

MORTGAGE RECORD U

SKAMANIA COUNTY, WASHINGTON

exchange any part of the mortgage property which shall no longer be useful, necessary, profitable or advantageous in the judicious management and maintenance of the trust estate or in the conduct of the business of the Company. The consideration for the property so sold or exchanged under this Subdivision (I) may be (a) cash and/or (b) obligations secured by a purchase money mortgage or deed of trust on such property and/or (c) any additional property which could be made the basis for the authentication and delivery of Bonds under Article Four of this Indenture; except that, in lieu of the limitations prescribed by Clause (6) of Paragraph A of Section 18 hereof, the limitations with respect to prior liens, charges or encumbrances on such property shall be those required by Clause (4) of Paragraph D of this Subdivision (I). The Trustees shall, from time to time, release property so sold or exchanged from the operation and lien of this Indenture, but only upon receipt by the corporate Trustee of:

A. A RESOLUTION OF THE BOARD, requesting such release and describing the property so to be released.

B. A CERTIFICATE OF THE COMPANY, signed also (except as to Clause (5) of this Paragraph B) by an engineer selected by the Board of Directors of the Company and acceptable to the corporate Trustee, who may be in the employ of the Company, setting forth in substance as follows:

(1) that the Company has sold or exchanged or has contracted to sell or exchange the property so to be released for a consideration described in said certificate, and that such sale or exchange is desirable in the conduct of the business of the Company and that the property to be released is no longer useful, necessary, profitable or advantageous in the judicious management and maintenance of the trust estate or in the conduct of the business of the Company;

(2) that the consideration described in said certificate has a value to the Company at least equal to that of the property to be released, and setting forth the value of the property to be released;

(3) whether any part of such consideration consists of additional property, and, if so, a brief description of such additional property and the principal subdivisions of plant or capital account (or an account analogous to plant or capital account) to which the cost of such property has been charged shall be included in the certificate, and the certificate shall state that the same constitutes additional property as said term is defined in Section 18 hereof (except for the provision of Clause (6) of Paragraph A of said Section 18), and that no part of said property is property whose acquisition under the provisions of said Section 18 (except as aforesaid), is not permitted to be made the basis for the authentication and delivery of bonds under Article Four hereof;

(4) whether such consideration includes any additional tract or parcel of real estate, and, if so, a separate description of such tract or parcel shall be included in the certificate; and

(5) that the Company is not, to the knowledge of the signers, in default in the performance of any of the covenants on its part to be performed under the provisions of this Indenture.

C. ANY AND ALL MONEYS AND/OR OBLIGATIONS stated in said certificate to be the consideration for the property so to be released, unless some other disposition, in the opinion of counsel referred to in the following Paragraph D, shall be required by some lien prior to the lien of this Indenture; and/or, in case the consideration for the property to be released, or any part thereof, consists of additional property, the MORTGAGES, DEEDS, CONVEYANCES, ASSIGNMENTS, TRANSFERS AND INSTRUMENTS OF FURTHER ASSURANCE, if any,