** As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

“*2012 Annual Report*” means the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2012 as filed with the SEC.

“*Affiliate*” means, as to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person or is a director or officer of such Person.

“**Agreement**” means this Letter of Credit and Reimbursement Agreement, as it may be amended, supplemented or otherwise modified in accordance with the terms hereof at any time and from time to time.

“**Applicable Booking Office**” means with respect to the Bank, the office of the Bank specified as such below its name on its signature page hereto or, as to any Bank Assignee, the office specified in the Assignment and Acceptance pursuant to which it became a Bank, or such other office of such Bank as such Bank may from time to time specify to the Company.

“**Applicable Law**” means (i) all applicable common law and principles of equity and (ii) all applicable provisions of all (A) constitutions, statutes, rules, regulations and orders of all Governmental Authorities, (B) Governmental Approvals and (C) orders, decisions, judgments and decrees of all courts (whether at law or in equity or admiralty) and arbitrators.

“**Applicable Margin**” means an interest rate equal to XXXX% *per annum*.

“**Assignment and Assumption**” means an Assignment and Assumption Agreement, substantially in the form of Exhibit C attached hereto, entered into by and between Bank and a Bank Assignee as provided in Section 7.09 of this Agreement.

“**Bank**” has the meaning assigned to that term in the preamble hereto, and includes its successors and permitted assigns.

“**Bank Assignee**” has the meaning assigned to that term in Section 7.09(a).

“**Bank Bond CUSIP Number**” means, with respect to any Bond that becomes a Pledged Bond (as defined in the Indenture), 212491AN4.

“**Base Rate**” means, for any day, a rate of interest *per annum* equal to the highest of (i) the Prime Rate for such day, (ii) the sum of the Federal Funds Rate for such day plus 0.50% *per annum* and (iii) One-Month LIBOR for such day plus 1% *per annum*.

“**Bonds**” has the meaning assigned to that term in the Preliminary Statements hereto.

“**Business Day**” means a day except a Saturday, Sunday or other day (i) on which banking institutions in the city or cities in which the “Principal Office of the Trustee”, the “Principal Office of the Remarketing Agent” or the “Principal Office of the Paying Agent” (each as defined in the Indenture) or the office of the Bank which will honor draws upon the Letter of Credit are located are required or authorized by law or executive order to close, or (ii) on which the New York Stock Exchange, the Company or the Remarketing Agent is closed.

“**Cancellation Date**” has the meaning assigned to that term in the Letter of Credit.

“**Change in Law**” means the occurrence, after the date of this Agreement, of any of the following: (i) the adoption of any law, rule, regulation or treaty, (ii) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (iii) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; *provided that*

notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives (whether or not having the force of law) thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives (whether or not having the force of law) promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “*Change in Law*”, regardless of the date enacted, adopted or issued.

“*Change of Control*” has the meaning specified in Section 6.01(i).

“*Commitment*” means, as to the Bank, the obligation of the Bank to issue and maintain the Letter of Credit in a face amount not to exceed U.S.\$22,839,832 (as such amount may be amended in connection with an assignment pursuant to Section 7.09 of this Agreement), and as to any Bank Assignee and participant, its proportionate share of the Bank’s obligations under the Letter of Credit and this Agreement as set forth in its assignment or participation documents.

“*Company*” has the meaning assigned to that term in the preamble hereto.

“*Consolidated Assets*” means, on any date of determination, the total of all assets (including revaluations thereof as a result of commercial appraisals, price level restatement or otherwise) appearing on the consolidated balance sheet of the Company and its Consolidated Subsidiaries most recently delivered to the Bank pursuant to Section 5.01(h) as of such date of determination.

“*Consolidated Capital*” means the sum (without duplication) of (i) Consolidated Debt of the Company (without giving effect to the proviso in the definition of Consolidated Debt) and (ii) consolidated equity of all classes (whether common, preferred, mandatorily convertible preferred or preference) of the Company.

“*Consolidated Debt*” of the Company means the total principal amount of all Debt of the Company and its Consolidated Subsidiaries; *provided* that Guaranties of Debt shall not be included in such total principal amount.

“*Consolidated Subsidiary*” means, with respect to any Person at any time, any Subsidiary or other Person the accounts of which would be consolidated with those of such first Person in its consolidated financial statements in accordance with GAAP.

“*Credit Documents*” means this Agreement, the Custodian Agreement, the Fee Letter and any and all other instruments and documents executed and delivered by the Company in connection with any of the foregoing.

“*Custodian*” means The Bank of New York Mellon Trust Company, N.A., in its capacity as Custodian under the Custodian Agreement, together with its successors and assigns in such capacity.

**“Custodian Agreement”** means the Custodian and Pledge Agreement of even date herewith among the Company, the Bank and the Custodian, substantially in the form of Exhibit B attached hereto.

**“Date of Issuance”** means the date of issuance of the Letter of Credit.

**“Debt”** of any Person means, at any date, without duplication, (i) all indebtedness of such Person for borrowed money, (ii) all obligations of such Person for the deferred purchase price of property or services (other than trade payables incurred in the ordinary course of such Person’s business), (iii) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (iv) all obligations of such Person as lessee under leases that have been, in accordance with GAAP, recorded as capital leases, (v) all obligations of such Person in respect of reimbursement agreements with respect to acceptances, letters of credit (other than trade letters of credit) or similar extensions of credit, and (vi) all Guaranties. Solely for the purpose of calculating compliance with the covenant in Section 5.02, Debt shall not include Debt of the Company or its Consolidated Subsidiaries arising from the qualification of an arrangement as a lease due to that arrangement conveying the right to use or to control the use of property, plant or equipment under the application of the Financial Accounting Standards Board’s Accounting Standards Codification Topic 840 – Leases paragraph 840-10-15-6, nor shall Debt include Debt of any variable interest entity consolidated by the Company under the requirements of Topic 810 – Consolidation.

**“Default”** means any Event of Default or any event that would constitute an Event of Default but for the requirement that notice be given or time elapse or both.

**“Default Rate”** means a fluctuating interest rate equal to (i) in the case of any amount of overdue principal with respect to any Reimbursement Obligation a rate *per annum* equal to the Base Rate *plus* the Applicable Margin *plus* 2%, and (ii) in all other cases, 2% *per annum* above the Base Rate in effect from time to time.

**“Demanding Entity”** has the meaning assigned to that term in Section 7.09(h) of this Agreement.

**“Dollars”** and **“\$”** means the lawful currency of the United States.

**“Electronic Transmission”** means a writing or other communication delivered by the Company, to the Bank by e-mail transmission addressed to: XXXX (or to such other e-mail address as the Bank may designate from time to time) and including, but not limited to, documents and writings attached in Portable Document Format.

**“Environmental Laws”** means any federal, state, local or foreign statute, law, ordinance, rule, regulation, code, order, judgment, decree or judicial or agency interpretation, policy or guidance relating to pollution or protection of the environment, health, safety or natural resources, including, without limitation, those relating to the use, handling, transportation, treatment, storage, disposal, release or discharge of Hazardous Materials.



“**ERISA**” means the Employee Retirement Income Security Act of 1974, and the regulations promulgated and rulings issued thereunder, each as amended, modified and in effect from time to time.

“**ERISA Affiliate**” means, with respect to any Person, each trade or business (whether or not incorporated) that is considered to be a single employer with such entity within the meaning of Section 414(b), (c), (m) or (o) of the Internal Revenue Code.

“**ERISA Event**” means (i) any “reportable event,” as defined in Section 4043 of ERISA with respect to a Pension Plan (other than an event as to which the PBGC has waived the requirement of Section 4043(a) of ERISA that it be notified of such event); (ii) the failure to make a required contribution to any Pension Plan that would result in the imposition of a lien or other encumbrance or the provision of security under Section 430 of the Internal Revenue Code or Section 303 or 4068 of ERISA, or there being or arising any “unpaid minimum required contribution” or “accumulated funding deficiency” (as defined or otherwise set forth in Section 4971 of the Internal Revenue Code or Part 3 of Subtitle B of Title I of ERISA), whether or not waived, or the filing of any request for or receipt of a minimum funding waiver under Section 412 of the Internal Revenue Code with respect to any Pension Plan or Multiemployer Plan, or a determination that any Pension Plan is, or is reasonably expected to be, in at-risk status under Title IV of ERISA; (iii) the filing of a notice of intent to terminate any Pension Plan, if such termination would require material additional contributions in order to be considered a standard termination within the meaning of Section 4041(b) of ERISA, the filing under Section 4041(c) of ERISA of a notice of intent to terminate any Pension Plan, or the termination of any Pension Plan under Section 4041(c) of ERISA; (iv) the institution of proceedings, or the occurrence of an event or condition that would reasonably be expected to constitute grounds for the institution of proceedings by the PBGC, under Section 4042 of ERISA, for the termination of, or the appointment of a trustee to administer, any Pension Plan; (v) the complete or partial withdrawal of the Company or any of its ERISA Affiliates from a Multiemployer Plan, the reorganization or insolvency under Title IV of ERISA of any Multiemployer Plan, or the receipt by the Company or any of its ERISA Affiliates of any notice that a Multiemployer Plan is in endangered or critical status under Section 305 of ERISA; (vi) the failure by the Company or any of its ERISA Affiliates to comply with ERISA or the related provisions of the Internal Revenue Code with respect to any Pension Plan; (vii) the Company or any of its ERISA Affiliates incurring any liability under Title IV of ERISA with respect to any Pension Plan (other than premiums due and not delinquent under Section 4007 of ERISA); or (viii) the failure by the Company or any of its Subsidiaries to comply with Applicable Law with respect to any Foreign Plan.

“**Event of Default**” has the meaning assigned to that term in Section 6.01.

“**Extension Certificate**” has the meaning assigned to that term in Section 2.12.

“**Federal Funds Rate**” means, for any period, a fluctuating interest rate *per annum* equal for each day during such period to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for each day during such period (or, if any such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upward to the nearest whole

multiple of 1/100 of 1% *per annum*, if such average is not such a multiple) of the quotations for each such day on such transactions received by the Bank from three Federal funds brokers of recognized standing selected by the Bank in its sole discretion.

“**Fee Letter**” means the Fee Letter, dated as of March 26, 2013, between the Company and the Bank, as amended, supplemented or otherwise modified from time to time.

“**FERC**” means the Federal Energy Regulatory Commission, or any successor thereto.

“**Foreign Plan**” means any pension, profit-sharing, deferred compensation, or other employee benefit plan, program or arrangement (other than a Pension Plan or a Multiemployer Plan) maintained by any Subsidiary of the Company that, under applicable local foreign law, is required to be funded through a trust or other funding vehicle.

“**GAAP**” means generally accepted accounting principles in the United States in effect from time to time.

“**Governmental Approval**” means any authorization, consent, approval, license or exemption of, registration or filing with, or report or notice to, any Governmental Authority.

“**Governmental Authority**” means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

“**Guaranty**” of any Person means (i) any obligation, contingent or otherwise, of such Person to pay any Debt of any other Person and (ii) all reasonably quantifiable obligations of such Person under indemnities or under support or capital contribution agreements, and other reasonably quantifiable obligations (contingent or otherwise) to purchase or otherwise to assure a creditor against loss in respect of, or to assure an obligee against loss in respect of, any Debt of any other Person guaranteed directly or indirectly in any manner by such Person, or in effect guaranteed directly or indirectly by such Person through an agreement (A) to pay or purchase such Debt or to advance or supply funds for the payment or purchase of such Debt, (B) to purchase, sell or lease (as lessee or lessor) property, or to purchase or sell services, primarily for the purpose of enabling the debtor to make payment of such Debt or to assure the holder of such Debt against loss, (C) to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether such property is received or such services are rendered) or (D) otherwise to assure a creditor against loss; *provided* that the term “Guaranty” shall not include endorsements for collection or deposit in the ordinary course of business or the grant of a Lien in connection with Project Finance Debt.

“**Hazardous Materials**” means (i) petroleum and petroleum products, byproducts or breakdown products, radioactive materials, asbestos-containing materials, polychlorinated biphenyls and radon gas and (ii) any other chemicals, materials or substances designated, classified or regulated as hazardous or toxic or as a pollutant or contaminant under any Environmental Law.

**“Indemnified Party”** has the meaning assigned to that term in Section 7.05.

**“Indenture”** has the meaning assigned to that term in the Preliminary Statements hereto.

**“Internal Revenue Code”** means the United States Internal Revenue Code of 1986, as amended from time to time, and the applicable regulations thereunder.

**“Issuer”** has the meaning assigned to that term in the Preliminary Statements hereto.

**“Letter of Credit”** has the meaning assigned to that term in the Preliminary Statements.

**“Lien”** means any lien, security interest or other charge or encumbrance of any kind, or any other type of preferential arrangement, including, without limitation, the lien or retained security title of a conditional vendor and any easement, right of way or other encumbrance on title to real property.

**“Loan Agreement”** has the meaning assigned to the term “Agreement” in the Indenture.

**“Margin Regulations”** means Regulations T, U and X of the Board of Governors of the Federal Reserve System, as in effect from time to time.

**“Margin Stock”** has the meaning specified in the Margin Regulations.

**“Material Adverse Effect”** means a material adverse effect on (i) the business, operations, properties, financial condition, assets or liabilities (including, without limitation, contingent liabilities) of the Company and its Subsidiaries, taken as a whole, (ii) the ability of the Company to perform its obligations under any Credit Document or any Related Document to which the Company is a party or (iii) the ability of the Bank to enforce its rights under any Credit Document or any Related Document to which the Company is a party.

**“Material Subsidiaries”** means any Subsidiary of the Company with respect to which (x) the Company’s percentage ownership interest in such Subsidiary multiplied by (y) the book value of the Consolidated Assets of such Subsidiary represents at least 15% of the Consolidated Assets of the Company as reflected in the latest financial statements of the Company delivered pursuant to clause (i) or (ii) of Section 5.01(h).

**“Moody’s”** means Moody’s Investors Service, Inc., or any successor thereto.

**“Moody’s Rating”** means, on any date of determination, the rating most recently announced by Moody’s with respect to any senior unsecured, non-credit enhanced Debt of the Company.

**“Multiemployer Plan”** means any “multiemployer plan” (as such term is defined in Section 4001(a)(3) of ERISA), which is contributed to by (or to which there is or may be an obligation to contribute of) the Company or any of its ERISA Affiliates or with respect to which the Company or any of its ERISA Affiliates has, or could reasonably be expected to have, any liability.

“*Notice of Extension*” has the meaning assigned to that term in Section 2.12.

“*Obligations*” has the meaning assigned to such term in Section 2.02(b).

“*One-Month LIBOR*” means for any day the rate of interest *per annum* (rounded upwards, if necessary, to the nearest 1/100 of 1%) appearing on a nationally recognized service such as Reuters Page LIBOR01 (or any successor page of such service, or any comparable page of another recognized interest rate reporting service then being used generally by the Bank to obtain such interest rate quotes) as displaying the London interbank offered rate for deposits in Dollars at approximately 11:00 A.M. (London time) on such day for a term of one month; *provided, however*, if more than one rate is specified on such service, the applicable rate shall be the arithmetic mean of all such rates.

“*Other Taxes*” has the meaning assigned to that term in Section 7.07.

“*Participant*” has the meaning assigned to that term in Section 7.09(e).

“*Paying Agent*” has the meaning assigned to that term in the Indenture.

“*Patriot Act*” means the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001), as in effect from time to time.

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

“*Pension Plan*” means any “employee pension benefit plan” (as defined in Section 3(2) of ERISA) (other than a Multiemployer Plan), subject to the provisions of Title IV of ERISA or Section 412 of the Internal Revenue Code or Section 302 of ERISA, maintained or contributed to by the Company or any of its ERISA Affiliates or to which the Company or any of its ERISA Affiliates has or may have an obligation to contribute (or is deemed under Section 4069 of ERISA to have maintained or contributed to or to have had an obligation to contribute to, or otherwise to have liability with respect to) such plan.

“*Permitted Liens*” means such of the following as to which no enforcement, collection, execution, levy or foreclosure proceeding shall have been commenced: (i) Liens for taxes, assessments and governmental charges or levies to the extent not required to be paid under Section 5.01(a) hereof; (ii) Liens imposed by law, such as materialmen’s, mechanics’, carriers’, workmen’s and repairmen’s Liens, and other similar Liens arising in the ordinary course of business; (iii) Liens incurred or deposits made to secure obligations under workers’ compensation laws or similar legislation or to secure public or statutory obligations; (iv) easements, rights of way and other encumbrances on title to real property that do not render title to the property encumbered thereby unmarketable, including zoning and landmarking restrictions; (v) any judgment Lien, unless an Event of Default under Section 6.01(f) shall have occurred and be continuing with respect thereto; (vi) any Lien on any asset of any Person existing at the time such Person is merged or consolidated with or into the Company or any Material Subsidiary and not created in contemplation of such event; (vii) pledges and deposits made in the ordinary course of business to secure the performance of bids, trade contracts (other than for Debt), operating leases and surety and appeal bonds, performance bonds and other

obligations of a like nature incurred in the ordinary course of business; (viii) Liens upon or in any real property or equipment acquired, constructed, improved or held by the Company or any Subsidiary in the ordinary course of business to secure the purchase price of such property or equipment or to secure Debt incurred solely for the purpose of financing the acquisition, construction or improvement of such property or equipment, or Liens existing on such property or equipment at the time of its acquisition (other than any such Liens created in contemplation of such acquisition that were not incurred to finance the acquisition of such property), (ix) Liens securing Project Finance Debt, (x) any Lien on the Company's or any Material Subsidiary's interest in pollution control revenue bonds or industrial development revenue bonds (or similar obligations, however designated) issued pursuant to an indenture or cash or cash equivalents securing (A) the obligation of the Company or any Material Subsidiary to reimburse the issuer of a letter of credit supporting payments to be made in respect of such bonds (or similar obligations) for a drawing on such letter of credit for the purpose of purchasing such bonds (or similar obligations) or (B) the obligation of the Company or any Material Subsidiary to reimburse or repay amounts advanced under any facility entered into to provide liquidity or credit support for any issue of such bonds (or similar obligations); and (xi) extensions, renewals or replacements of any Lien described in clause (vi), (vii), (viii), (ix) or (x) for the same or a lesser amount, *provided, however*, that no such Lien shall extend to or cover any properties (other than after-acquired property already within the scope of the relevant Lien grant) not theretofore subject to the Lien being extended, renewed or replaced.

**"Person"** means an individual, partnership, corporation (including, without limitation, a business trust), joint stock company, limited liability company, trust, unincorporated association, joint venture or other entity, or a government or any political subdivision or agency thereof.

**"Pledged Bonds"** means the Bonds purchased with moneys received under the Letter of Credit in connection with a Tender Drawing and owned or held by the Company or an Affiliate of the Company or by the Trustee and pledged to the Bank pursuant to the Custodian Agreement.

**"Prime Rate"** means the rate of interest announced by the Bank from time to time, as its base rate. The Prime Rate shall change concurrently with each change in such base rate.

**"Project Finance Debt"** means Debt of any Subsidiary of the Company (i) that is (A) not recourse to the Company other than with respect to Liens granted by the Company on direct or indirect equity interests in such Subsidiary to secure such Debt and limited Guaranties of, or equity commitments with respect to, such Debt by the Company, which Liens, limited Guaranties and equity commitments are of a type consistent with other limited recourse project financings, and other than customary contractual carve-outs to the non-recourse nature of such Debt consistent with other limited recourse project financings, and (B) incurred in connection with the acquisition, development, construction or improvement of any project, single purpose or other fixed assets of such Subsidiary, including Debt assumed in connection with the acquisition of such assets, or (ii) that represents an extension, renewal, replacement or refinancing of the foregoing, *provided* that, in the case of a replacement or refinancing, the principal amount of such new Debt shall not exceed the principal amount of the Debt being replaced or refinanced plus 10% of such principal amount.

**“Rating Decline”** means the occurrence of the following on, or within 90 days after, the earlier of (i) the occurrence of a Change of Control and (ii) the earlier of (x) the date of public notice of the occurrence of a Change of Control and (y) the date of the public notice of the Company’s (or its direct or indirect parent company’s) intention to effect a Change of Control, which 90-day period will be extended so long as the S&P Rating or Moody’s Rating is under publicly announced consideration for possible downgrading by S&P or Moody’s, as applicable: the S&P Rating is reduced below BBB+ or the Moody’s Rating is reduced below Baa1.

**“Reimbursement Obligation”** has the meaning assigned to that term in Section 2.04.

**“Register”** has the meaning assigned to that term in Section 7.09(c).

**“Related Documents”** means the Bonds, the Indenture, the Loan Agreement, the Remarketing Agreement and the Custodian Agreement.

**“Remarketing Agent”** has the meaning assigned to that term in the Indenture.

**“Remarketing Agreement”** means any agreement or other arrangement pursuant to which a Remarketing Agent has agreed to act as such pursuant to the Indenture.

**“Reoffering Circular”** means the Supplement, dated March 18, 2013, to the Reoffering Circular, dated September 15, 2010, together with any other supplements or amendments thereto and all documents incorporated therein (or in any such supplements or amendments) by reference.

**“S&P”** means Standard and Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc., or any successor thereto.

**“S&P Rating”** means, on any date of determination, the rating most recently announced by S&P with respect to any senior unsecured, non-credit enhanced Debt of the Company.

**“SEC”** means the United States Securities and Exchange Commission.

**“Stated Expiration Date”** has the meaning assigned to that term in the Letter of Credit.

**“Subsidiary”** of any Person means any corporation, partnership, joint venture, limited liability company, trust or estate of which (or in which) more than 50% of (i) the issued and outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether at the time capital stock of any other class or classes of such corporation shall or might have voting power upon the occurrence of any contingency), (ii) the interest in the capital or profits of such limited liability company, partnership or joint venture or (iii) the beneficial interest in such trust or estate is at the time directly or indirectly owned or controlled by such Person, by such Person and one or more of its other Subsidiaries or by one or more of such Person’s other Subsidiaries.

**“Taxes”** has the meaning assigned to that term in Section 2.16(a).

“*Tender Drawing*” means a drawing under the Letter of Credit resulting from the presentation of a certificate in the form of Exhibit 2 to the Letter of Credit.

“*Trustee*” has the meaning assigned to that term in the Preliminary Statements hereto.

**SECTION 1.02. *Computation of Time Periods.*** In this Agreement, in the computation of a period of time from a specified date to a later specified date, the word “from” means “from and including” and the words “to” and “until” each means “to but excluding”.

**SECTION 1.03. *Accounting Terms.*** All accounting terms not specifically defined herein shall be construed in accordance with GAAP, except as otherwise stated herein. If any “Accounting Change” (as defined below) shall occur and such change results in a change in the calculation of financial covenants, standards or terms in this Agreement, and either the Company or the Bank shall request the same to the other party hereto in writing, the Company and the Bank shall enter into negotiations to amend the affected provisions of this Agreement with the desired result that the criteria for evaluating the Company’s consolidated financial condition and results of operations shall be substantially the same after such Accounting Change as if such Accounting Change had not been made. Once such request has been made, until such time as such an amendment shall have been executed and delivered by the Company and the Bank, all financial covenants, standards and terms in this Agreement shall continue to be calculated or construed as if such Accounting Change had not occurred. “*Accounting Change*” means a change in accounting principles required by the promulgation of any final rule, regulation, pronouncement or opinion by the Financial Accounting Standards Board of the American Institute of Certified Public Accountants or, if applicable, the SEC (or successors thereto or agencies with similar functions).

**SECTION 1.04. *Internal References.*** As used herein, except as otherwise specified herein, (i) references to any Person include its successors and assigns and, in the case of any Governmental Authority, any Person succeeding to its functions and capacities; (ii) references to any Applicable Law include amendments, supplements and successors thereto; (iii) references to specific sections, articles, annexes, schedules and exhibits are to this Agreement; (iv) words importing any gender include the other gender; (v) the singular includes the plural and the plural includes the singular; (vi) the words “including”, “include” and “includes” shall be deemed to be followed by the words “without limitation”; (vii) the words “herein”, “hereof” and “hereunder” and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any provision of this Agreement; (viii) captions and headings are for ease of reference only and shall not affect the construction hereof; and (ix) references to any time of day shall be to New York City time unless otherwise specified. References herein or in any Credit Document to any agreement or other document shall, unless otherwise specified herein or therein, be deemed to be references to such agreement or document as it may be amended, modified or supplemented after the date hereof from time to time in accordance with the terms hereof or of such Credit Document, as the case may be.

## ARTICLE II.

### AMOUNT AND TERMS OF THE LETTER OF CREDIT

**SECTION 2.01. *The Letter of Credit.*** The Bank agrees, on the terms and conditions hereinafter set forth (including, without limitation, the satisfaction of the conditions set forth in Sections 3.01 and 3.02 of this Agreement), to issue the Letter of Credit to the Trustee at or before 5:00 P.M. on March 26, 2013.

**SECTION 2.02. *Issuing the Letter of Credit; Termination.***

(a) The Letter of Credit shall be issued upon notice from the Company to the Bank at its address at One Liberty Plaza, New York, New York 10006, Attention: XXXX, Telecopy: XXXX (or at such other address as shall be designated by the Bank in a written notice to the Company) specifying the Date of Issuance, which shall be a Business Day. On the Date of Issuance, upon fulfillment of the applicable conditions set forth in Article III, the Bank will issue the Letter of Credit to the Trustee.

(b) All outstanding Reimbursement Obligations and all other unpaid fees, interest and other amounts payable by the Company hereunder (all such obligations, the "***Obligations***") shall be paid in full by the Company on the Cancellation Date. Notwithstanding the termination of this Agreement on the Cancellation Date, until all such obligations (other than any contingent indemnity obligations) shall have been fully paid and satisfied and all financing arrangements between the Company and the Bank hereunder shall have been terminated, all of the rights and remedies under this Agreement shall survive.

(c) Provided that the Company shall have delivered written notice thereof to the Bank not less than three Business Days prior to any proposed termination, the Company may terminate this Agreement (other than those provisions that expressly survive termination hereof) upon (i) payment in full of all outstanding Reimbursement Obligations, together with accrued and unpaid interest thereon, (ii) the cancellation and return of the Letter of Credit, (iii) the payment in full of all accrued and unpaid fees, and (iv) the payment in full of all reimbursable expenses and other amounts payable hereunder, together with accrued and unpaid interest, if any, thereon.

**SECTION 2.03. *Fees in Respect of the Letter of Credit.*** The Company hereby agrees to pay to the Bank certain fees in such amounts and payable on such terms as set forth in the Fee Letter.

**SECTION 2.04. *Reimbursement Obligations.*** The Company shall reimburse the Bank for the full amount of each payment by the Bank under the Letter of Credit, including, without limitation, amounts in respect of any reinstatement of interest on the Bonds at the election of the Bank notwithstanding any failure by the Company to reimburse the Bank for any previous drawing to pay interest on the Bonds (such obligation to reimburse the Bank being a "***Reimbursement Obligation***"). The Company agrees to pay or cause to have paid to the Bank, after the honoring by the Bank of any drawing under the Letter of Credit giving rise to a Reimbursement Obligation, such Reimbursement Obligation no later than 4:00 P.M. (i) on the date of such drawing, in the case of all drawings other than any Tender Drawing, and (ii) in the



case of any Tender Drawing, on the earliest to occur of (A) the Cancellation Date, (B) the date on which the Pledged Bonds purchased pursuant to such Tender Drawing are redeemed or cancelled pursuant to the Indenture, (C) the date on which such Pledged Bonds are remarketed pursuant to the Indenture and (D) the date on which the Letter of Credit is replaced by a substitute letter of credit in accordance with the terms of the Indenture.

**SECTION 2.05. Interest Rates.**

(a) The unpaid principal amount of each Reimbursement Obligation in respect of any Tender Drawing shall bear interest at a rate *per annum* equal to the Base Rate in effect from time to time *plus* the Applicable Margin, payable quarterly in arrears on the last day of each March, June, September and December and on the earlier to occur of the date the principal amount of such Reimbursement Obligation is payable and on the date such Reimbursement Obligation is paid. To the extent that the Bank receives interest payable on account of any Pledged Bond such interest received shall be applied and credited against accrued and unpaid interest on the Reimbursement Obligations in respect of the Tender Drawing pursuant to which such Pledged Bond was purchased.

(b) Notwithstanding any provision to the contrary herein, the Company shall pay interest on all past-due amounts of principal and (to the fullest extent permitted by law) interest, costs, fees and expenses hereunder or under any other Credit Document, from the date when such amounts became due until paid in full, payable on demand, at the Default Rate in effect from time to time.

(c) The Bank shall give prompt notice to the Company of the applicable interest rate determined by the Bank for purposes of this Section 2.05.

**SECTION 2.06. Prepayments.**

(a) The Company may, upon notice given to the Bank prior to 11:00 A.M., on any Business Day, prepay without premium or penalty the outstanding amount of any Reimbursement Obligation in respect of a Tender Drawing in whole or in part with accrued interest to the date of such prepayment on the amount prepaid; *provided, however*, that each partial prepayment shall be in an aggregate principal amount not less than \$10,000,000 (or, if lower, the principal amount outstanding hereunder on the date of such prepayment) or an integral multiple of \$5,000,000 in excess thereof.

(b) Prior to or simultaneously with the receipt of proceeds related to the remarketing of Bonds purchased pursuant to one or more Tender Drawings, the Company shall directly, or through the Remarketing Agent, the Trustee or the Paying Agent on behalf of the Company, repay or prepay (as the case may be) the then-outstanding Reimbursement Obligations (in the order in which they were incurred) by paying to the Bank an amount equal to the sum of (i) the aggregate principal amount of the Bonds remarketed *plus* (ii) all accrued interest on the principal amount of such Reimbursement Obligations so repaid or prepaid.

**SECTION 2.07. Yield Protection.** If, due to any Change in Law, there shall be

(A) an imposition of, or increase in, any reserve, assessment, insurance charge, special deposit or similar requirement against letters of credit issued by, or assets held by, deposits in or for the account of, or credit extended by, the Bank or any Applicable Booking Office, or

(B) an imposition of any other condition the result of which is to increase the cost to the Bank or any Applicable Booking Office of issuing the Letter of Credit or making, funding or maintaining loans, or reduce any amount receivable by the Bank or any Applicable Booking Office in connection with letters of credit, the Reimbursement Obligations, or require the Bank or any Applicable Booking Office to make any payment calculated by reference to the amount of letters of credit, the Reimbursement Obligations held or interest received by it, by an amount deemed material by the Bank or any Applicable Booking Office,

then, upon demand by the Bank, the Company shall pay the Bank that portion of such increased expense incurred or reduction in an amount received which the Bank determines is attributable to issuing the Letter of Credit or making, funding and maintaining any Reimbursement Obligation hereunder or its Commitment.

**SECTION 2.08. *Changes in Capital Adequacy Regulations.*** If the Bank determines the amount of capital required or expected to be maintained by the Bank or any Applicable Booking Office or any corporation controlling the Bank is increased as a result of any Change in Law, then, upon demand by the Bank, the Company shall pay the Bank the amount necessary to compensate for any shortfall in the rate of return on the portion of such increased capital which the Bank determines is attributable to this Agreement, the Letter of Credit, its Commitment, any Reimbursement Obligation (or any participations therein or in the Letter of Credit) (after taking into account the Bank's policies as to capital adequacy).

**SECTION 2.09. *Payments and Computations.*** Other than payments made pursuant to Section 2.04, the Company shall make each payment hereunder not later than 12:00 noon on the day when due in lawful money of the United States of America to the Bank at the address listed below its name on its signature page hereto in same day funds. Computations of the Base Rate (when based on the Federal Funds Rate or One-Month LIBOR) and the Default Rate (when based on the Federal Funds Rate or One-Month LIBOR) shall be made by the Bank on the basis of a year of 360 days for the actual number of days (including the first day but excluding the last day) elapsed, and computations of the Base Rate (when based on the Prime Rate) and the Default Rate (when based on the Prime Rate) shall be made by the Bank on the basis of a year of 365 or 366 days, as the case may be, for the actual number of days (including the first day but excluding the last day) elapsed.

**SECTION 2.10. *Non-Business Days.*** Whenever any payment to be made hereunder shall be stated to be due on a day that is not a Business Day such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest or fees, as the case may be.

**SECTION 2.11. Source of Funds.** All payments made by the Bank pursuant to the Letter of Credit shall be made from funds of the Bank and not from funds obtained from any other Person.

**SECTION 2.12. Extension of the Stated Expiration Date.** Unless the Letter of Credit shall have expired in accordance with its terms on the Cancellation Date, at least 90 but not more than 365 days before the Stated Expiration Date, the Company may request the Bank, by notice to the Bank in writing (each such request being irrevocable), to extend the Stated Expiration Date. If the Company shall make such a request, the Bank, in its sole discretion, may elect to extend the Stated Expiration Date then in effect, and in such event the Bank shall deliver to the Company a notice (herein referred to as a "**Notice of Extension**") designating the date to which the Stated Expiration Date will be extended and the conditions of such consent (including, without limitation, conditions relating to legal documentation and the consent of the Trustee). If all such conditions are satisfied and such extension of the Stated Expiration Date shall be effective (which effective date shall occur on the Business Day following the date of delivery by the Bank to the Trustee of an Extension Certificate ("**Extension Certificate**") in the form of Exhibit 8 to the Letter of Credit designating the date to which the Stated Expiration Date will be extended), thereafter all references in any Credit Document to the Stated Expiration Date shall be deemed to be references to the date designated as such in such legal documentation and the most recent Extension Certificate delivered to the Trustee. Any date to which the Stated Expiration Date has been extended in accordance with this Section 2.12 may be further extended, in like manner, for such period as the Bank agrees to, in its sole discretion. Failure of the Bank to deliver a Notice of Extension as herein provided within 30 days of a request by the Company to extend such Stated Expiration Date shall constitute an election by the Bank not to extend the Stated Expiration Date.

**SECTION 2.13. Amendments Upon Extension.** Upon any request for an extension of the Stated Expiration Date pursuant to Section 2.12 of this Agreement, the Bank reserves the right to renegotiate any provision hereof, and any such change shall be effected by an amendment pursuant to Section 7.01; *provided, however*, that in such case, the Extension Certificate shall not be delivered to the Trustee until the Bank and the Company have executed such amendment.

**SECTION 2.14. Evidence of Debt.** The Bank shall maintain, in accordance with its usual practice, an account or accounts evidencing the indebtedness of the Company resulting from each drawing under the Letter of Credit, from each Reimbursement Obligation incurred from time to time hereunder and the amounts of principal and interest payable and paid from time to time hereunder. In any legal action or proceeding in respect of this Agreement, the entries made in such account or accounts shall, in the absence of manifest error, be conclusive evidence of the existence and amounts of the obligations of the Company therein recorded.

**SECTION 2.15. Obligations Absolute.** The payment obligations of the Company under this Agreement shall be unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including, without limitation, the following circumstances:

- (a) any lack of validity or enforceability of the Letter of Credit, any Credit Document, any Related Document or any other agreement or instrument relating thereto;
- (b) any amendment or waiver of or any consent to departure from all or any of any Credit Document or any Related Document;
- (c) the existence of any claim, set-off, defense or other right that the Company may have at any time against the Trustee or any other beneficiary, or any transferee, of the Letter of Credit (or any persons or entities for whom the Trustee, any such beneficiary or any such transferee may be acting), the Bank, or any other person or entity, whether in connection with any Credit Document, the transactions contemplated herein or therein or in the Related Documents, or any unrelated transaction;
- (d) any statement or any other document presented under the Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect;
- (e) payment by the Bank under the Letter of Credit against presentation of a certificate which does not comply with the terms of the Letter of Credit; or
- (f) any other circumstance or happening whatsoever, including, without limitation, any other circumstance which might otherwise constitute a defense available to or discharge of the Company, whether or not similar to any of the foregoing.

Nothing in this Section 2.15 is intended to limit any liability of the Bank pursuant to Section 7.06 of this Agreement in respect of its willful misconduct or gross negligence as determined by a court of competent jurisdiction by final and nonappealable judgment.

***SECTION 2.16. Taxes.***

(a) All payments made by the Company under this Agreement shall be made free and clear of, and without deduction or withholding for or on account of, any present or future income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority, excluding, in the case of the Bank, taxes imposed on its overall net income, and franchise taxes imposed on it by the jurisdiction under the laws of which the Bank (as the case may be) is organized or any political subdivision thereof and, in the case of the Bank, taxes imposed on its overall net income, and franchise taxes imposed on it by the jurisdiction of the Bank's Applicable Booking Office or any political subdivision thereof (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as "***Taxes***"). If any Taxes are required to be withheld from any amounts payable to the Bank hereunder, the amounts so payable to the Bank shall be increased to the extent necessary to yield to the Bank (after payment of all Taxes) interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Agreement. Whenever any Taxes are payable by the Company, as promptly as possible thereafter the Company shall send to the Bank a certified copy of an original official receipt received by the Company showing payment thereof. If the Company fails to pay any Taxes when due to the appropriate taxing authority or fails to remit to the Bank the required receipts or other required documentary evidence, the Company shall

indemnify the Bank for any incremental taxes, interest or penalties that may become payable by the Bank as a result of any such failure. The agreements in this Section shall survive the termination of this Agreement and the payment of the obligations hereunder and all other amounts payable hereunder.

(b) The Bank agrees that it will deliver to the Company on or before the date hereof two duly completed copies of United States Internal Revenue Service Form W-8BEN or W-8ECI or successor applicable form, as the case may be. The Bank also agrees to deliver to the Company two further copies of said Form W-8BEN or W-8ECI or successor applicable forms or other manner of certification, as the case may be, on or before the date that any such form previously delivered expires or becomes obsolete or after the occurrence of any event requiring a change in the most recent form previously delivered by it to the Company, and such extensions or renewals thereof as may reasonably be requested by the Company, unless in any such case 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 the Bank from duly completing and delivering any such form with respect to it and so advises the Company. The Bank shall certify that it is entitled to receive payments under this Agreement without deduction or withholding of any United States federal income taxes and that it is entitled to an exemption from United States backup withholding tax.

(c) If the Bank shall request compensation for costs pursuant to this Section 2.16, (i) the Bank shall make reasonable efforts (which shall not require the Bank to incur a loss or unreimbursed cost or otherwise suffer any disadvantage deemed by it to be significant) to make within 30 days an assignment of its rights and delegation and transfer of its obligations hereunder to another of its offices, branches or affiliates, if, in its sole discretion exercised in good faith, it determines that such assignment would reduce such costs in the future, (ii) the Company, may with the consent of the Bank, which consent shall not be unreasonably withheld, secure a substitute bank to replace the Bank, which substitute bank shall, upon execution of a counterpart of this Agreement and payment to the Bank of any and all amounts due under this Agreement, be deemed to be the Bank hereunder (any such substitution referred to in clause (ii) shall be accompanied by an amount equal to any loss or reasonable expense incurred by the Bank as a result of such substitution); provided that this Section 2.16(c) shall not be construed as limiting the liability of the Company to indemnify or reimburse the Bank for any costs or expenses the Company is required hereunder to indemnify or reimburse.

### **ARTICLE III.**

#### **CONDITIONS PRECEDENT**

**SECTION 3.01.** *Conditions Precedent to Issuance of the Letter of Credit.* The obligation of the Bank to issue the Letter of Credit is subject to the following conditions precedent:

(a) the Bank shall have received from the Company the amounts payable by the Company to the Bank in accordance with Section 2.03, and the Bank shall have received from the Company pursuant to Section 7.07 payment for the costs and expenses, including reasonable

legal expenses for which an invoice has been submitted to the Company, of the Bank incurred and unpaid through such date;

(b) the Bank shall have received on or before the Date of Issuance the following, each dated such date (except for the Indenture, the Loan Agreement and the Remarketing Agreement), in form and substance satisfactory to the Bank:

(i) Counterparts of this Agreement, duly executed by the Company and the Bank;

(ii) Counterparts of the Custodian Agreement, duly executed by the Company, the Bank and the Custodian;

(iii) As certified by the Secretary or an Assistant Secretary of the Company, a copy of the Bonds, the Indenture, the Loan Agreement and the Remarketing Agreement;

(iv) A certificate of the Secretary or an Assistant Secretary of the Company certifying (A) the names, true signatures and incumbency of the officers of the Company authorized to sign each Credit Document and Related Document to which the Company is a party and the other documents to be delivered by it hereunder or thereunder; (B) that attached thereto are true and correct copies of the articles of incorporation (or other organizational documents) and the bylaws of the Company; (C) that attached thereto are true and correct copies of all governmental and regulatory authorizations and approvals (including, without limitation, approvals or orders of FERC, if any) necessary for the Company to enter into this Agreement, each Related Document and each Credit Document to which the Company is a party, the other documents required to be delivered by the Company hereunder to which the Company is a party and the transactions contemplated hereby and thereby; and (D) evidence (dated not more than 10 days prior to the date hereof) of the status of the Company as a duly organized and validly existing corporation under the laws of the State of Oregon;

(v) As certified by the Secretary or an Assistant Secretary of the Company, a copy of the resolutions of the Board of Directors of the Company approving this Agreement, each Credit Document and each Related Document to which the Company is a party, the other documents required to be delivered by the Company hereunder to which the Company is a party and the transactions contemplated hereby and thereby, and of all documents evidencing any other necessary corporate action with respect to such Credit Documents, Related Documents and other documents;

(vi) An opinion letter of Paul J. Leighton, Esq., Assistant General Counsel for MidAmerican Energy Holdings Company and counsel to the Company, in substantially the form of Exhibit D;

(vii) An opinion of King & Spalding LLP, special New York counsel for the Bank;

(viii) A reliance letter from Chapman and Cutler LLP in substantially the form of Exhibit E as to their opinion as Bond Counsel dated March 26, 2013;

(ix) Copies of the Reoffering Circular used in connection with the offering of the Bonds and the issuance of the Letter of Credit;

(x) Letters from S&P and Moody's to the effect of confirming the Bonds will continue to be rated at least A+/A-1 and Aa2/P-1, respectively, upon issuance of the Letter of Credit, such letters to be in form and substance satisfactory to the Bank;

(xi) A certificate of an authorized officer of the Custodian certifying the names, true signatures and incumbency of the officers of the Custodian authorized to sign the documents to be delivered by it hereunder and as to such other matters as the Bank may reasonably request;

(xii) A certificate of an authorized officer of the Trustee certifying the names, true signatures and incumbency of the officers of the Trustee authorized to make drawings under the Letter of Credit and as to such other matters as the Bank may reasonably request;

(xiii) Evidence of the Bank Bond CUSIP Number that has been assigned to the Bonds for any time that they are held for the benefit of the Bank pursuant to any Tender Drawing; and

(xiv) All documentation and information required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including without limitation the Patriot Act, to the extent such documentation or information is requested by the Bank reasonably in advance of the date hereof.

**SECTION 3.02. *Additional Conditions Precedent to Issuance of the Letter of Credit and Amendment of the Letter of Credit.*** The obligation of the Bank to issue the Letter of Credit, or to amend, modify or extend the Letter of Credit, shall be subject to the further conditions precedent that on the Date of Issuance and on the date of such amendment, modification or extension, as the case may be:

(a) The following statements shall be true and the Bank shall have received a certificate from the Company signed by a duly authorized officer of the Company, dated such date, stating that:

(i) The representations and warranties of the Company contained in Section 4.01 of this Agreement (excluding, solely with respect to any amendment, modification or extension of the Letter of Credit, the representations and warranties in the first sentence of Section 4.01(g), in Section 4.01(i) and in the first sentence of Section 4.01(n)) and in the Related Documents are true and correct in all material respects (without duplication of any materiality qualifiers) on and as of such date as though made on and as of such date; and

(ii) No event has occurred and is continuing, or would result from the issuance of the Letter of Credit or such amendment, modification or extension of the Letter of Credit (as the case may be), that constitutes a Default; and

(iii) True and complete copies of the Related Documents (including all exhibits, attachments, schedules, amendments or supplements thereto) have previously been delivered to the Bank, and the Related Documents have not been modified, amended or rescinded, and are in full force and effect as of the Date of Issuance; and

(b) The Bank shall have received such other approvals, opinions or documents as the Bank may reasonably request.

#### ARTICLE IV.

#### REPRESENTATIONS AND WARRANTIES

**SECTION 4.01. *Representations and Warranties of the Company.*** The Company hereby represents and warrants as of (i) the date hereof, (ii) the Date of Issuance, and (iii) the date of any amendment, modification or extension of the Letter of Credit, as follows:

(a) ***Existence and Power.*** The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Oregon and is duly qualified to do business and is in good standing as a foreign corporation under the laws of each state in which the ownership of its properties or the conduct of its business makes such qualification necessary, except where the failure to be so qualified would not reasonably be expected to have a Material Adverse Effect, and each Material Subsidiary is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is incorporated or otherwise organized.

(b) ***Due Authorization; Execution and Delivery.*** The execution, delivery and performance by the Company of each Credit Document and Related Document to which the Company is a party, and the consummation of the transactions contemplated hereby and thereby, are within the Company's corporate powers and have been duly authorized by all necessary corporate action. Each Credit Document and Related Document to which the Company is a party has been duly executed and delivered by the Company.

(c) ***Governmental Approvals.*** No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or any other third party is required for the due execution, delivery and performance by the Company of, or the consummation by the Company of the transactions contemplated by, any Credit Document or Related Document to which the Company is, or is to become, a party, other than such Governmental Approvals that have been duly obtained and are in full force and effect, which as of the date hereof include: Order No. 92-1266, Docket UF 4077 issued by the Public Utility Commission of Oregon on September 1, 1992; Order No. 03-135, Docket UF 4195 issued by the Public Utility Commission of Oregon on February 21, 2003; Order No. 24479, Case No. PAC-S-92-4 issued by the Idaho Public Utilities Commission on September 2, 1992; Order 29201, Case No. PAC-E-03-1 issued by the Idaho Public Utilities Commission on February 24, 2003; Order Granting Application, Docket No. UE-920860 issued by the Washington Utilities and Transportation Commission on August 19, 1992; and Order No. 01, Docket No. UE-030077 issued by the Washington Utilities and Transportation Commission on February 28<sup>th</sup>, 2003.



(d) **No Violation, Etc.** The execution, delivery and performance by the Company of the Credit Documents and each Related Document to which the Company is a party will not (i) violate (A) the articles of incorporation or bylaws (or comparable documents) of the Company or any of its Material Subsidiaries or (B) any Applicable Law, (ii) be in conflict with, or result in a breach of or constitute a default under, any contract, agreement, indenture or instrument to which the Company or any of its Material Subsidiaries is a party or by which any of its or their respective properties is bound or (iii) result in the creation or imposition of any Lien on the property of the Company or any of its Material Subsidiaries other than Permitted Liens and Liens required under this Agreement, except to the extent such conflict, breach or default referred to in the preceding clause (ii), individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

(e) **Enforceability.** Each Credit Document and each such Related Document is the legal, valid and binding obligation of the Company enforceable in accordance with its terms, except as limited by bankruptcy and similar laws affecting the enforcement of creditors' rights generally and by the application of general equitable principles.

(f) **Compliance with Laws.** The Company and each Material Subsidiary are in compliance with all Applicable Laws (including Environmental Laws), except to the extent that failure to comply would not reasonably be expected to have a Material Adverse Effect.

(g) **Litigation.** There is no action, suit, proceeding, claim or dispute pending or, to the Company's knowledge, threatened against or affecting the Company or any of its Material Subsidiaries, or any of its or their respective properties or assets, before any Governmental Authority that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. There is no injunction, writ, preliminary restraining order or any other order of any nature issued by any Governmental Authority directing that any material aspect of the transactions expressly provided for in any of the Credit Documents or the Related Documents to which the Company is a party not be consummated as herein or therein provided.

(h) **Financial Statements.** The consolidated balance sheet of the Company and its Consolidated Subsidiaries as at December 31, 2012, and the related consolidated statements of income, cash flows and stockholders' equity for the fiscal year ended on such date, certified by Deloitte & Touche LLP, copies of which have heretofore been furnished to the Bank, present fairly in all material respects the financial condition of the Company and its Consolidated Subsidiaries as at such date, and the consolidated results of their operations and cash flows for the fiscal year then ended. All such financial statements, including the related schedules and notes thereto, have been prepared in accordance with GAAP applied consistently throughout the periods involved (except as may be disclosed therein).

(i) **Material Adverse Effect.** Since December 31, 2012, no event has occurred that could reasonably be expected to have a Material Adverse Effect.

(j) **Taxes.** The Company and each Material Subsidiary have filed or caused to be filed all Federal and other material tax returns that are required by Applicable Law to be filed, and have paid all taxes shown to be due and payable on said returns or on any assessments made against it or any of its property; other than (i) with respect to taxes the amount or validity of

which is currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided on the books of the Company or the applicable Material Subsidiary, as the case may be, or (ii) to the extent that the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

(k) **ERISA.** No ERISA Event has occurred other than as would not, either individually or in the aggregate, be reasonably expected to have a Material Adverse Effect. There are no actions, suits or claims pending against or involving a Pension Plan (other than routine claims for benefits) or, to the knowledge of the Company or any of its ERISA Affiliates, threatened, that would reasonably be expected to be asserted successfully against any Pension Plan and, if so asserted successfully, would reasonably be expected either singly or in the aggregate to have a Material Adverse Effect. No lien imposed under the Internal Revenue Code or ERISA on the assets of the Company or any of its ERISA Affiliates exists or is likely to arise with respect to any Pension Plan. The Company and each of its Subsidiaries have complied with foreign law applicable to its Foreign Plans, except to the extent that failure to comply would not reasonably be expected to have a Material Adverse Effect.

(l) **Margin Stock.** The Company is not engaged in the business of extending credit for the purpose of buying or carrying Margin Stock, and no proceeds of the Bonds or the Letter of Credit will be used to buy or carry any Margin Stock or to extend credit to others for the purpose of buying or carrying any Margin Stock. After applying the proceeds of the Bonds and the issuance of the Letter of Credit, not more than 25% of the assets of the Company and the Material Subsidiaries that are subject to the restrictions of Section 5.03(a) or (c) constitute Margin Stock.

(m) **Investment Company.** Neither the Company nor any Subsidiary is an “investment company” or a company “controlled” by an “investment company”, as such terms are defined in the Investment Company Act of 1940, as amended.

(n) **Environmental Liabilities.** There are no claims, liabilities, investigations, litigation, notices of violation or liability, administrative proceedings, judgments or orders, whether asserted, pending or threatened, relating to any liability under or compliance with any applicable Environmental Law, against the Company or any Material Subsidiary or relating to any real property currently or formerly owned, leased or operated by the Company or any Material Subsidiary, that would reasonably be expected to have a Material Adverse Effect. No Hazardous Materials have been or are present or are being spilled, discharged or released on, in, under or from property (real, personal or mixed) currently or formerly owned, leased or operated by the Company or any Material Subsidiary in any quantity or manner violating, or resulting in liability under, any applicable Environmental Law, which violation or liability would reasonably be expected to have a Material Adverse Effect.

(o) **Accuracy of Information.** No written statement or information furnished by or on behalf of the Company to the Bank in connection with the negotiation, execution and closing of this Agreement and the Custodian Agreement (including, without limitation, the Reoffering Circular) or delivered pursuant hereto or thereto, in each case as of the date such statement or information is made or delivered, as applicable, contained or contains, any material misstatement of fact or intentionally omitted or omits to state any material fact necessary to make the

statements therein, in the light of the circumstances under which they were, are, or will be made, not misleading.

(p) **Material Subsidiaries.** Each Material Subsidiary as of the date hereof is set forth on Schedule I.

(q) **OFAC, Etc.** The Company and each Material Subsidiary are in compliance in all material respects with all (i) United States economic sanctions laws, executive orders and implementing regulations as promulgated by the U.S. Treasury Department's Office of Foreign Assets Control, (ii) applicable anti-money laundering and counter-terrorism financing provisions of the Bank Secrecy Act and all rules regulations issued pursuant to it and (iii) applicable provisions of the United States Foreign Corrupt Practices Act of 1977.

(r) **Full Force and Effect.** Each Related Document is in full force and effect. The Company has duly and punctually performed and observed all the terms, covenants and conditions contained in each such Related Document on its part to be performed or observed, and no Default has occurred and is continuing.

(s) **Bonds Validly Issued.** The Bonds have been duly authorized, authenticated and issued and delivered and are not in default. The Bonds are the legal, valid and binding obligations of the Issuer.

(t) **Reoffering Circular.** Except for information contained in the Reoffering Circular furnished in writing by or on behalf of the Issuer, the Trustee, the Paying Agent, the Remarketing Agent or the Bank specifically for inclusion therein, the Reoffering Circular, and any supplement or "sticker" thereto, are accurate in all material respects for the purposes for which their use shall be authorized; and the Reoffering Circular and any supplement or "sticker" thereto, when read together as a whole, does not, as of the date of the Reoffering Circular or such supplement or "sticker," contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements made therein, in the light of the circumstances under which they are or were made, not misleading.

(u) **Taxability.** The performance of this Agreement and the transactions contemplated herein will not affect the status of the interest on the Bonds as exempt from Federal income tax.

(v) **No Material Misstatements.** The reports, financial statements and other written information furnished by or on behalf of the Company to the Bank pursuant to or in connection with this Agreement and the transactions contemplated hereby do not contain and will not contain, when taken as a whole, any untrue statement of a material fact and do not omit and will not omit, when taken as a whole, to state any fact necessary to make the statements therein, in the light of the circumstances under which they were or will be made, not misleading in any material respect.

## ARTICLE V.

### COVENANTS OF THE COMPANY

#### SECTION 5.01. *Affirmative Covenants.*

So long as a drawing is available under the Letter of Credit or the Bank shall have any Commitment hereunder or the Company shall have any obligation to pay any amount to the Bank hereunder, the Company will, unless the Bank shall otherwise consent in writing:

(a) ***Payment of Taxes, Etc.*** Pay and discharge, and cause each Material Subsidiary to pay and discharge, before the same shall become delinquent, (i) all taxes, assessments and governmental charges or levies imposed upon it or its property, and (ii) all lawful claims that, if unpaid, would by Applicable Law become a Lien upon its property, in each case, except to the extent that the failure to pay and discharge such amounts, either singly or in the aggregate, would not reasonably be expected to have a Material Adverse Effect; *provided, however*, that neither the Company nor any Material Subsidiary shall be required to pay or discharge any such tax, assessment, charge or claim that is being contested in good faith and by proper proceedings and as to which adequate reserves are being maintained in accordance with GAAP.

(b) ***Preservation of Existence, Etc.*** Preserve and maintain, and cause each Material Subsidiary to preserve and maintain, its corporate, partnership or limited liability company (as the case may be) existence and all rights (charter and statutory) and franchises, except to the extent the failure to maintain such rights and franchises would not reasonably be expected to have a Material Adverse Effect; *provided, however*, that the Company and any Material Subsidiary may consummate any merger or consolidation permitted under Section 5.03(b).

(c) ***Compliance with Laws, Etc.*** Comply, and cause each Material Subsidiary to comply with Applicable Law (with such compliance to include, without limitation, compliance with Environmental Laws, the Patriot Act and the United States economic sanctions laws, executive orders and implementing regulations as promulgated by the U.S. Treasury Department's Office of Foreign Assets Control), except to the extent the failure to do so would not reasonably be expected to have a Material Adverse Effect.

(d) ***Inspection Rights.*** At any reasonable time and from time to time, permit the Bank or any designated agents or representatives thereof, at all reasonable times and to the extent permitted by Applicable Law, to examine and make copies of and abstracts from the records and books of account of, and visit the properties of, the Company and any Material Subsidiary and to discuss the affairs, finances and accounts of the Company and any Material Subsidiary with any of their officers or directors and with their independent certified public accountants (at which discussion, if the Company or such Material Subsidiary so requests, a representative of the Company or such Material Subsidiary shall be permitted to be present, and if such accountants should require that a representative of the Company be present, the Company agrees to provide a representative to attend such discussion); *provided* that (i) such designated agents or representatives shall agree to any reasonable confidentiality obligations proposed by the Company and shall follow the guidelines and procedures generally imposed upon like visitors to the Company's facilities, and (ii) unless an Event of Default shall have occurred and be continuing, such visits and inspections shall occur not more than once in any fiscal quarter.

(e) ***Keeping of Books.*** Keep, and cause each Material Subsidiary to keep, proper books of record and account, in which full and correct entries shall be made of all financial transactions and the assets and business of the Company and each such Material Subsidiary in accordance with GAAP, and to the extent permitted under the terms of the Indenture and

reasonably requested by the Bank, permit the Bank to inspect, and provide the Bank access to information received by the Company with respect to any inspection of, the books and records of the Remarketing Agent and the Trustee.

(f) ***Maintenance of Properties, Etc.*** Maintain and preserve, and cause each Material Subsidiary to maintain and preserve, all of its properties that are material to the conduct of its business in good working order and condition, ordinary wear and tear excepted.

(g) ***Maintenance of Insurance.*** Maintain, and cause each Material Subsidiary to maintain, insurance with responsible and reputable insurance companies or associations in such amounts and covering such risks as is usually carried by companies engaged in similar businesses and owning similar properties in the same general areas in which the Company or any of its Material Subsidiaries operates to the extent available on commercially reasonable terms (the "***Industry Standard***"); *provided, however*, that the Company and each Material Subsidiary may self-insure to the same extent as other companies engaged in similar businesses and owning similar properties and to the extent consistent with prudent business practice; and *provided, further*, that if the Industry Standard is such that the insurance coverage then being maintained by the Company and its Material Subsidiaries is below the Industry Standard, the Company shall only be required to use its reasonable best efforts to obtain the necessary insurance coverage such that its and its Material Subsidiaries' insurance coverage equals or is greater than the Industry Standard.

(h) ***Reporting Requirements.*** Furnish, or cause to be furnished, to the Bank, the following by Electronic Transmission (*provided, however*, that the certificates required under paragraphs (i) through (iv) of this Section 5.01(h) shall be delivered in a writing bearing the original signature of the authorized officer) the following:

(i) within 60 days after the end of each of the first three quarters of each fiscal year of the Company, a copy of the consolidated balance sheet of the Company and its Consolidated Subsidiaries as of the end of such quarter and consolidated statements of income and cash flows of the Company and its Consolidated Subsidiaries for the period commencing at the end of the previous fiscal year and ending with the end of such quarter, duly certified (subject to year-end audit adjustments) by the chief financial officer, chief accounting officer, treasurer or assistant treasurer of the Company as having been prepared in accordance with GAAP and a certificate of the chief financial officer, chief accounting officer, treasurer or assistant treasurer of the Company as to compliance with the terms of this Agreement and setting forth in reasonable detail the calculations necessary to demonstrate compliance with Section 5.02, provided that in the event of any change in GAAP used in the preparation of such financial statements, the Company shall also provide, if necessary for the determination of compliance with Section 5.02, a statement of reconciliation conforming such financial statements to GAAP in effect on the date hereof;

(ii) within 120 days after the end of each fiscal year of the Company, a copy of the annual audit report for such year for the Company and its Consolidated Subsidiaries, containing a consolidated balance sheet of the Company and its Consolidated Subsidiaries as of the end of such fiscal year and consolidated statements of

income and cash flows of the Company and its Consolidated Subsidiaries for such fiscal year, in each case accompanied by an opinion by Deloitte & Touche LLP or other independent public accountants of nationally recognized standing, and a certificate of the chief financial officer, chief accounting officer, treasurer or assistant treasurer of the Company as to compliance with the terms of this Agreement and setting forth in reasonable detail the calculations necessary to demonstrate compliance with Section 5.02, provided that in the event of any change in GAAP used in the preparation of such financial statements, the Company shall also provide, if necessary for the determination of compliance with Section 5.02, a statement of reconciliation conforming such financial statements to GAAP in effect on the date hereof;

(iii) within five days after the chief financial officer or treasurer of the Company obtains knowledge of the occurrence of any Default, a statement of the chief financial officer or treasurer of the Company setting forth details of such Default and the action that the Company has taken and proposes to take with respect thereto;

(iv) within ten Business Days after the Company or any of its ERISA Affiliates knows or has reason to know that (A) the Company or any of its ERISA Affiliates has failed to comply with ERISA or the related provisions of the Internal Revenue Code with respect to any Pension Plan, and such noncompliance will, or could reasonably be expected to, result in material liability to the Company or its Subsidiaries, and/or (B) any ERISA Event (other than an ERISA Event as defined in clause (vi) of the definition of "ERISA Event") has occurred, a certificate of the chief financial officer of the Company describing such ERISA Event and the action, if any, proposed to be taken with respect to such ERISA Event and a copy of any notice filed with the PBGC or the IRS pertaining to such ERISA Event and all notices received by the Company or such ERISA Affiliate from the PBGC or any other governmental agency with respect thereto;

(v) promptly after the commencement thereof, notice of all actions and proceedings before, and orders by, any Governmental Authority affecting the Company or any Material Subsidiary of the type described in Section 4.01(g);

(vi) together with the financial statements delivered in paragraphs (i) and (ii) of this Section 5.01(h), if Schedule I shall no longer set forth a complete and correct list of all Material Subsidiaries as of the last date of the period for which such financial statements were prepared, an updated Schedule I setting forth all Material Subsidiaries as of the last date of such period for which such financial statements have been prepared;

(vii) promptly and in any event within two Business Days after the Trustee resigns as trustee under the Indenture, notice of such resignation; and

(viii) such other information respecting the Company or any of its Subsidiaries as the Bank may from time to time reasonably request.

If the financial statements required to be delivered pursuant to paragraphs (i) or (ii) of this Section 5.01(h) are included in any Form 10-K or 10-Q filed by the Company, the Company's obligation to deliver such documents or information to the Bank shall be deemed to be satisfied

upon (x) delivery of a copy of the relevant form to the Bank within the time period required by such Section or (y) the relevant form being available on the SEC's EDGAR Database and the delivery of a notice to the Bank (which notice may be delivered by electronic mail and/or included in the applicable compliance certificate delivered pursuant to paragraphs (i) or (ii) of this Section 5.01(h)) that such form is so available, in each case within the time period required by such Section.

(i) **Registration of Bonds.** Cause all Bonds which it acquires, or which it has had acquired for its account, to be registered forthwith in accordance with the Indenture and the Custodian Agreement in the name of the Company or its nominee (the name of any such nominee to be disclosed to the Trustee and the Bank).

(j) **Related Documents.** Perform and comply in all material respects with each of the provisions of each Related Document to which it is a party.

(k) **Redemption or Defeasance of Bonds.** Use its best efforts to cause the Trustee, upon redemption or defeasance of all of the Bonds pursuant to the Indenture, to surrender the Letter of Credit to the Bank for cancellation.

**SECTION 5.02. Debt to Capitalization Ratio.** So long as a drawing is available under the Letter of Credit or the Bank shall have any Commitment hereunder or the Company shall have any obligation to pay any amount to the Bank hereunder, the Company will, unless the Bank shall otherwise consent in writing, maintain a ratio of Consolidated Debt to Consolidated Capital of not greater than 0.65 to 1.00 as of the last day of each fiscal quarter.

**SECTION 5.03. Negative Covenants.** So long as a drawing is available under the Letter of Credit or the Bank shall have any Commitment hereunder or the Company shall have any obligation to pay any amount to the Bank hereunder, the Company will not, without the written consent of the Bank:

(a) **Liens, Etc.** Create or suffer to exist, or cause or permit any Material Subsidiary to create or suffer to exist, any Lien on or with respect to any of its properties, including, without limitation, equity interests held by such Person in any Subsidiary of such Person, whether now owned or hereafter acquired, other than (i) Permitted Liens, (ii) Liens on cash collateral pledged to the administrative agent to secure letter of credit obligations under the Credit Agreement, dated as of June 28, 2012, among the Company, JPMorgan Chase Bank, N.A., as administrative agent, and certain other financial institutions named therein, or under similar credit facilities, (iii) Liens created by the Mortgage and Deed of Trust, dated as of January 9, 1989, as amended and supplemented, of the Company, entered into with The Bank of New York Mellon Trust Company, N.A. (as successor trustee to JPMorgan Chase Bank, N.A.) or any other first mortgage indenture or similar agreement or instrument pursuant to which the Company or any of its Material Subsidiaries may issue bonds, notes or similar instruments secured by a lien on all or substantially all of its fixed assets, so long as under the terms of such indenture or similar agreement or instrument no "event of default" (howsoever designated) in respect of any bonds or other instruments issued thereunder will be triggered by reference to a Default, and (iv) Liens, in addition to the foregoing, securing obligations not greater than the greater of (A) 7.5% of

consolidated shareholders' equity of all classes (whether common, preferred, mandatorily convertible preferred or preference) of the Company and (B) \$100,000,000.

(b) ***Mergers, Etc.*** Merge or consolidate with or into any Person, unless (i) the successor entity (if other than the Company) (A) assumes, in form reasonably satisfactory to the Bank, all of the obligations of the Company under this Agreement and the other Credit Documents and Related Documents to which the Company is a party, (B) is a corporation or limited liability company formed under the laws of the United States of America, one of the States thereof or the District of Columbia, (C) is in pro forma compliance with the covenant in Section 5.02 both before and after giving effect to such proposed transaction and (D) has long-term senior unsecured debt ratings issued (and confirmed after giving effect to such merger) by S&P or Moody's of at least BBB- and Baa3, respectively (or if no such ratings have been issued, commercial paper ratings issued (and confirmed after giving effect to such merger) by S&P and Moody's of at least A-3 and P-3, respectively), and (ii) no Default shall have occurred and be continuing at the time of such proposed transaction or would result therefrom, and *provided*, in each case of clause (i) where the successor entity is other than the Company, that the Bank shall have received, and be reasonably satisfied with, all documentation and information required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including without limitation the Patriot Act, to the extent such documentation or information is requested by the Bank prior to the date of such proposed transaction.

(c) ***Sales, Etc. of Assets.*** Sell, lease, transfer or otherwise dispose of all or substantially all of its assets to any Person, or grant any option or other right to purchase, lease or otherwise acquire such assets, except that the Company may sell, lease, transfer or otherwise dispose of all or substantially all of its assets to any Person so long as the requirements set forth in Section 5.03(b) are satisfied as if such disposition were a merger or consolidation in which the Company is not the surviving entity.

(d) ***Use of Proceeds.*** Use the proceeds of the Bonds or the Letter of Credit to buy or carry Margin Stock.

(e) ***Optional Redemption of Bonds.*** So long as the Letter of Credit shall remain outstanding, cause or permit delivery of a notice of an optional redemption or purchase of the Bonds or of a change in the interest modes (other than to or from a mode in which interest is payable at a rate determined daily or weekly) on the Bonds resulting in a mandatory redemption or purchase of the Bonds under the Indenture, unless (i) the Company has deposited with the Bank or the Trustee an amount equal to the principal of, premium, if any, and interest on the Bonds on the date of such redemption or purchase, or (ii) any notice of such redemption or purchase or change in the applicable interest mode is conditional upon receipt by the Trustee or Paying Agent on or prior to the date fixed for the applicable redemption or purchase of funds (other than funds drawn under the Letter of Credit) sufficient to pay the principal of, premium, if any, and interest on the Bonds on the date of such redemption or purchase.

(f) ***Amendments to Indenture.*** So long as the Letter of Credit shall remain outstanding, amend, modify, terminate or grant, or permit the amendment, modification, termination or grant of, any waiver under (or consent to, or permit or suffer to occur any action or omission which results in, or is equivalent to, an amendment, modification, or grant of a



waiver under) any provision of the Indenture that would (i) directly affect the rights or obligations of the Bank under the Related Documents without the prior written consent of the Bank or (ii) have an adverse effect on the rights or obligations of the Bank hereunder without the prior written consent of the Bank.

(g) **Reoffering Circular.** So long as the Letter of Credit shall remain outstanding, refer to the Bank in the Reoffering Circular with respect to the Bonds or make any changes in reference to the Bank in any revision, amendment or supplement without the prior consent of the Bank, or revise, amend or supplement the Reoffering Circular without providing a copy of such revision, amendment or supplement, as the case may be, to the Bank.

(h) **Use of Proceeds of Bond Letter of Credit.** So long as the Letter of Credit shall remain outstanding, permit any proceeds of the Letter of Credit to be used for any purpose other than the payment of the principal of, interest on, redemption price of and purchase price of the Bonds.

## ARTICLE VI.

### EVENTS OF DEFAULT

**SECTION 6.01. Events of Default.** The occurrence of any of the following events (whether voluntary or involuntary) shall be an “*Event of Default*” hereunder:

(a) (i) Any principal of any Reimbursement Obligation shall not be paid when the same becomes due and payable, or (ii) any interest on any Reimbursement Obligation or any fees or other amounts payable hereunder or under any other Credit Document shall not be paid within five days after the same becomes due and payable; or

(b) Any representation or warranty made by the Company herein or by the Company (or any of its officers) in any Credit Document or in connection with any Related Document or any document delivered pursuant hereto or thereto shall prove to have been incorrect in any material respect when made; or

(c) (i) The Company shall fail to perform or observe any term, covenant or agreement contained in Section 5.01(b), 5.01(i), 5.02 or 5.03, or (ii) the Company shall fail to perform or observe any other term, covenant or agreement contained in this Agreement or any other Credit Document or Related Document on its part to be performed or observed if such failure shall remain unremedied for 30 days after written notice thereof shall have been given to the Company by the Bank; or

(d) Any material provision of this Agreement or any other Credit Document or Related Document to which the Company is a party shall at any time and for any reason cease to be valid and binding upon the Company, except pursuant to the terms thereof, or shall be declared to be null and void, or the validity or enforceability thereof shall be contested in any manner by the Company or any Governmental Authority, or the Company shall deny in any manner that it has any or further liability or obligation under this Agreement or any other Credit Document or Related Document to which the Company is a party; or

(e) The Company or any Material Subsidiary shall fail to pay any principal of or premium or interest on any Debt (other than Debt under this Agreement) that is outstanding in a principal amount in excess of \$100,000,000 in the aggregate when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Debt; or any other event shall occur or condition shall exist under any agreement or instrument relating to any such Debt and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such event or condition is to accelerate, or to permit the acceleration of, the maturity of such Debt; or any such Debt shall be declared to be due and payable, or required to be prepaid or redeemed (other than by a regularly scheduled required prepayment or redemption), prior to the stated maturity thereof; or

(f) Any judgment or order for the payment of money in excess of \$100,000,000 to the extent not paid or insured shall be rendered against the Company or any Material Subsidiary and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (ii) there shall be any period of 30 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; or

(g) The Company or any Material Subsidiary shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against the Company or any Material Subsidiary seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against it (but not instituted by it), either such proceeding shall remain undismissed or unstayed for a period of 60 days, or any of the actions sought in such proceeding (including, without limitation, the entry of an order for relief against, or the appointment of a receiver, trustee, custodian or other similar official for, it or for any substantial part of its property) shall occur; or the Company or any Material Subsidiary shall take any corporate action to authorize any of the actions set forth above in this subsection (g); or

(h) An ERISA Event shall have occurred that, when taken together with all other ERISA Events that have occurred, has resulted in, or is reasonably likely to result in, a Material Adverse Effect; or

(i) (i) Berkshire Hathaway Inc. shall fail to own, directly or indirectly, at least 50% of the issued and outstanding shares of common stock of the Company, calculated on a fully diluted basis or (ii) MidAmerican Energy Holdings Company shall fail to own, directly or indirectly, at least 80% of the issued and outstanding shares of common stock of the Company, calculated on a fully diluted basis (each, a “***Change of Control***”); *provided* that, in each case of the foregoing clauses (i) and (ii), such failure shall not constitute an Event of Default unless and until a Rating Decline has occurred; or

(j) Any “Event of Default” under and as defined in the Indenture shall have occurred and be continuing; or

(k) Any approval or order of any Governmental Authority related to any Credit Document or any Related Document shall be

(i) rescinded, revoked or set aside or otherwise cease to remain in full force and effect, or

(ii) modified in any manner that, in the opinion of the Bank, could reasonably be expected to have a material adverse effect on (i) the business, assets, operations, condition (financial or otherwise) or prospects of the Company and its Subsidiaries taken as a whole, (ii) the legality, validity or enforceability of any of the Credit Documents or the Related Documents to which the Company is a party, or the rights, remedies and benefits available to the parties thereunder, or (iii) the ability of the Company to perform its obligations under the Credit Documents or the Related Documents to which the Company is a party; or

(l) Any change in Applicable Law or any action by any Governmental Authority shall occur which has the effect of making the transactions contemplated by the Credit Documents or the Related Documents unauthorized, illegal or otherwise contrary to Applicable Law; or

(m) The Custodian Agreement after delivery under Article III hereof shall for any reason, except to the extent permitted by the terms thereof, fail or cease to create valid and perfected Liens (to the extent purported to be granted by the Custodian Agreement and subject to the exceptions permitted thereunder) in any of the collateral purported to be covered thereby, *provided*, that such failure or cessation relating to any non-material portion of such collateral shall not constitute an Event of Default hereunder unless the same shall not have been corrected within 30 days after the Company becomes aware thereof.

**SECTION 6.02. *Upon an Event of Default.*** If any Event of Default shall have occurred and be continuing, the Bank may (i) by notice to the Company, declare the obligation of the Bank to issue the Letter of Credit to be terminated, whereupon the same shall forthwith terminate, (ii) give notice to the Trustee (A) pursuant to Section 3.02(a)(iv) of the Indenture that the Letter of Credit will not be reinstated in accordance with its terms following a drawing for the payment of interest on the Bonds and/or (B) as provided in Section 9.02 of the Indenture to declare the principal of all Bonds then outstanding to be immediately due and payable, (iii) declare the principal amount of all Reimbursement Obligations, all interest thereon and all other amounts payable hereunder or under any other Credit Document or in respect hereof or thereof to be forthwith due and payable, whereupon all such principal, interest and all such other amounts shall become and be forthwith due and payable, without presentment, demand, protest, or further notice of any kind, all of which are hereby expressly waived by the Company, and (iv) in addition to other rights and remedies provided for herein or in the Custodian Agreement or otherwise available to the Bank, as holder of the Pledged Bonds or otherwise, exercise all the rights and remedies of a secured party on default under the Uniform Commercial Code in effect in the State of New York at that time; *provided* that, if an Event of Default described in Section 6.01(g) shall have occurred or an Event of Default described in Section 6.01(i) shall have

occurred, automatically, (x) the obligation of the Bank hereunder to issue the Letter of Credit shall terminate, (y) all Reimbursement Obligations, all interest thereon and all other amounts payable hereunder or under any other Credit Document or in respect hereof or thereof shall become and be forthwith due and payable, without presentment, demand, protest, or further notice of any kind, all of which are hereby expressly waived by the Company and (z) the Bank shall give the notice to the Trustee referred to in clauses (ii) and (iv) above.

## ARTICLE VII.

### MISCELLANEOUS

**SECTION 7.01. Amendments, Etc.** No amendment or waiver of any provision of any Credit Document, 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 Bank and the Company and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

**SECTION 7.02. Notices, Etc.** All notices and other communications provided for hereunder or under any other Credit Document (other than notices delivered pursuant to Section 2.02(a) or as otherwise specified hereunder or under any other Credit Document) shall be in writing and mailed, telecopied, emailed or delivered as follows:

The Company:

PacifiCorp  
825 N.E. Multnomah Street, Suite 1900  
Portland, Oregon 97232-4116  
Attention: XXXX  
Telecopy No.: XXXX  
E-mail: XXXX

The Bank:

The Bank of Nova Scotia  
Global Banking and Markets  
US Power & Utilities  
40 King Street West, 55th floor  
Toronto, Ontario, Canada M5H 1H1  
Attention: XXXX  
Telecopy No.: XXXX  
E-mail: XXXX

or, as to each party or at such other address as shall be designated by such party in a written notice to the other parties. All such notices and communications shall, when mailed and addressed as aforesaid, be effective three days after being deposited in the mails, or when received by telecopy, telex or e-mail, respectively, be effective when received during the recipient's normal business hours and addressed as aforesaid.

**SECTION 7.03. No Waiver, Remedies.** No failure on the part of the Bank to exercise, and no delay in exercising, any right hereunder or under any other Credit Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

**SECTION 7.04. Set-off.** Upon the occurrence and during the continuance of any Event of Default, the Bank is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by the Bank to or for the credit or the account of the Company against any and all of the obligations of the Company now or hereafter existing under any Credit Document, irrespective of whether or not the Bank shall have made any demand hereunder and although such obligations may be contingent or unmatured.

**SECTION 7.05. Indemnification.** The Company hereby indemnifies and holds the Bank and each of its Affiliates and their respective officers, directors, employees, agents and advisors (each, an "**Indemnified Party**") harmless from and against, and shall pay on demand, any and all claims, damages, losses, liabilities, costs and expenses (including, without limitation, reasonable fees and expenses of counsel) which such Indemnified Party may incur or which may be claimed against such Indemnified Party by any Person:

(a) by reason of any inaccuracy or alleged inaccuracy in any material respect, or any untrue statement or alleged untrue statement of any material fact, contained in the Reoffering Circular or any amendment or supplement thereto, except to the extent contained in or arising from information in the Reoffering Circular (or any amendment or supplement thereto) supplied in writing by and describing the Bank; or by reason of the omission or alleged omission to state therein a material fact necessary to make such statements, in the light of the circumstances under which they were made, not misleading; or

(b) by reason of or in connection with the execution, delivery or performance of this Agreement, the other Credit Documents or the Related Documents, or any transaction contemplated by this Agreement, the other Credit Documents or the Related Documents, other than as specified in subsection (c) below; or

(c) by reason of or in connection with the execution and delivery or transfer of, or payment or failure to make payment under, the Letter of Credit; provided, however, that the Company shall not be required to indemnify any such party pursuant to this Section 7.05(c) for any claims, damages, losses, liabilities, costs or expenses to the extent caused, as determined by a court of competent jurisdiction by final and nonappealable judgment, by (i) the Bank's willful misconduct or gross negligence in determining whether documents presented under the Letter of Credit comply with terms of the Letter of Credit or (ii) the Bank's willful or grossly negligent failure to make lawful payment under the Letter of Credit after the presentation to it by the Trustee under the Indenture of a certificate strictly complying with the terms and conditions of the Letter of Credit.

Nothing in this Section 7.05 is intended to limit the Company's obligations contained in Article II. Without prejudice to the survival of any other obligation of the Company hereunder or under any other Credit Document, the indemnities and obligations of the Company contained in this Section 7.05 shall survive the payment in full of amounts payable pursuant to Article II, and the termination of the Letter of Credit.

**SECTION 7.06. *Liability of the Bank.*** The Company assumes all risks of the acts or omissions of the Trustee, the Paying Agent and any other beneficiary or transferee of the Letter of Credit with respect to its use of the Letter of Credit. Neither the Bank, nor any of its officers or directors, shall be liable or responsible for: (a) the use which may be made of the Letter of Credit or any acts or omissions of the Trustee, the Paying Agent and any other beneficiary or transferee in connection therewith; (b) 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; (c) payment by the Bank against presentation of documents which do not comply with the terms of the Letter of Credit, including failure of any documents to bear any reference or adequate reference to the Letter of Credit; or (d) any other circumstances whatsoever in making or failing to make payment under the Letter of Credit, except that the Company shall have a claim against the Bank and the 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, in a court of competent jurisdiction by final and nonappealable judgment, were caused by (i) the Bank's willful misconduct or gross negligence in determining whether documents presented under the Letter of Credit are genuine or comply with the terms of the Letter of Credit or (ii) the Bank's willful or grossly negligent failure to make lawful payment under the Letter of Credit after the presentation to it by the Trustee or the Paying Agent under the Indenture of a certificate strictly complying with the terms and conditions of the Letter of Credit. In furtherance and not in limitation of the foregoing, the Bank may accept original or facsimile (including telecopy) certificates presented under the Letter of Credit that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary.

**SECTION 7.07. *Costs, Expenses and Taxes.***

The Company agrees to pay on demand all reasonable out-of-pocket costs and expenses in connection with the preparation, issuance, delivery, filing, recording, and administration of this Agreement, the Letter of Credit, the other Credit Documents and any other documents which may be delivered in connection with the Credit Documents, including, without limitation, the reasonable fees and out-of-pocket expenses of counsel for the Bank incurred in connection with the preparation and negotiation of this Agreement, the Letter of Credit and any other Credit Documents and any document delivered in connection therewith and all costs and expenses incurred by the Bank (including reasonable fees and out-of-pocket expenses of counsel) in connection with (i) the transfer, drawing upon, change in terms, maintenance, amendment, renewal or cancellation of the Letter of Credit, (ii) any and all amounts which the Bank has paid relative to the Bank's curing of any Event of Default resulting from the acts or omissions of the Company under this Agreement, any other Credit Document or any Related Document, (iii) the enforcement of, or protection of rights under, this Agreement, any other Credit Document or any Related Document (whether through negotiations, legal proceedings or otherwise), (iv) any action or proceeding relating to a court order, injunction, or other process or decree restraining or

seeking to restrain the Bank from paying any amount under the Letter of Credit or (v) any waivers or consents or amendments to or in respect of this Agreement, the Letter of Credit or any other Credit Document requested by the Company. In addition, the Company shall pay any and all stamp and other taxes and fees payable or determined to be payable in connection with the execution, delivery, filing and recording of this Agreement, the Letter of Credit, any other Credit Documents or any of such other documents (“*Other Taxes*”), and agrees to save the Bank harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such Other Taxes.

**SECTION 7.08. Binding Effect.** This Agreement shall become effective when it shall have been executed and delivered by the Company and the Bank and thereafter shall (a) be binding upon the Company and its successors and assigns, and (b) inure to the benefit of and be enforceable by the Bank and each of its successors, transferees and assigns; *provided that*, the Company may not assign all or any part of its rights or obligations under any Credit Document without the prior written consent of the Bank.

**SECTION 7.09. Assignments and Participation.**

(a) The Bank may assign to one or more banks, financial institutions or other entities (each a “*Bank Assignee*”) all of its rights and obligations under this Agreement, the other Credit Documents and the Related Documents (including, without limitation, all of its Commitment and the Reimbursement Obligations owing to it); *provided, however*, that (i) the Company (unless an Event of Default shall have occurred and be continuing or such assignment is to an Affiliate of the Bank) shall have consented to such assignment (which consent shall not be unreasonably withheld or delayed) by signing the Assignment and Assumption referred to in clause (ii) below, and (ii) the parties to each such assignment shall execute and deliver to the Bank, for its acceptance and recording in the Register (as defined in Section 7.09(c)), an Assignment and Assumption. Upon such execution, delivery, acceptance and recording, from and after the effective date specified in each Assignment and Assumption, (x) the Bank Assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment and Assumption, have the rights and obligations of the Bank hereunder and (y) the Bank as assignor thereunder shall, to the extent that rights and obligations hereunder have been assigned by it pursuant to such Assignment and Assumption, relinquish its rights and be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all or the remaining portion of the Bank’s rights and obligations under this Agreement, the Bank shall cease to be a party hereto). Notwithstanding anything to the contrary contained in this Agreement, the Bank may at any time assign all or any portion of the demand loans owing to it to any Affiliate of the Bank. No such assignment referred to in the preceding sentence, other than to an Affiliate of the Bank consented to by the Company (such consent not to be unreasonably withheld or delayed), shall release the Bank from its obligations hereunder. Nothing contained in this Section 7.09 shall be construed to relieve the Bank of any of its obligations under the Letter of Credit, other than as contemplated in the last sentence of Section 7.09(h).

(b) By executing and delivering an Assignment and Assumption, the Bank as assignor thereunder and the Bank Assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than as provided in such Assignment and Assumption, the

Bank as assignor thereunder makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement, any other Credit Document or any Related Document or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement, any other Credit Document or any Related Document or any other instrument or document furnished pursuant hereto; (ii) the Bank as assignor thereunder makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Company or the performance or observance by the Company of any of its obligations under this Agreement, any other Credit Document or any Related Document or any other instrument or document furnished pursuant hereto or thereto; (iii) such Bank Assignee confirms that it has received a copy of each Credit Document, together with copies of the financial statements referred to in Section 5.01(h) of this Agreement and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Assumption; (iv) such Bank Assignee will, independently and without reliance upon the Bank as Assignor and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Documents; and (v) such Bank Assignee agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Credit Documents are required to be performed by it as Assignee of the Bank.

(c) The Bank shall maintain at the address listed below its name on its signature page hereto a copy of each Assignment and Assumption delivered to and accepted by it and a register for the recordation of the names and addresses of the Bank Assignees and the Commitment of, and principal amount of the Reimbursement Obligations owing to, each Bank Assignee from time to time in such form as the Bank shall determine (the “*Register*”). The entries in the Register shall be conclusive and binding for all purposes, absent manifest error, and the Company and the Bank may treat each Person whose name is recorded in the Register as a Bank Assignee for all purposes of the Credit Documents. The Register shall be available for inspection by the Company or the Bank or any Bank Assignee at any reasonable time and from time to time upon reasonable prior notice.

(d) Upon its receipt of an Assignment and Assumption executed by the Bank and a Bank Assignee, the Bank shall, if such Assignment and Assumption has been completed, and has been signed by the Company (if the Company’s consent is required), (i) accept such Assignment and Assumption, (ii) record the information contained therein in the Register and (iii) give prompt notice of such recordation to the Company.

(e) The Bank may sell participations to one or more banks, financial institutions or other entities (each a “*Participant*”) in all or a portion of its rights and obligations under this Agreement, the other Credit Documents and the Related Documents (including, without limitation, all or a portion of its Commitment and the Reimbursement Obligations owing to it); provided, however, that (i) the Bank’s obligations under this Agreement (including, without limitation, its Commitment to the Company hereunder) shall remain unchanged, (ii) the Bank shall remain solely responsible to the other parties hereto for the performance of such obligations, and (iii) the Company shall continue to deal solely and directly with such Bank in connection with the Bank’s rights and obligations under this Agreement. Any agreement pursuant to which the Bank may grant such a participating interest shall provide that the Bank shall retain the sole right and responsibility to enforce the obligations of the Company hereunder



or under any other Credit Document including, without limitation, the right to approve any amendment, modification or waiver of any provision of the Credit Documents; provided that such participation agreement may provide that the Bank will not agree to any modification, amendment or waiver of any Credit Document which would (a) waive, modify or eliminate any of the conditions precedent specified in Article III, (b) increase or extend the Commitment of the Bank or subject the Bank to any additional obligations, (c) forgive principal, interest, fees or other amounts payable hereunder or under any other Credit Document or reduce the rate at which interest or any fee is calculated, (d) postpone any date fixed for any payment of principal, interest, fees or other amounts payable hereunder or under any other Credit Document, (e) or waive any requirement for the release of collateral or (f) amend this Section 7.09(e).

(f) The Bank may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 7.09, disclose to the assignee or participant or proposed assignee or participant, any information relating to the Company furnished to the Bank by or on behalf of the Company; *provided* that, prior to any such disclosure, the assignee or participant or proposed assignee or participant shall agree to preserve the confidentiality of any confidential information relating to the Company received by it from the Bank.

(g) Anything in this Section 7.09 to the contrary notwithstanding, the Bank, any Bank Assignee or any Participant may assign and pledge all or any portion of its Commitment and the Reimbursement Obligations owing to it to any Federal Reserve Bank or any other central banking authority (and its transferees) as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any Operating Circular issued by such Federal Reserve Bank. No such assignment shall release the assigning or pledging entity from its obligations hereunder.

(h) If the Bank, any Bank Assignee or Participant (the “***Demanding Entity***”) shall make any demand for payment under Section 2.07 or 2.08, then within 30 days after any such demand, the Company may, with the approval of the Bank (which approval shall not be unreasonably withheld) and provided that no Event of Default or Default shall then have occurred and be continuing, demand that such Demanding Entity assign in accordance with this Section 7.09 to one or more assignees designated by the Company all (but not less than all) of such Demanding Entity’s Commitment and the Reimbursement Obligations owing to it within the period ending on such 30th day. If any such assignee designated by the Company shall fail to consummate such assignment on terms acceptable to such Demanding Entity, or if the Company shall fail to designate any such assignees for all or part of the Demanding Entity’s Commitment or Reimbursement Obligations, then such demand by the Company shall become ineffective; it being understood for purposes of this subsection (h) that such assignment shall be conclusively deemed to be on terms acceptable to such Demanding Entity, and such Demanding Entity shall be compelled to consummate such assignment to an assignee designated by the Company, if such assignee (i) shall agree to such assignment by entering into an Assignment and Assumption in substantially the form of Exhibit C hereto with such Demanding Entity and (ii) shall offer compensation to such Demanding Entity in an amount equal to all amounts then owing by the Company to such Demanding Entity hereunder, whether for principal, interest, fees, costs or expenses (other than the demanded payment referred to above and payable by the Company as a condition to the Company’s right to demand such assignment), or otherwise. Notwithstanding anything to the contrary in this Section, if the Company exercises its right to

demand the Bank to assign its Commitment and Reimbursement Obligations under this subsection (h) while the Letter of Credit is outstanding, on the date such assignment becomes effective, (i) the Bank Assignee shall agree to assume all of the Bank's Commitment and Reimbursement Obligations pursuant to such assignment, (ii) the Bank Assignee shall issue a replacement Letter of Credit in accordance with the terms of the Indenture, (iii) the Letter of Credit issued by the Bank shall be terminated in accordance with its terms and surrendered to the Bank, (iv) the Company shall pay to the Bank all amounts then due and payable to the Bank hereunder and under the other Credit Documents and (v) the Bank shall cease to be a party hereto.

**SECTION 7.10. 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 7.11. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.**

**SECTION 7.12. Headings.** Section headings 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 7.13. Submission To Jurisdiction; Waivers.** The Company hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Related Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the Courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to the Company at its address set forth in Section 7.02 of this Agreement or at such other address of which the Bank shall have been notified pursuant thereto; and

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction.

This Section 7.13 shall not be construed to confer a benefit upon, or grant a right or privilege to, any Person other than the parties hereto.

**SECTION 7.14. Acknowledgments.** The Company hereby acknowledges:

- (a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement, the other Credit Documents and other Related Documents;
- (b) the Bank has no fiduciary relationship to the Company, and the relationship between Bank, on the one hand, and the Company on the other hand, is solely that of debtor and creditor; and
- (c) no joint venture exists between the Company and the Bank.

**SECTION 7.15. WAIVERS OF JURY TRIAL. THE COMPANY AND THE BANK HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY RELATED DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN. THIS SECTION 7.15 SHALL NOT BE CONSTRUED TO CONFER A BENEFIT UPON, OR GRANT A RIGHT OR PRIVILEGE TO, ANY PERSON OTHER THAN THE PARTIES HERETO.**

**SECTION 7.16. Execution in Counterparts.** This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.


**SECTION 7.17. Reimbursement Agreement for Purposes of Indenture.** This Agreement shall be deemed to be the “Reimbursement Agreement” for the purpose of the Indenture.

**SECTION 7.18. USA PATRIOT Act.** The Bank hereby notifies the Company that pursuant to the requirements of the Patriot 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 the Bank to identify the Company in accordance with the Patriot Act.

[Signature pages follow]

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

**PACIFICORP**

By 

---

Bruce N. Williams  
Vice President and Treasurer

**THE BANK OF NOVA SCOTIA**

By   
Name: Frank Sandler  
Title: Managing Director

Applicable Booking Office:



GWS Corporate Loan Operations  
Scotia Capital  
720 Street West, 2<sup>nd</sup> Floor  
Toronto, ON, M5V 2T3  
Attention:   
Telecopy No.: 

Exhibit A

**Form of Letter of Credit**

The Bank of Nova Scotia  
New York Agency  
One Liberty Plaza  
New York, New York 10006

**IRREVOCABLE TRANSFERABLE DIRECT PAY LETTER OF CREDIT NO.**



Date: March 26, 2013

**Amount:** USD 22,839,832.00

**Expiration Date:** March 26, 2015


Beneficiary:

The Bank of New York Mellon Trust  
Company, N.A.  
as Trustee  
2 North LaSalle Street, Suite 1020  
Chicago, Illinois 60602, USA  
Attention: Global Corporate Trust

Applicant:

PacifiCorp  
825 N.E. Multnomah Street, Suite 1900  
Portland, Oregon 97232-4116, USA

Dear Sir or Madam:

We hereby issue our Irrevocable Transferable Direct Pay Letter of Credit No.  ("**Letter of Credit**") at the request and for the account of PacifiCorp (the "**Company**") pursuant to that certain Letter of Credit and Reimbursement Agreement, dated as of March 26, 2013, between the Company and us (as amended, supplemented or otherwise modified from time to time being herein referred to as the "**Reimbursement Agreement**"), in your favor, as Trustee under the Trust Indenture, dated as of September 1, 1992, as amended and restated by a Third Supplemental Indenture, dated as of September 1, 2010 (as amended, supplemented or otherwise modified from time to time, the "**Indenture**"), between Converse County, Wyoming (the "**Issuer**") and you, as Trustee for the benefit of the Bondholders referred to therein, pursuant to which USD 22,485,000.00 in aggregate principal amount of the Issuer's Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1992 (the "**Bonds**") were issued. This Letter of Credit is only available to be drawn upon with respect to Bonds bearing interest at a daily rate or a weekly rate pursuant to the Indenture. This Letter of Credit is in the total amount of USD 22,839,832.00 (subject to adjustment as provided below).

This Letter of Credit shall be effective immediately and shall expire upon the earliest to occur of (i) March 26, 2015, or if not a Business Day, the next succeeding Business Day (the "**Stated Expiration Date**"), (ii) four business days following your receipt of written notice from

us notifying you of the occurrence and continuance of an Event of Default under the Reimbursement Agreement and (A) directing you to accelerate the Bonds pursuant to Section 9.02 of the Indenture or (B) informing you pursuant to Section 3.02(a)(iv) of the Indenture that this Letter of Credit will not be reinstated in accordance with its terms following a Regular Drawing drawn against the Interest Component, (iii) the date on which we receive a written and completed certificate signed by you in the form of Exhibit 5 attached hereto, (iv) the date which is 15 days following the Conversion Date for all Bonds remaining outstanding to an interest rate mode other than a daily rate or a weekly rate pursuant to the Indenture as such date is specified in a written and completed certificate signed by you in the form of Exhibit 6 attached hereto and (v) the date on which we receive and honor a written and completed certificate signed by you in the form of Exhibit 1, Exhibit 2 or Exhibit 3 attached hereto, stating that the drawing thereunder is the final drawing under the Letter of Credit (such earliest date being the “**Cancellation Date**”).

Prior to the Cancellation Date, we may extend the Stated Expiration Date from time to time at the request of the Company by delivering to you an amendment to this Letter of Credit in the form of Exhibit 8 attached hereto designating the date to which the Stated Expiration Date is being extended. Each such extension of the Stated Expiration Date shall become effective on the date of such amendment and thereafter all references in this Letter of Credit to the Stated Expiration Date shall be deemed to be references to the date designated as such in such amendment. Any date to which the Stated Expiration Date has been extended as herein provided may be extended in a like manner.

The aggregate amount which may be drawn under this Letter of Credit, subject to reductions in amount and reinstatement as provided below, is USD 22,839,832.00, of which the aggregate amounts set forth below may be drawn as indicated.

(i) An aggregate amount not exceeding USD 22,485,000.00, as such amount may be reduced and restored as provided below, may be drawn in respect of payment of principal of the Bonds (or the portion of the purchase price of Bonds corresponding to principal) (the “**Principal Component**”).

(ii) An aggregate amount not exceeding USD 354,832.00, as such amount may be reduced and restored as provided below, may be drawn in respect of the payment of up to 48 days’ interest on the principal amount of the Bonds computed at a maximum rate of 12% *per annum* calculated on the basis of a 365-day year (or the portion of the purchase price of Bonds corresponding thereto) (the “**Interest Component**”).

The Principal Component and the Interest Component shall be reduced effective upon our receipt of a certificate in the form of Exhibit 4 attached hereto completed in strict compliance with the terms hereof.

The presentation of a certificate requesting a drawing hereunder, in strict compliance with the terms hereof shall be a “**Drawing**”; a Drawing in respect of a regularly scheduled interest payment or payment of principal of and interest on the Bonds upon scheduled or accelerated maturity shall be a “**Regular Drawing**”; a Drawing to pay principal of and interest on Bonds upon redemption of the Bonds in whole or in part shall be a “**Redemption Drawing**”; and

a Drawing to pay the purchase price of Bonds in accordance with Section 3.01(a), 3.01(b), 3.02(a)(i), 3.02(a)(iii) or 3.02(a)(iv) of the Indenture shall be a “**Tender Drawing**”.

Upon our honoring of any Regular Drawing hereunder, the Principal Component and the Interest Component shall be reduced immediately following such honoring, in each case by an amount equal to the respective component of the amount specified in such certificate; *provided, however,* that, unless the Cancellation Date shall have occurred, the amount of any Regular Drawing hereunder drawn against the Interest Component shall be automatically reinstated on the eighth business day following the date of such honoring by such amount so drawn against the Interest Component, unless you shall have received written notice from us no later than seven business days after the date of such honoring that there shall be no such reinstatement.

Upon our honoring of any Redemption Drawing hereunder, the Principal Component shall be reduced immediately following such honoring by an amount equal to the principal amount of the Bonds to be redeemed with the proceeds of such Redemption Drawing and the Interest Component shall be reduced immediately following such honoring by an amount equal to 48 days’ interest on such principal amount of the Bonds to be redeemed computed at a maximum rate of 12% *per annum* calculated on the basis of a 365-day year.

Upon our honoring of any Tender Drawing hereunder, the Principal Component and the Interest Component shall be reduced immediately following such honoring, in each case by an amount equal to the respective component of the amount specified in such certificate. Unless the Cancellation Date shall have occurred, promptly upon our having been reimbursed by or for the account of the Company in respect of any Tender Drawing, together with interest, if any, owing thereon pursuant to the Reimbursement Agreement, the Principal Component and the Interest Component, respectively, shall be reinstated when and to the extent of such reimbursement. Upon your telephone request, we will confirm reinstatement pursuant to this paragraph.

Funds under this Letter of Credit are available to you against the appropriate certificate specified below, duly executed by you and appropriately completed.

<u>Type of Drawing</u>	<u>Exhibit Setting Forth Form of Certificate Required</u>
Regular Drawing	<u>Exhibit 1</u>
Tender Drawing	<u>Exhibit 2</u>
Redemption Drawing	<u>Exhibit 3</u>

Drawing certificates and other certificates hereunder shall be dated the date of presentation and shall be presented on a business day (as hereinafter defined) by delivery via a nationally recognized overnight courier to our office located at The Bank of Nova Scotia, New York Agency, One Liberty Plaza, New York, New York 10006, Standby Letter of Credit Department (or at any other office which may be designated by us by written notice delivered to you at least 15 days prior to the applicable date of Drawing) (the “**Bank’s Office**”). The certificates you are required to submit to us may be submitted to us by facsimile transmission to the following numbers: XXXX and XXXX, or any other facsimile number(s) which may be



designated by us by written notice delivered to you at least 15 days prior to the applicable date of Drawing. You shall use your best efforts to confirm such notice of a Drawing by telephone to one of the following numbers (or any other telephone number which may be designated by us by written notice delivered to you at least 15 days prior to the applicable date of Drawing): XXXX or XXXX, but such telephonic notice shall not be a condition to a Drawing hereunder. If we receive your certificate(s) at such office, all in strict conformity with the terms and conditions of this Letter of Credit, (i) with respect to any Regular Drawing or Redemption Drawing, at or before 12:00 noon (New York City time), we will honor such Drawing(s) at or before 10:00 A.M. (New York City time), on the next succeeding business day, and (ii) with respect to any Tender Drawing, at or before 12:00 noon (New York City time), on a business day on or before the Cancellation Date, we will honor such Drawing(s) at or before 2:30 P.M. (New York City time), on the same business day, in accordance with your payment instructions; *provided, however,* that you will use your best efforts to give us telephonic notification of any such pending presentation to the telephone numbers designated above, with respect to any Regular Drawing, Redemption Drawing or Tender Drawing, at or before 11:30 A.M. (New York City time) on the same business day. If we receive your certificate(s) at such office, all in strict conformity with the terms and conditions of this Letter of Credit, after 12:00 noon (New York City time), in the case of a Regular Drawing, a Redemption Drawing or a Tender Drawing, on any business day on or before the Cancellation Date, we will honor such certificate(s) at or before 2:00 P.M. (New York City time) on the next succeeding business day. Payment under this Letter of Credit will be made by wire transfer of Federal Funds to your account with any bank that is a member of the Federal Reserve System. All payments made by us under this Letter of Credit will be made with our own funds and not with any funds of the Company, its affiliates or the Issuer. As used herein, “*business day*” means a day except a Saturday, Sunday or other day (i) on which banking institutions in the city or cities in which the designated office under the Indenture of the Trustee, the remarketing agent under the Indenture or the paying agent under the Indenture or the office of the Bank which will honor draws upon this Letter of Credit are located are required or authorized by law or executive order to close or are closed, or (ii) on which the New York Stock Exchange, the Company or remarketing agent under the Indenture is closed.

This Letter of Credit is transferable in its entirety (but not in part) to any transferee who has succeeded you as Trustee under the Indenture, and such transferred Letter of Credit may be successively transferred to any successor Trustee thereunder, but may not be assigned, transferred or conveyed under any other circumstance. Transfer of the available balance under this Letter of Credit to such transferee shall be effected by the presentation to us of this Letter of Credit and all amendments hereto, accompanied by a certificate in the form set forth in Exhibit 7. Upon such transfer, we will endorse the transfer on the reverse of this Letter of Credit and forward it directly to such transferee with our customary notice of transfer. In connection with such transfer, a transfer fee will be charged to the account of the Applicant, but the payment of such fee will not be a condition to the effectiveness of such transfer.

This Letter of Credit may not be transferred to any person with which U.S. persons are prohibited from doing business under U.S. Foreign Assets Control Regulations or other applicable U.S. laws and Regulations.

Except as otherwise provided herein, this Letter of Credit shall be governed by and construed in accordance with International Standby Practices, Publication No. 590 of the International Chamber of Commerce (“*ISP98*”). As to matters not covered by *ISP98* and to the extent not inconsistent with *ISP98* or made inapplicable by this Letter of Credit, this Letter of Credit shall be governed by the laws of the State of New York, including the Uniform Commercial Code as in effect in the State of New York.

This Letter of Credit sets forth in full our undertaking, and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein (including, without limitation, the Bonds and the Indenture), except only the certificates referred to herein; and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement except for such certificates. Whenever and wherever the terms of this Letter of Credit shall refer to the purpose of a Drawing hereunder, or the provisions of any agreement or document pursuant to which such Drawing may be made hereunder, such purpose or provisions shall be conclusively determined by reference to the statements made in the certificate accompanying such Drawing.

EXHIBIT 1

REGULAR DRAWING CERTIFICATE

The undersigned, a duly authorized officer of The Bank of New York Mellon Trust Company, N.A., as Trustee (the “*Trustee*”), hereby certifies as follows to The Bank of Nova Scotia (the “*Bank*”), with reference to Irrevocable Transferable Direct Pay Letter of Credit No. [REDACTED] (the “*Letter of Credit*”), issued by the Bank in favor of the Trustee. Terms defined in the Letter of Credit and used but not defined herein shall have the meanings given them in the Letter of Credit.

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

(2) The respective amounts of principal of and interest on the Bonds, which do not exceed the Principal Component and Interest Component, respectively, under the Letter of Credit, which are due and payable (or which have been declared to be due and payable) and with respect to the payment of which the Trustee is presenting this Certificate, are as follows:

Principal: USD \_\_\_\_\_

Interest: USD \_\_\_\_\_

(3) The respective portions of the amount of this Certificate in respect of payment of principal of and interest on the Bonds have been computed in accordance with (and this Certificate complies with) the terms and conditions of the Bonds and the Indenture.

(4) Please send the payment requested hereunder by wire transfer to [insert wire transfer instructions].

**[(5) This Certificate is being presented upon the [scheduled maturity of the Bonds] [accelerated maturity of the Bonds pursuant to the Indenture]\* and is the final Drawing under the Letter of Credit in respect of principal of and interest on the Bonds. Upon the honoring of this Certificate, the Letter of Credit will expire in accordance with its terms. The original of the Letter of Credit, together with all amendments, is returned herewith.\*\*]**

IN WITNESS WHEREOF, the Trustee has executed and delivered this Certificate as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

THE BANK OF NEW YORK MELLON TRUST  
COMPANY, N.A., as Trustee

By: \_\_\_\_\_

Title: \_\_\_\_\_

\* Insert appropriate bracketed language.

\*\* To be used upon scheduled or accelerated maturity of the Bonds.

## EXHIBIT 2

TENDER DRAWING CERTIFICATE

The undersigned, a duly authorized officer of The Bank of New York Mellon Trust Company, N.A., as Trustee (the "**Trustee**"), hereby certifies as follows to The Bank of Nova Scotia (the "**Bank**"), with reference to Irrevocable Transferable Direct Pay Letter of Credit No. [REDACTED] (the "**Letter of Credit**"), issued by the Bank in favor of the Trustee. Terms defined in the Letter of Credit and used but not defined herein shall have the meanings given them in the Letter of Credit.

- (1) The Trustee is the Trustee under the Indenture for the holders of the Bonds.
- (2) The amount of the Tender Drawing under this Certificate to pay the portion of the purchase price of the Bonds corresponding to principal as of \_\_\_\_\_ (the "**Purchase Date**") is USD \_\_\_\_\_, which does not exceed the Principal Component under the Letter of Credit.
- (3) The amount of the Tender Drawing under this Certificate to pay the portion of the purchase price of the Bonds corresponding to interest due as of the Purchase Date is USD \_\_\_\_\_, \*\*\* which does not exceed the Interest Component under the Letter of Credit.
- (4) The total amount of the Tender Drawing under this Certificate is USD \_\_\_\_\_.
- (5) The respective portions of the total amount of this Certificate have been computed in accordance with (and this Certificate complies with) the terms and conditions of the Bonds and the Indenture.
- (6) The Trustee or the Custodian under the Custodian and Pledge Agreement referred to below will register or cause to be registered in the name of the Company, upon payment of the amount drawn hereunder, Bonds in the principal amount of the Bonds being purchased with the amounts drawn hereunder and will hold such Bonds in accordance with the provisions of the Custodian and Pledge Agreement, dated as of March 26, 2013, among the Company, the Bank and The Bank of New York Mellon Trust Company, N.A., as Custodian, as amended or otherwise modified from time to time.
- (7) Please send the payment requested hereunder by wire transfer to [insert wire transfer instructions].

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\*\*\* Assuming payment under the Letter of Credit pursuant to a Regular Drawing for interest on the Bonds due and payable on or after the date of this Certificate but prior to the Purchase Date.

**[(8) This Certificate is being presented upon the occurrence of a mandatory purchase under either Section 3.02(a)(iii) or 3.02(a)(iv) of the Indenture and is the final Drawing under the Letter of Credit. Upon the honoring of this Certificate, the Letter of Credit will expire in accordance with its terms. The original of the Letter of Credit, together with all amendments, is returned herewith.]\*\*\*\***

IN WITNESS WHEREOF, the Trustee has executed and delivered this Certificate as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

THE BANK OF NEW YORK MELLON TRUST  
COMPANY, N.A., as Trustee

By: \_\_\_\_\_  
Title: \_\_\_\_\_

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\*\*\*\* To be included if Certificate is being presented in connection with a mandatory purchase of the Bonds under either Section 3.02(a)(iii) or 3.02(a)(iv) of the Indenture but only if no further draws under the Letter of Credit are required pursuant to the Indenture on or prior to the Purchase Date.

EXHIBIT 3

REDEMPTION DRAWING CERTIFICATE

The undersigned, a duly authorized officer of The Bank of New York Mellon Trust Company, N.A., as Trustee (the “*Trustee*”), hereby certifies as follows to The Bank of Nova Scotia (the “*Bank*”), with reference to Irrevocable Transferable Direct Pay Letter of Credit No. [REDACTED] (the “*Letter of Credit*”), issued by the Bank in favor of the Trustee. Terms defined in the Letter of Credit and used but not defined herein shall have the meanings given them in the Letter of Credit.

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

(2) The amount of the Redemption Drawing to pay the portion of the redemption price of the Bonds corresponding to principal is USD \_\_\_\_\_, which does not exceed the Principal Component under the Letter of Credit.

(3) The amount of the Redemption Drawing under this Certificate to pay the portion of the redemption price of the Bonds corresponding to interest is USD \_\_\_\_\_, which does not exceed the Interest Component under the Letter of Credit.

(4) The total amount of the Redemption Drawing under this Certificate is USD \_\_\_\_\_.

(5) The respective portions of the total amount of this Certificate have been computed in accordance with (and this Certificate complies with) the terms and conditions of the Bonds and the Indenture.

(6) Please send the payment requested hereunder by wire transfer to [insert wire transfer instructions].

**[(7) This Certificate is the final Drawing under the Letter of Credit and, upon the honoring of such Certificate, the Letter of Credit will expire in accordance with its terms. The original of the Letter of Credit, together with all amendments, is returned herewith.]\*\*\*\***

IN WITNESS WHEREOF, the Trustee has executed and delivered this Certificate as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

THE BANK OF NEW YORK MELLON TRUST  
COMPANY, N.A., as Trustee

By: \_\_\_\_\_

Title: \_\_\_\_\_

\*\*\*\* To be used upon optional or mandatory redemption of the Bonds in full.

EXHIBIT 4

REDUCTION CERTIFICATE

The undersigned, a duly authorized officer of The Bank of New York Mellon Trust Company, N.A., as Trustee (the “*Trustee*”), hereby certifies as follows to The Bank of Nova Scotia (the “*Bank*”), with reference to Irrevocable Transferable Direct Pay Letter of Credit No. [REDACTED] (the “*Letter of Credit*”), issued by the Bank in favor of the Trustee. Terms defined in the Letter of Credit and used but not defined herein shall have the meanings given them in the Letter of Credit.

- (1) The Trustee is the Trustee under the Indenture for the holders of the Bonds.
- (2) The aggregate principal amount of the Bonds outstanding (as defined in the Indenture) has been reduced to USD \_\_\_\_\_.
- (3) The Principal Component is hereby correspondingly reduced to USD \_\_\_\_\_.
- (4) The Interest Component is hereby reduced to USD \_\_\_\_\_, equal to 48 days’ interest on the reduced amount of principal set forth in paragraph (2) hereof computed at a maximum rate of 12% *per annum* calculated on the basis of a 365-day year.

IN WITNESS WHEREOF, the Trustee has executed and delivered this Certificate as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

THE BANK OF NEW YORK MELLON TRUST  
COMPANY, N.A., as Trustee

By: \_\_\_\_\_  
Title: \_\_\_\_\_

EXHIBIT 5

TERMINATION CERTIFICATE

The undersigned, a duly authorized officer of The Bank of New York Mellon Trust Company, N.A., as Trustee (the “*Trustee*”), hereby certifies to The Bank of Nova Scotia (the “*Bank*”), with reference to Irrevocable Transferable Direct Pay Letter of Credit No. [REDACTED] (the “*Letter of Credit*”; the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Trustee, as follows:

- (1) The Trustee is the Trustee under the Indenture for the holders of the Bonds.
- (2) The conditions to termination of the Letter of Credit set forth in the Indenture have been satisfied, and accordingly, said Letter of Credit has terminated in accordance with its terms.  
\*\*\*\*\*
- (3) The original of the Letter of Credit and all amendments thereto are returned herewith.

IN WITNESS WHEREOF, the Trustee has executed and delivered this Certificate as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

THE BANK OF NEW YORK MELLON TRUST  
COMPANY, N.A., as Trustee

By: \_\_\_\_\_

Title: \_\_\_\_\_

\*\*\*\*\*  
To be used upon cancellation due to the Trustee’s acceptance of an Alternate Credit Facility pursuant to the Indenture, upon Trustee’s confirmation that no Bonds remain outstanding or upon termination pursuant to Section 6.04 of the Indenture.



EXHIBIT 6

NOTICE OF CONVERSION

The undersigned, a duly authorized officer of The Bank of New York Mellon Trust Company, N.A. (the "**Trustee**"), hereby certifies to The Bank of Nova Scotia (the "**Bank**"), with reference to Irrevocable Transferable Direct Pay Letter of Credit No. [REDACTED] (the "**Letter of Credit**"; the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Trustee, as follows:

- (1) The Trustee is the Trustee under the Indenture for the holders of the Bonds.
- (2) The interest rate on all Bonds remaining outstanding have been converted to a rate other than a daily rate or a weekly rate pursuant to the Indenture on \_\_\_\_\_ (the "**Conversion Date**"), and accordingly, said Letter of Credit shall terminate fifteen (15) days after such Conversion Date in accordance with its terms.
- (3) The original of the Letter of Credit and all amendments thereto are returned herewith.

IN WITNESS WHEREOF, the Trustee has executed and delivered this Certificate as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

THE BANK OF NEW YORK MELLON TRUST  
COMPANY, N.A., as Trustee

By: \_\_\_\_\_  
Title: \_\_\_\_\_

EXHIBIT 7

INSTRUCTIONS TO TRANSFER

\_\_\_\_\_, 20\_\_\_\_

The Bank of Nova Scotia  
New York Agency  
One Liberty Plaza  
New York, New York 10006

RE: The Bank of Nova Scotia, New York Agency Irrevocable Transferable Direct Pay  
Letter of Credit No. [REDACTED]

Ladies and Gentlemen:

The undersigned, as Trustee under the Trust Indenture, dated as of September 1, 1992, as amended and restated by a Third Supplemental Indenture, dated as of September 1, 2010 (as amended, supplemented or otherwise modified from time to time, the “*Indenture*”), between Converse County, Wyoming and The Bank of New York Mellon Trust Company, N.A., is named as beneficiary in the Letter of Credit referred to above (the “*Letter of Credit*”). The transferee named below has succeeded the undersigned as Trustee under the Indenture.

\_\_\_\_\_  
(Name of Transferee)

\_\_\_\_\_  
(Address)

Therefore, for value received, the undersigned hereby irrevocably instructs you to transfer to such transferee all rights of the undersigned to draw under the Letter of Credit.

By this transfer, all rights of the undersigned in the Letter of Credit are transferred to such transferee and such transferee shall hereafter have the sole rights as beneficiary under the Letter of Credit; *provided, however*, that no rights shall be deemed to have been transferred to such transferee until such transfer complies with the requirements of the Letter of Credit pertaining to transfers. The undersigned transferor confirms that the transferor no longer has any rights under or interest in the Letter of Credit. All amendments are to be advised directly to the transferee without the necessity of any consent of or notice to the undersigned transferor.

The original of such Letter of Credit and all amendments are being returned herewith, and in accordance therewith we ask you to endorse the within transfer on the reverse thereof and forward it directly to the transferee with your customary notice of transfer.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

THE BANK OF NEW YORK MELLON TRUST  
COMPANY, N.A., as Trustee

By: \_\_\_\_\_

Title: \_\_\_\_\_

[NAME OF TRANSFEREE], as transferee

By: \_\_\_\_\_

Title: \_\_\_\_\_

EXHIBIT 8

EXTENSION AMENDMENT

The Bank of Nova Scotia  
New York Agency  
One Liberty Plaza  
New York, New York 10006

IRREVOCABLE TRANSFERABLE DIRECT PAY LETTER OF CREDIT NO. [REDACTED]

Dated: \_\_\_\_\_

Beneficiary:

Applicant:

The Bank of New York Mellon Trust  
Company, N.A., as Trustee  
2 North LaSalle Street, Suite 1020  
Chicago, Illinois 60602, USA  
Attention: Global Corporate Trust

PacifiCorp  
825 N.E. Multnomah Street, Suite 1900  
Portland, Oregon 97232-4116, USA

We hereby amend our Irrevocable Transferable Direct Pay Letter of Credit Number [REDACTED]  
as follows:

Amendment Sequence Number: \_\_\_\_\_

Stated Expiration Date is extended to: \_\_\_\_\_

All other terms and conditions remain unchanged. This Amendment is to be considered an  
integral part of the Letter of Credit and must be attached thereto.

THE BANK OF NOVA SCOTIA, NEW YORK AGENCY

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
*Authorized Signer*

\_\_\_\_\_  
*Authorized Signer*

Exhibit B**Form of Custodian Agreement**

## CUSTODIAN AGREEMENT

This CUSTODIAN AND PLEDGE AGREEMENT, dated as of March 26, 2013 (this "**Agreement**"), is made by and among PACIFICORP, an Oregon corporation (the "**Company**"), THE BANK OF NOVA SCOTIA (the "**Bank**"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A. ("**BNYM**"), as the Trustee pursuant to the Indenture referred to below, as custodian (the "**Custodian**").

## RECITALS

A. The Company and the Bank have entered into a Letter of Credit and Reimbursement Agreement, dated as of March 26, 2013, relating to \$22,485,000 Converse County, Wyoming Pollution Control Revenue Refunding Bonds (PacifiCorp Project) Series 1992 (as amended, restated, supplemented or otherwise modified from time to time, the "**Reimbursement Agreement**"), pursuant to which the Bank has agreed to issue the Letter of Credit (as defined in the Reimbursement Agreement) in favor of BNYM, as trustee (the "**Trustee**") under the Trust Indenture, dated as of September 1, 1992, as amended and restated by a Third Supplemental Indenture, dated as of September 1, 2010 (as amended, restated, supplemented or otherwise modified from time to time, the "**Indenture**"), between Converse County, Wyoming and the Trustee, for the account of the Company.

B. It is a condition precedent under the Reimbursement Agreement to the obligation of the Bank to issue the Letter of Credit that the Company and the Custodian shall have executed and delivered this Agreement.

## AGREEMENT

The Company and the Custodian each agree with the Bank as follows:

**SECTION 1. Defined Terms.** Capitalized terms not defined herein shall have the meanings ascribed to such terms in the Reimbursement Agreement or the Indenture, as applicable.

**SECTION 2. Pledge.** The Company hereby pledges, assigns, transfers, hypothecates and delivers to the Bank all of its right, title and interest in, and grants to the Bank a first-priority Lien upon, (i) the Bonds purchased with moneys received under the Letter of Credit in connection with a Tender Drawing and owned or held by the Company or an Affiliate of the Company, or the Trustee (collectively, the "**Pledged Bonds**") and (ii) all proceeds of the Pledged Bonds (such proceeds, together with the Pledged Bonds, collectively, the "**Collateral**"), all as collateral security for the prompt and complete payment when due of all amounts payable by the Company to the Bank, and the prompt and complete performance of all other obligations of the Company to the Bank, whether now existing or hereafter arising, under or in respect of the

Reimbursement Agreement, the Letter of Credit, this Agreement and the Related Documents (collectively, the “*Obligations*”). The Company hereby agrees that the Custodian shall act as the agent and bailee of the Bank for the purpose of perfecting the Lien of this Agreement and of holding the Collateral for the benefit of the Bank pursuant to the Indenture. For so long as the Pledged Bonds are registered in the name of The Depository Trust Company (“*DTC*”), the Custodian shall cause DTC to make appropriate entries on its books increasing the appropriate securities account of the Custodian, as a direct participant of DTC, to include the Pledged Bonds, and shall identify, by book-entry or otherwise, the Pledged Bonds as belonging to, or subject to a security interest in favor of, the Bank, and shall send the Bank a confirmation of the transfer of the Pledged Bonds to the Bank. The Custodian shall continuously identify the Pledged Bonds on its books as being held for the account of the Bank and shall take all such action reasonably requested by the Bank to ensure that the Bank shall be the “entitlement holder” with respect to the Pledged Bonds having “control” of all “security entitlements” related to the Pledged Bonds within the meaning of Article 8 of the Uniform Commercial Code as in effect from time to time in the State of New York (“*UCC Article 8*”).

***SECTION 3. Payments on Collateral.*** If, while this Agreement is in effect, the Company shall become entitled to receive or shall receive any interest or other payment in respect of the Collateral, the Company agrees to accept the same as the Bank’s agent, to hold the same in trust on behalf of the Bank and to deliver the same forthwith to the Bank. The Company instructs and authorizes the Custodian to hold and receive on the Bank’s behalf and to deliver forthwith to the Bank any payment received by it in respect of the Collateral (including, without limitation, the proceeds of any remarketing of the Pledged Bonds). All such payments in respect of the Collateral that are paid to the Bank shall be credited against the Obligations as provided in the Reimbursement Agreement.

***SECTION 4. Release of Pledged Bonds.*** To the extent that the Bank receives reimbursement in cash (whether under the Reimbursement Agreement or the Indenture) of an amount equal to the amount of any Tender Drawing related to the purchase of Pledged Bonds in a manner that will permit the reinstatement of the Letter of Credit in respect of such Pledged Bonds in accordance with the terms of the Letter of Credit, the Bank agrees to provide written notice to the Trustee that the Letter of Credit has been irrevocably reinstated in an amount equal to the amount of such Tender Drawing, whereupon the Bank agrees to release from the Lien of this Agreement the corresponding principal amount of Pledged Bonds. The Bank instructs and authorizes the Custodian upon such release of any Pledged Bonds from the Lien of this Agreement, to cause DTC to make appropriate entries on its books decreasing the appropriate securities account of the Custodian to exclude such Pledged Bonds and to reclassify, by book-entry or otherwise, the Pledged Bonds as not subject to a security interest in favor of the Bank.

***SECTION 5. Representations and Warranties.*** The Company represents and warrants that: (a) on the date of delivery of the Pledged Bonds to or for the benefit of the Bank, to the Company’s knowledge, no other Person shall have any right, title or interest in and to the Pledged Bonds; (b) the Company has, and on the date of delivery to or for the benefit of the Bank of any of the Pledged Bonds will have, full power, authority and legal right to pledge all of its right, title and interest in and to the Pledged Bonds pursuant to this Agreement; (c) the pledge, assignment and delivery of the Pledged Bonds pursuant to this Agreement will create a valid first Lien on, and a perfected first-priority security interest in, all right, title and interest of the

Company in and to the Collateral, subject to no prior Lien on the property or assets of the Company that would include the Pledged Bonds; and (d) the Company makes each of the representations and warranties in the Reimbursement Agreement and Related Documents to and for the benefit of the Bank as if the same were set forth in full herein. The Company shall be deemed to have represented and warranted to the Bank on the date of each drawing under the Letter of Credit that the statements contained herein are true and correct.

**SECTION 6. *Rights of the Bank.*** The Bank shall not be liable for any failure to collect or realize upon all or any part of the Obligations or any collateral security (including, without limitation, the Collateral) or guaranty for the Obligations, or for any delay in so doing, and the Bank shall be under no obligation to take any action whatsoever with regard to the Obligations or any such collateral security or guaranty. If an Event of Default has occurred and is continuing, the Bank may, without notice, exercise all rights, privileges or options pertaining to any Pledged Bonds as if it were the absolute owner of such Pledged Bonds, upon such terms and conditions as it may determine, all without liability except to account for property actually received by it, but the Bank shall have no duty to exercise any of those rights, privileges or options and shall not be responsible for any failure to do so or delay in so doing.

**SECTION 7. *Remedies.*** In the event that any portion of the Obligations has been declared due and payable after an Event of Default, the Bank may, without demand of performance or other demand, advertisement or notice of any kind (except the notice specified below of the time and place of public or private sale) to or upon the Company or any other Person (all and each of which demands, advertisements or notices are hereby expressly waived), in its sole discretion, (a) exercise any or all of its rights and remedies under the Reimbursement Agreement, the Letter of Credit, this Agreement, the Related Documents and any other instruments and agreements securing, evidencing or relating to the Obligations or under applicable law (including, without limitation, all of the rights and remedies of a secured creditor under the Uniform Commercial Code as in effect from time to time in the State of New York or the commercial code of any other applicable jurisdiction), (b) forthwith collect, receive, appropriate and realize upon all or any part of the Collateral, (c) forthwith sell, assign, give an option or options to purchase, contract to sell or otherwise dispose of and deliver all or any part of the Collateral in one or more parcels at public or private sale or sales, at any exchange, broker's board or at any of the Bank's offices or elsewhere, upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk, with the right to the Bank upon any such sale or sales, public or private, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in the Company, which right or equity is hereby expressly waived or released, or (d) take all or any combination of the foregoing actions. The Bank acknowledges that, and will use commercially reasonable efforts to notify prior to the date of any such sale, assignment, or disposition and delivery, any purchaser of any Collateral consisting of Pledged Bonds that, upon such selling, assigning or disposing of and delivery of any portion of such Pledged Bonds, that such Pledged Bonds are unrated. After deducting all reasonable costs and expenses of every kind incurred in taking any of the foregoing actions or incidental to the care, safekeeping or otherwise of any and all of the Collateral or in any way relating to the rights of the Bank hereunder, including, without limitation, reasonable attorneys' fees and legal expenses, after payment of all of the Obligations in such order as the Bank may elect (the Company remaining liable to the extent provided under the Reimbursement Agreement for any deficiency

remaining unpaid after such application) and after payment by the Bank of any other amount required or permitted by any provision of law, the Bank shall pay to the Company the surplus, if any, of any amounts realized by the Bank under this Section 7 or such other Person entitled thereto. The Company agrees that the Bank need not give more than 10 days' notice of the time and place of any public sale or of the time after which a private sale or other intended disposition is to take place and that such notice is reasonable notification of such matters. No notification need be given to the Company if it has signed after default a statement renouncing or modifying any right to deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay all amounts to which the Bank is entitled, including, without limitation, the fees and costs of any attorneys employed by the Bank to collect such deficiency.

**SECTION 8. No Disposition.** The Company agrees that it will not sell, assign, transfer, exchange or otherwise dispose of, or grant any option with respect to, the Collateral and that it will not create, incur or permit to exist any Lien with respect to all or any part of the Collateral, except for the Lien of this Agreement.

**SECTION 9. Sale of Collateral.**

(a) The Company recognizes that the Bank may be unable to effect a public sale of any or all of the Pledged Bonds by reason of certain prohibitions contained in the Securities Act of 1933, as amended (the "**Securities Act**"), and applicable state securities laws but may be compelled to resort to one or more private sales to a restricted group of purchasers that will be obliged to agree, among other things, to acquire such securities for their own account for investment and not with a view to distribution or resale. The Company acknowledges and agrees that any such private sale may result in prices and other terms less favorable to the seller than if such sale were a public sale and, notwithstanding such circumstances, agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner. The Bank shall be under no obligation to delay a sale of any of the Pledged Bonds for the period of time necessary to permit the Issuer to register such securities for public sale under the Securities Act or under applicable state securities laws, even if the Issuer would agree to do so.

(b) The Company further agrees to do or cause to be done all such other acts and things as may be lawfully necessary to make such sale or sales of all or any part of the Pledged Bonds valid and binding and in compliance with any and all applicable laws, rules, regulations, orders or decrees, all at the Company's expense. The Company further agrees that a breach of any of the covenants contained in this Section 9 will cause irreparable injury to the Bank for which the Bank would have no adequate remedy at law in respect of such breach and, as a consequence, agrees that each and every covenant contained in this Section 9 shall be specifically enforceable against the Company, and the Company waives and agrees not to assert any defenses against an action for specific performance of such covenants except for a defense that no Event of Default has occurred under the Reimbursement Agreement. The Company further acknowledges the impossibility of ascertaining the amount of damages that would be suffered by the Bank by reason of a breach of any of such covenants and, consequently, agrees that, if the Bank shall sue for wages for breach, it shall pay, as liquidated damages and not as a penalty, an amount equal to the principal of, and accrued interest on, the Pledged Bonds on the date the Bank shall demand compliance with this Section 9.



**SECTION 10. Further Assurances.** The Company agrees that at any time and from time to time upon the written request of the Bank, the Company will execute and deliver such further documents and do such further acts and things as the Bank may reasonably request in order to effect the purposes of this Agreement.

**SECTION 11. Collateral Agency Agreement.**

(a) The Bank hereby appoints the Custodian as agent and bailee for the Bank on the terms and conditions of this Section 11, and the Custodian hereby accepts such appointment and agrees with the Bank to act as agent without compensation separate from that provided to the Custodian pursuant to the Indenture.

(b) The duties of the Custodian as agent under this Agreement shall be as follows:

(i) the Custodian shall hold (either directly or as a direct participant of DTC) in a securities account for the benefit of the Bank all Pledged Bonds purchased by the Custodian with drawings under the Letter of Credit pursuant to the Indenture, all proceeds thereof and all other amounts held by the Custodian and payable to the Bank pursuant to the Indenture;

(ii) upon the remarketing of Pledged Bonds, the Custodian shall deliver to the Bank the proceeds of such remarketing and all other amounts received by the Custodian and payable to the Bank pursuant to the Indenture; and

(iii) the Custodian shall comply with any notice, request or instruction of the Bank with respect to the Pledged Bonds, subject to Section 4 hereof, without the further consent of the Company such that the Bank shall be deemed to have "control" of the Pledged Bonds as "security entitlements" within the meaning of UCC Article 8.

(c) The Custodian shall not pledge, hypothecate, transfer or release all or any part of the Collateral to any other Person or in any manner not in accordance with this Section 11 without the prior written consent of the Bank.

(d) The Custodian shall transfer the benefits or obligations of this Agreement or the Indenture only with the prior written consent of the Bank and only if any such transferee shall have agreed in writing to be bound by the terms and conditions of this Section 11 and the Indenture. Notwithstanding the preceding sentence, any corporation, association or other entity into which the Custodian may be converted or merged, or with which it may be consolidated, or to which it may sell or otherwise transfer all or substantially all of its corporate trust assets and business or any corporation, association or other entity resulting from any such conversion, sale, merger, consolidation or other transfer to which it is a party, ipso facto, shall be and become successor custodian hereunder, vested with all other matters as was its predecessor, without the execution or filing of any instrument or consent or any further act on the part of the parties hereto.

(e) Neither the Custodian nor any of its officers, directors, employees, agents, attorneys-in-fact or affiliates shall be liable for any action lawfully taken or omitted to be taken by it under or in connection with this Agreement (except for its own gross negligence or willful

misconduct). The Custodian undertakes to perform only such duties as are expressly set forth herein. The Custodian may rely, and shall be protected in acting or refraining from acting, upon any written notice, instruction or request furnished to it hereunder and believed by it to be genuine and to have been signed or presented by the proper party. The Custodian shall have the right to perform any of its duties hereunder through agents, attorneys, custodians or nominees, and shall not be responsible for the misconduct or negligence of such agents, attorneys, custodians and nominees appointed by it with due care. None of the provisions contained in this Agreement shall require the Custodian to use or advance its own funds in the performance of any of its duties or the exercise of any of its rights or powers hereunder. The Custodian may consult with counsel of its own choice and shall have full and complete authorization and protection for any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel. Notwithstanding any provision to the contrary contained herein, the Custodian shall not be relieved of liability arising in connection with its own gross negligence or willful misconduct. The Company hereby agrees to indemnify, defend and hold harmless the Custodian from and against all losses, damages, costs, charges, payments, liabilities and expenses, including the costs of litigation, investigation and reasonable legal fees incurred by the Custodian and arising directly or indirectly out of its role as Custodian pursuant to this Agreement, except as caused by the Custodian's willful misconduct or gross negligence.

**SECTION 12. Notices.** All notices, requests and other communications to any party hereunder shall be in writing (including bank wire, telecopier, overnight courier or similar writing) and shall be given to such party, addressed to it, at its address or telecopier number set forth below or such other address or telecopier number as such party may specify by notice to the other parties. Each such notice, request or communication shall be effective (a) if given by telecopy, when sent by telecopier to the telecopier number specified below and receipt thereof has been confirmed by telephone, (b) if given by mail, five days after such communication is deposited in the mails with first-class postage prepaid, addressed as aforesaid, (c) if given by a reputable overnight courier, upon confirmation of delivery by such courier, or (d) if given by any other means, when delivered at the address specified below.

Party	Address
Company:	PacifiCorp 825 N.E. Multnomah Street, Suite 1900 Portland, Oregon 97232-4116 Attention: XXXX Telecopy No.: XXXX
Bank:	The Bank of Nova Scotia New York Agency One Liberty Plaza New York, New York 10006 Attention: XXXX Telecopy.: XXXX

with copies to:

Scotia Capital  
GWS Corporate Loan Operations  
720 Street West, 2<sup>nd</sup> Floor  
Toronto, ON, M5V 2T3  
Attention: XXXX  
Telecopy No.: XXXX

and

The Bank of Nova Scotia  
Global Banking and Markets  
US Power & Utilities  
40 King Street West, 55th floor  
Toronto, Ontario, Canada M5H 1H1  
Attention: XXXX  
Telecopy No.: XXXX

Custodian:

The Bank of New York Mellon Trust Company, N.A.  
2 North LaSalle Street, Suite 1020  
Chicago, Illinois 60602, USA  
Attention: Global Corporate Trust  
Telecopy No.: XXXX

**SECTION 13. Amendments and Waiver.** No amendment or waiver of any provision of this Agreement or consent to any departure by the Company or the Custodian from any such provision shall in any event be effective unless the same shall be in writing and signed by the Bank. Any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

**SECTION 14. Expenses.** The Company shall pay to the Bank all expenses (including, without limitation, reasonable fees and expenses of counsel) of, or incident to, any actual or attempted sale or other disposition of, or any exchange, enforcement, collection, compromise or settlement of or with respect to, all or any of the Collateral, by litigation or otherwise. The Company shall reimburse the Bank on demand for all reasonable costs and expenses incurred in connection with the negotiation, preparation, execution and administration of this Agreement, including, without limitation, any fees or expenses paid by the Bank to the Custodian for its services in connection with this Agreement or pursuant to Section 11 hereof.

**SECTION 15. No Waiver; Remedies.** No failure on the part of the Bank to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right, and no single or partial exercise of any right under this Agreement shall preclude any further exercise of such right or the exercise of any other right. The remedies provided in this Agreement are cumulative and not exclusive of any remedies provided by law.

**SECTION 16. Severability.** Any provision of this Agreement that is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or nonauthorization without invalidating the remaining provisions of this Agreement or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

**SECTION 17. Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

**SECTION 18. Headings.** Section headings in this Agreement are included for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

**SECTION 19. Counterparts.** This Agreement may be signed in any number of counterpart copies, and all such copies shall constitute one and the same instrument.

**SECTION 20. Binding Effect.** This Agreement shall become effective when it shall have been executed and delivered by the Company, the Bank and the Custodian and thereafter shall (a) be binding upon the Company and the Custodian, and their respective successors and assigns, and (b) inure to the benefit of and be enforceable by the Bank and its successors, transferees and assigns; provided that, the Company may not assign all or any part of its rights or obligations under this Agreement without the prior written consent of the Bank unless such assignment complies with the provisions of Section 7.09 of the Reimbursement Agreement.

**SECTION 21. Deemed Reimbursement Agreement for Purposes of Indenture.** This Agreement shall be deemed to be a part of the "Reimbursement Agreement" for the purpose of the Indenture, including, without limitation, Section 3.08 thereof.

[Signature pages follow]

**IN WITNESS WHEREOF**, the parties have caused this Agreement to be duly executed and delivered as of the date first above written.

**THE BANK OF NOVA SCOTIA**

By \_\_\_\_\_

Name:

Title:

**PACIFICORP**

By \_\_\_\_\_  
Bruce N. Williams  
Vice President and Treasurer

**THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A., as Custodian**

By \_\_\_\_\_  
Name:  
Title:

Exhibit C**Form of Assignment and Assumption Agreement**

## ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the “*Assignment and Assumption*”) is dated as of the Effective Date set forth below and is entered into by and between [the][each]<sup>1</sup> Assignor identified in item 1 below ([the][each, an] “*Assignor*”) and [the][each]<sup>2</sup> Assignee identified in item 2 below ([the][each, an] “*Assignee*”). [It is understood and agreed that the rights and obligations of [the Assignors][the Assignees]<sup>3</sup> hereunder are several and not joint.]<sup>4</sup> Capitalized terms used but not defined herein shall have the meanings given to them in the Letter of Credit and Reimbursement Agreement identified below (as amended, the “*Reimbursement Agreement*”), receipt of a copy of which is hereby acknowledged by [the][each] Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, [the][each] Assignor hereby irrevocably sells and assigns to [the Assignee][the respective Assignees], and [the][each] Assignee hereby irrevocably purchases and assumes from [the Assignor][the respective Assignors], subject to and in accordance with the Standard Terms and Conditions and the Reimbursement Agreement, as of the Effective Date inserted by the Bank as contemplated below (i) all of [the Assignor’s][the respective Assignors’] rights and obligations in [its capacity as a Bank][their respective capacities as Banks] under the Reimbursement Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of [the Assignor][the respective Assignors] under the respective facilities identified below (including without limitation any letters of credit, guarantees, and swingline loans included in such facilities), and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of [the Assignor (in its capacity as a Bank)][the respective Assignors (in their respective capacities as Banks)] against any Person, whether known or unknown, arising under or in connection with the Reimbursement Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by [the][any] Assignor to [the][any] Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as [the][an] “*Assigned Interest*”). Each such sale and assignment is without recourse to [the][any] Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by [the][any] Assignor.

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<sup>1</sup> For bracketed language here and elsewhere in this form relating to the Assignor(s), if the assignment is from a single Assignor, choose the first bracketed language. If the assignment is from multiple Assignors, choose the second bracketed language.

<sup>2</sup> For bracketed language here and elsewhere in this form relating to the Assignee(s), if the assignment is to a single Assignee, choose the first bracketed language. If the assignment is to multiple Assignees, choose the second bracketed language.

<sup>3</sup> Select as appropriate.

<sup>4</sup> Include bracketed language if there are either multiple Assignors or multiple Assignees.



1. Assignor[s]: \_\_\_\_\_  
 \_\_\_\_\_

2. Assignee[s]: \_\_\_\_\_  
 \_\_\_\_\_

3. Company: PacifiCorp

4. Bank: The Bank of Nova Scotia, as the Bank under the Reimbursement Agreement

5. Reimbursement Agreement: The Letter of Credit and Reimbursement Agreement, dated as of March 26, 2013, between PacifiCorp and The Bank of Nova Scotia, as Bank

6. Assigned Interest[s]:

Assignor[s] <sup>5</sup>	Assignee[s] <sup>6</sup>	Aggregate Amount of Commitment <sup>7</sup>	Amount of Commitment Assigned <sup>8</sup>	Percentage Assigned of Commitment <sup>8</sup>	CUSIP Number
		\$	\$	%	
		\$	\$	%	
		\$	\$	%	

[7. Trade Date: \_\_\_\_\_]<sup>9</sup>

[Page break]

<sup>5</sup> List each Assignor, as appropriate.

<sup>6</sup> List each Assignee, as appropriate.

<sup>7</sup> Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.

<sup>8</sup> Set forth, to at least 9 decimals, as a percentage of the aggregate amount of the Commitment thereunder.

<sup>9</sup> To be completed if the Assignor(s) and the Assignee(s) intend that the minimum assignment amount is to be determined as of the Trade Date.

Effective Date: \_\_\_\_\_, 20\_\_ [TO BE INSERTED BY THE BANK AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR[S]<sup>10</sup>  
[NAME OF ASSIGNOR]

By: \_\_\_\_\_  
Title:

[NAME OF ASSIGNOR]

By: \_\_\_\_\_  
Title:

ASSIGNEE[S]<sup>11</sup>  
[NAME OF ASSIGNEE]

By: \_\_\_\_\_  
Title:

[NAME OF ASSIGNEE]

By: \_\_\_\_\_  
Title:

Accepted:

THE BANK OF NOVA SCOTIA, as  
Bank

By: \_\_\_\_\_  
Title:

<sup>10</sup> Add additional signature blocks as needed. Include both Fund/Pension Plan and manager making the trade (if applicable).

<sup>11</sup> Add additional signature blocks as needed. Include both Fund/Pension Plan and manager making the trade (if applicable).

[Consented to:]<sup>12</sup>

[PACIFICORP]

By: \_\_\_\_\_  
Title:

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<sup>12</sup> To be added only if the consent of the Company is required by the terms of the Reimbursement Agreement.  
Exhibit C  
Page 4 of 6

## ANNEX 1

Letter of Credit and Reimbursement Agreement, dated as of March 26, 2013, between PacifiCorp and The Bank of Nova Scotia, as Bank.

STANDARD TERMS AND CONDITIONS FOR  
ASSIGNMENT AND ASSUMPTION

1. ***Representations and Warranties.***

1.1 ***Assignor[s].*** [The][Each] Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of [the][the relevant] Assigned Interest, (ii) [the][such] Assigned Interest is free and clear of any lien, encumbrance or other adverse claim, and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Reimbursement Agreement, any other Credit Document or any Related Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Reimbursement Agreement, any other Credit Document, any Related Document or any other instrument or document furnished pursuant thereto or any collateral thereunder, (iii) the financial condition of the Company, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Credit Document or any Related Document, or (iv) the performance or observance by the Company, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Credit Document, any Related Document or any other instrument or document furnished pursuant thereto.

1.2 ***Assignee[s].*** [The][Each] Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Bank under the Reimbursement Agreement, (ii) it meets all the requirements to be an assignee under Section 7.09(a) and (b) of the Reimbursement Agreement (subject to such consents, if any, as may be required under Section 7.09(a) of the Reimbursement Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Reimbursement Agreement as a Bank thereunder and, to the extent of [the][the relevant] Assigned Interest, shall have the obligations of a Bank thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Reimbursement Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 5.01(h) thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, (vi) it has, independently and without reliance upon the Bank and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, and (vii) attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Reimbursement Agreement, duly completed and executed by

[the][such] Assignee; and (b) agrees that (i) it will, independently and without reliance on the Bank or [the][any] Assignor, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Credit Documents are required to be performed by it as an Assignee of the Bank.

2. **Payments.** From and after the Effective Date, the Bank shall make all payments in respect of [the][each] Assigned Interest (including payments of principal, interest, fees and other amounts) to [the][the relevant] Assignor for amounts which have accrued to but excluding the Effective Date and to [the][the relevant] Assignee for amounts which have accrued from and after the Effective Date. Notwithstanding the foregoing, the Bank shall make all payments of interest, fees or other amounts paid or payable in kind from and after the Effective Date to [the][the relevant] Assignee.

3. **General Provisions.** This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the laws of the State of New York.

Exhibit E

**Form of Reliance Letter of Chapman and Cutler LLP, Bond Counsel**

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

March 26, 2013

The Bank of Nova Scotia  
New York Agency  
One Liberty Plaza  
New York, New York 10006

Ladies and Gentlemen:

We have on this date delivered our opinion with respect to the \$22,485,000 aggregate principal amount of Converse County, Wyoming Pollution Control Revenue Refunding Bonds (PacifiCorp Project), Series 1992, a copy of which is delivered herewith. In accordance with Section 3.01(b) of that certain Letter of Credit and Reimbursement Agreement, dated as of March 26, 2013, by and among PacifiCorp and The Bank of Nova Scotia, you may rely upon said opinion with the same effect as though addressed to you.

Very truly yours,

RDBjerke/mo

Schedule I

**List of Material Subsidiaries**

None.

