

MORTGAGE RECORD U
SKAMANIA COUNTY, WASHINGTON

such lands, easements and rights as may be required for locks, navigation facilities or other purposes by any law, franchise or permit pursuant to which the Company may be authorized to occupy or interfere with navigable water; and

(e) to alter, repair and remove its buildings and structures, change the position of any of its plants, poles, pipes, mains, wires, conduits or other property and replace and renew any of its equipment, machinery or other property; provided, however, that no property shall be replaced, renewed or moved or its position changed if after such replacement, renewal, move or change of position such property would be subject to any lien prior to the lien of this Indenture to which it was not subject prior to such replacement, renewal, move or change of position, unless such property be released from the lien of this Indenture in the manner hereinafter provided.

(II) Unless an event of default, as defined in Section 65 hereof, shall have happened and be continuing, the Company may at any time and from time to time, without any release by the Trustees:

(a) sell or otherwise dispose of, free from the lien of this Indenture, any machinery, equipment, fixtures, or other chattels, upon replacing the same with, or substituting for the same, new machinery, equipment, fixtures, or other property which could be made the basis of an issue of bonds hereunder of value at least equal to the value of that so disposed of;

(b) surrender or assent to the modification of any franchise, license, authority or permit which it may hold, or under which it may be operating; provided that (i) in the event of any such modification, the franchise, license, authority or permit, as modified, shall, in the opinion of counsel, authorize the continuance of the same or any extended business in the same or any extended territory during the same or an extended or unlimited or indeterminate or indefinite period of time, or (ii) in the event of any such surrender, the Company shall receive in exchange a new franchise, license, authority or permit which, in the opinion of counsel, shall authorize the Company to do the same or any extended business in the same or an extended territory during the same or any extended or unlimited or indeterminate or indefinite period of time or (iii) after any such surrender or modification, the Company shall still, under some other franchise, license, authority or permit, have the right, in the opinion of counsel, to conduct the same or an extended business in the same or an extended territory during the same or an extended or unlimited or indeterminate or indefinite period of time; and

(c) surrender or assent to or procure a modification of any franchise, license, authority or permit which it may now or hereafter hold, or under which it may now or hereafter operate any of its properties, if, in the opinion of the Board of Directors of the Company, it is no longer necessary or desirable in the profitable conduct of the business of the Company to operate such properties or to comply with the terms and provisions of such franchise, license, authority or permit and the value and efficiency generally of all of its properties as an entirety will not thereby be impaired.

For the purposes of Paragraph (b) of this Subdivision (II) and of any opinion to be rendered under it, any right of any municipality or other governmental body to terminate a franchise, license, authority or permit by purchase thereof or of the property operated thereunder, shall not be deemed to abridge or affect its duration.

The words "opinion of counsel" as used in this Section 53 mean and shall be construed to mean the written opinion of counsel filed with the corporate Trustee.

SECTION 54 (I) The Company shall have the right, at any time and from time to time, so long as it is not in default hereunder to the knowledge of the Trustees, to sell or