vided that if and to the extent that such certificate of the Company fails to state that such moneys do not represent any such deposit, proceeds, or substitutes therefor, the same shall be retained by the Trustee and held as part of the trust estate, and may be withdrawn, used or applied, in the manner for the purposes, and subject to the conditions provided in Section 8.09.

Section 7.03. Unless a default as defined in Section 9.01 shall have occurred and shall be continuing, the Trustee, upon the written request of the Company, shall cause any prior lien bonds held by it to be cancelled, and the obligation thereby evidenced to be satisfied and discharged, *provided, however,* that it shall have received notice from the trustee or other holder of the lien securing the same that such trustee or other holder, on receipt of the prior lien bonds so held by the Trustee, will cause the lien securing the same to be satisfied and discharged of record, and *provided further,* that the Trustee shall not be required to cause any bonds so held by it to be cancelled or to be surrendered for cancellation pursuant to the provisions of this Section, unless and until the Trustee shall have received an opinion of counsel to the effect that there is no outstanding lien (other than permitted encumbrances) covering any part of the property upon which such lien exists junior to or on a parity with such lien and senior to the lien of this Indenture; and upon similar request, the Trustee shall sell or surrender any prior lien bonds held by it subject to this Article to the trustee or other holder of the prior lien securing the same for cancellation, or to be held uncancelled for the purposes of any sinking fund or other similar device for the retirement of bonds for which provision may have been made on the prior lien securing the prior lien bonds so sold or surrendered, *provided, however,* that no such prior lien bonds shall be sold or surrendered except for cancellation as aforesaid, until the Trustee shall have received an opinion of counsel to the effect (a) that the provisions of the prior lien securing the prior lien bonds so to be sold or surrendered are such

that no transfer of ownership or possession of such prior lien bonds by the trustee or other holder of such prior lien is permissible thereunder except upon default thereunder or except to the Trustee hereunder, to be held subject to the provisions of this Article, or to the trustee or other holder of a prior lien upon the same property, for cancellation or to be held uncancelled under the terms of such prior lien under like conditions, or (b) that all of the property subject to the prior lien with respect to which such prior lien bonds have been deposited with the Trustee has been released from the lien of this Indenture, which shall be stated in any event if such be the fact; and *provided further,* that if all of the property subject to the prior lien securing prior lien bonds deposited with the Trustee shall be released from the lien of this Indenture, such prior lien bonds shall be cancelled or surrendered to the trustee or other holder of such prior lien for cancellation or delivered to the Company upon the written request of the Company.

Section 7.04. Unless a default as defined in Section 9.01 shall have occurred and shall be continuing, the Trustee may exercise, but only with the written consent of the Company, and upon the occurrence and continuance of any such default, the Trustee may exercise in its absolute discretion without the written consent of the Company, any and all rights of a bondholder with respect to the prior lien bonds then held by the Trustee or may take any other action which shall in its judgment be desirable or necessary to avail of the security created for such prior lien bonds by the prior liens securing the same. The Trustee shall be reimbursed from the mortgaged property for all expenses by it properly incurred by reason of any such action taken, without negligence or bad faith, with interest upon all such expenditures at the rate of 4% per annum; and the amount of such expenses and interest shall, until repaid, constitute a lien upon the mortgaged property prior to the lien of the bonds and coupons issued hereunder.