

MORTGAGE RECORD U

SKAMANIA COUNTY, WASHINGTON

prices thereof and accrued interest.

Section 4. Should any part of the trust estate be taken by the exercise of the power of eminent domain or should any municipality or other governmental subdivision at any time exercise any right which it may have or may hereafter acquire to purchase any part of the trust estate, the Trustees shall accept any award therefor or the proceeds of such purchase, if approved by the Company, as representing its full value, and, at the request of the Company evidenced by a resolution of its board of directors, shall execute and deliver a release of property so taken or purchased and shall be fully protected in so doing upon being furnished with an opinion of counsel, satisfactory to the Trustees, who may be of counsel for the Company, to the effect that such property has been taken by the exercise of the power of eminent domain or purchased by a municipality or other governmental subdivision in the exercise of a right which it had to purchase the same. In any such proceedings the Trustees may be represented by counsel, who may or may not be of counsel for the Company. The proceeds of all property so taken or purchased shall be paid over to the Corporate Trustee hereunder to be held and applied as a part of the trust estate, in the same manner provided in Section 3 of Article VI hereof.

Section 5. In case the trust estate shall be in the possession of a receiver or trustee, lawfully appointed, the powers hereinbefore conferred upon the Company with respect to the sale or other disposition of the mortgaged and pledged property or the withdrawal of cash may be exercised, by said receiver or trustee, if the Trustees in their discretion shall deem the same to be for the best interests of the bondholders, but the Trustees shall not be required to make any such release; and if the Trustees shall be in possession of the mortgaged and pledged property under any provision of this indenture, then such powers may be exercised by the Trustees in their discretion.

Section 6. Notwithstanding any other provisions of this Article VI, no sale or other disposition of all or substantially all of the properties used and useful in the conduct of the Company's business shall be made except for cash in an amount sufficient to redeem all bonds then outstanding hereunder at the redemption price thereof, or if with respect to certain series there be no redemption price, at the principal amount thereof, plus interest thereon to date of fixed maturity, and all such cash shall be deposited with the Corporate Trustee hereunder for the redemption, payment and cancellation of all bonds outstanding hereunder; provided, however, that as is provided in Article X hereof, no reorganization of the Company, and no consolidation or merger of the Company with or into any other corporation, and no consolidation or merger of any other corporation with or into the Company, where such reorganization, consolidation or merger is, or is to be, effected subject to the lien hereof, shall be considered a sale of all or substantially all of the property of the Company used and useful in the conduct of its business within the meaning of this Section 6.

ARTICLE VII RIGHTS AND REMEDIES UPON DEFAULT

Section 1. In case any one or more of the following events shall occur and shall continue for the period, if any, provided therefor (herein called defaults):

(1) Default in the due and punctual payment of the principal of any of the bonds issued hereunder, when and as the same shall become due and payable by their terms or by declaration or otherwise; or

(2) Default in the due and punctual payment of any installment of interest on any of the bonds issued hereunder, when and as the same shall become due and payable, as therein and herein expressed, and such default shall continue for a period of thirty (30)