

DOUGLAS COUNTY

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 provisions 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 MONIES 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, specified in Clause (3) of the opinion of counsel referred to in the following Paragraph D. The money and/or obligations so received by the corporate Trustee shall be held and paid over or applied by the corporate Trustee as provided in Articles Eleven and Nineteen hereof.

D. AN OPINION OR OPINIONS OF COUNSEL:

- (1) stating that the instruments which have been or are therewith delivered to the corporate Trustee conform to the requirements of this Indenture and constitute sufficient authority under this Indenture for the Trustee to execute and deliver the release requested, and that, upon the basis of the consideration described in the certificate delivered to the corporate Trustee pursuant to Paragraph B of this Subdivision (I), the property so sold or exchanged may be released from the operation and lien of this Indenture pursuant to the provisions of this Subdivision (I);
 - (2) stating that any obligations included in the consideration for the property so to be released are valid obligations and are duly secured by a valid purchase money mortgage constituting a direct lien upon the property to be released, free and clear of all prior liens, except taxes or assessments not delinquent and any prior liens subject to which such property shall have been sold;
 - (3) in case the consideration for the property to be released, or any part thereof, consists of additional property, specifying the mortgages, deeds, conveyances, assignments, transfers and instruments of further assurance which will be sufficient to subject to the direct lien of this Indenture, the additional property described in said certificate, or stating that said additional property is then subject to the direct lien of this Indenture, and that no such mortgage, deed, conveyance, assignment, transfer or instrument of further assurance is necessary for such purpose;
 - (4) in case the consideration for the property to be released, or any part thereof, consists of additional property, stating that the Company has acquired a valid legal title to such additional property, and that the same and every part thereof is free and clear of all liens, charges or encumbrances prior to the lien of this Indenture, except taxes or assessments not delinquent and any prior liens, charges or encumbrances to which the property to be released may at the time be subject, and except also, undetermined liens and charges, if any, incidental to construction, and easements and similar encumbrances which, in the opinion of such counsel, do not impair the use of such property by the Company; and
 - (5) stating that the Company has lawful power to acquire, own and use said additional property in its business.
- (11) The Company shall have the right, so long as it is not in default hereunder to the knowledge of the Trustees, in any calendar year to sell or exchange any part of the mortgaged property (in addition to the property referred to in Subdivision (I) of this Section 54), 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, of an aggregate value not exceeding Five Thousand Dollars (\$5,000), and the Trustees shall release the 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 (3) of this Paragraph B) by an engineer (which may be an individual engineer or a partnership or a corporation engaged in an engineering business and which may be in the employ of, or under retainer from, the Company) selected by the Board of Directors of the Company and acceptable to the corporate Trustee, 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 representing, in the opinion of the signers, a value to the Company at least equal to that of the property to be released, 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 value to the Company of the property to be released, together with the value to the Company of all property theretofore released by the Trustees pursuant to the provisions of this Subdivision (II) during the calendar year in which the request for the release is made, does not exceed Five Thousand Dollars (\$5,000); and
- (3) 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.

The Company covenants that coincident with each release under the provisions of this Subdivision (II) it will set aside on its books additional property as said term is defined in Section 18 hereof (except for the provisions of Clause (6) of Paragraph A of said Section 18) no part of which 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 (to which additional property the Company has acquired a valid legal title, subject to the direct lien of this Indenture and free and clear of all liens, charges or encumbrances prior to the lien of this Indenture, except taxes or assessments not delinquent and any prior liens, charges or encumbrances to which the property so released may at the time have been subject, and except also, undetermined liens and charges, if any, incidental to construction, and easements and similar encumbrances which do not impair the use of such property by the Company), of a cost or fair value, whichever is less, at least equal to the value to the Company of the property so released; and that such additional property so set aside on its books shall not thereafter be made the basis for the authentication and delivery of Bonds or for the