

deposited with the Trustee under the provisions of this Section 1 shall be held by the Trustee as part of the mortgaged property and shall be paid out from time to time upon checks or drafts drawn by the Company either for the purpose of paying the actual and reasonable cash cost of replacing part or all of the property released, or to reimburse the Company for actual and reasonable expenditures for extensions of and additions to its properties and equipment. All such checks and drafts of the Company for the payment of such cash shall be signed by the Company, by its President or a Vice President, and by its Treasurer or an Assistant Treasurer, and prior to the presentation thereof to the Trustee, the Company shall deliver to the Trustee sworn statements of its President or a Vice President and of its Treasurer or an Assistant Treasurer, showing that such checks or drafts are drawn for one or more of the purposes for which cash may be paid out under the provisions of this Section 1, and the Trustee shall be fully protected in paying any and all checks or drafts mentioned in such sworn statements. The Trustee, however, shall have the right but shall not be obliged to require the Company to furnish such further evidence in the premises as the Trustee may deem necessary in order to establish the right of the Company to the payment of any such checks or drafts.

(3) In the case of property exchanged, the property acquired by the Company in exchange therefor shall forthwith be and become subject to the lien of this Indenture, and upon request of the Trustee the Company shall transfer the same to the Trustee in such manner as the Trustee may specify or require.

(4) Every request of the Company for the release of mortgaged property under the provisions of this Section 1 shall be accompanied by a certified copy of the resolution of the Board of Directors of the Company and sworn statements of the President or a Vice President and the Secretary or an Assistant Secretary, showing the terms of the sale or exchange of the property to be released, and also showing that in the opinion of said Board of Directors and the said officers (a) the substantial integrity and efficiency of the plants and systems of the Company will not be impaired by such release or that the property or premises to be released are no longer necessary or advantageous in the business of the Company; (b) the proceeds realized or to be realized from the sale of the property so to be released represent the full value thereof, or that the value of the property received in exchange therefore is at least equal to that of the property to be released; (c) said sale or exchange is advisable from the standpoint of the Company, the Trustee and the holders of the bonds hereby secured.

(5) In case the amount or value of the consideration to the Company, as specified in the resolution provided for in the preceding subparagraph (4), shall be Twenty-five Thousand Dollars (\$25,000) or more, the request of the Company for the release of mortgaged property under the provisions of this Section 1 shall be accompanied by a certificate signed by an engineer or other expert acceptable to the Trustee, who may be in the employ of the Company, stating the fair and reasonable value of the property or premises to be released and briefly describing the same, and if the consideration to the Company consists of property in whole or in part, the fair and reasonable value of such property.

(5) The Trustee may in its discretion and at the expense of the Company, require additional evidence in respect to any of the statements or matters in any of the foregoing subparagraphs of this section 1, or in any resolution or certificate which may be delivered to it pursuant to the provisions of any such subparagraph.

The Trustee, however, shall be fully protected in acting upon any request, certificate, copy of resolution or sworn statement hereinabove referred to.

Section 2. In case any part or parts of the mortgaged property or any interest therein shall be taken under any condemnation or eminent domain proceedings, the net proceeds realized by the Company therefrom shall be treated in the same manner as though realized from a voluntary sale of the property under the provisions hereof.

Section 3. In favor of every purchaser from the Company and of every person claiming any interest therein by, through or under the Company, every release of property from the lien of this Indenture by the Trustee under the provisions of this Article Five shall be valid, and no such purchaser or person need inquire as to the power or authority of the Trustee to give any such release or see to the application of the purchase money.

Section 4. In case the mortgaged premises shall be in the possession of a receiver lawfully appointed, the powers in and by this Article Five conferred upon the Company may be exercised by such receiver, with the approval of the Trustee, and if the Trustee shall be in possession of the mortgaged premises under any provision of this Indenture, then, all the powers by this Article Five conferred upon the Company may be exercised by the Trustee in its discretion.

Section 5. At any time when there is no default hereunder, the Company, anything in this Indenture to the contrary notwithstanding, may free from lien and without the consent of the trustee, sell or dispose of such portion or portions of its machinery, apparatus and equipment as may have become worn or damaged or otherwise unsuitable for its purposes.

Section 6. In addition to the general right of release reserved to the Company in this Article, it expressly reserves the right at any time, while it is not in default hereunder, to have releases executed by the Trustee for the following purposes:

(1) To enable the Company to surrender any lease (a) which shall have become unprofitable or (b) the terms and conditions of which shall in the judgment of the President, a Vice President or the General Manager of the Company have rendered it unwise for the Company to retain said lease, or (c) in which the title of the lessor to the lands included therein, or any part thereof, shall, in the opinion of counsel for the Company, be invalid or so questionable as to render it unwise to operate under said lease;

A certificate signed by the President or a Vice President or General Manager of the Company to the effect that the Company has released, surrendered or abandoned or is about to release, surrender or abandon said leases and that such release, surrender or abandonment will not substantially impair the security of this Indenture, shall be accepted by the Trustee as sufficient to authorize it to execute a release in accordance with the provisions of subparagraph (1) of this Section.