

## MORTGAGE RECORD—W

SKAMANIA COUNTY, WASHINGTON

YAKIMA BINDERY &amp; PTO. CO., 197907

## ARTICLE ELEVEN.

## POSSESSION, USE AND RELEASE OF MORTGAGED PROPERTY.

SECTION 11.01. Unless an event of default shall have occurred and shall not have been remedied, the Company shall be suffered and permitted to remain in full possession, enjoyment and control of all the properties, rights, privileges and franchises hereby mortgaged and shall be permitted to manage and operate the same, and, subject always to the provisions hereof, to receive, receipt for, take, use, enjoy and dispose of all rents, tolls, incomes, revenues, issues and profits thereof.

SECTION 11.02. While in possession of the mortgaged property and not in default hereunder, the Company shall have the right at all times, as proper management of the business of the Company may require, to alter, change, add to, repair, remove and make any change in the location of, any exchanges, plants, poles, pole-lines, wires, cross-arms, conduits, cables, office and sub-station equipment and apparatus, warehouses or other like articles or structures upon any part of the mortgaged property, provided that the Company shall at all times maintain and preserve the value of the mortgaged property from impairment or reduction by replacing any portion thereof that shall be removed with other property of at least equal value and utility, either before or promptly after such removal, so that the security of the bonds issued hereunder shall not thereby be in any way impaired or reduced.

SECTION 11.03. While in possession of the mortgaged property and not in default, the Company may dispose of any of its equipment, machinery, apparatus, appliances, tools and implements, materials or other movable property, free from the lien of this Indenture, which may have become worn out, disused or undesirable for use, provided that upon so doing the Company shall substitute therefor other property suitable to its business and of equal or greater value, and shall subject such substituted property to the lien hereof.

SECTION 11.04. While in possession of the mortgaged property and not in default, the Company, except as hereinafter provided in (iv) of (b) of this Section may sell or exchange but not otherwise dispose of any of its property (in addition to the property referred to in Section 11.03 of this Article and in addition to any property released pursuant to Section 8.14 hereof) and the Trustees shall release the same from the lien hereof upon receipt by the Trustee of:

(a) A resolution authorizing such sale or exchange and requesting such release;

(b) A certificate signed and sworn to by the President or a Vice-President of the Company and by an engineer who, if the original cost of the properties for the release of which request is made exceeds \$25,000, shall be an independent engineer

(i) describing the property for the release of which request is made, and stating that in the opinion of the signers such release will be of benefit to the Company and will not be prejudicial to the security of the bonds issued hereunder;

(ii) stating that the Company has sold or exchanged, or contracted to sell or exchange, the property for the release of which request is made for a consideration representing in the opinion of the signers its full value to the Company;

(iii) stating the amount and nature of such consideration and that it consists, or will consist, solely of one or more of the following: cash, property additions, and properties which upon such exchange will constitute property additions;

(iv) stating either that the property for the release of which request is made does not constitute or include all or substantially all of the fixed property of the Company subject to the lien hereof as a first mortgage lien thereon or, if it does constitute or include all or substantially all of such fixed property, stating that from the cash consideration received or to be received therefrom, as increased by any other moneys in the hands of the Trustee available for the redemption of bonds outstanding hereunder, there will be moneys sufficient in amount to pay all of the expenses and charges due the Trustee and to redeem all bonds outstanding hereunder;