

## MORTGAGE RECORD 85

time subject to the lien of this Indenture as a first mortgage lien thereon is to be released, shall consist solely of cash, but in any other case may consist, in whole or in part, of one or more of the following:

(i) Cash;  
(ii) Obligations secured by purchase money first mortgage upon the property so to be released not exceeding in principal amount sixty per cent. (60%) of the Fair Value, as stated in the certificate, of such property; and

(iii) Any other property;

provided that if the property to be released is of a character which would be included in the definition of Capital Additions contained in Section 11 of Article XVI of this Indenture (without the restriction as to date of acquisition, construction or erection), then such property to be received in exchange therefor shall be Capital Additions; and provided further that in no case shall the consideration for property released consist of obligations secured by purchase money mortgage on such property if the aggregate principal amount of such obligations, together with unpaid balances of all other obligations secured by purchase money mortgage received in connection with previous releases of property and remaining in the possession of the Trustee, is equal to or exceeds ten per cent. (10%) of the aggregate principal amount of all bonds issued under this Indenture at the time outstanding, as stated in the certificate;

(d) Stating the Fair Value, determined as of the date of the certificate, of the property, if any, (other than obligations secured by purchase money mortgage on the property released) constituting any part of the consideration received or to be received for the property or securities, the release of which is requested, and whether any of such property consists of property which prior to the date of acquisition thereof by the Corporation was used or operated by any person or persons other than the Corporation and, if any such property is stated to have been so used or operated:

(i) Briefly describing such property; and

(ii) Stating the Fair Value of such property, determined as of the date of the certificate;

(3) In case the aggregate Fair Value of property and securities as stated in the Engineer's Certificate pursuant to the requirements of clause (iii) of sub-paragraph (b) of Paragraph 2 of this Section is equal to or exceeds ten per cent. (10%) of the aggregate principal amount of all bonds issued under this Indenture at the time outstanding, as stated in the Engineer's Certificate, - then an Independent Engineer's Certificate stating the Fair Value of the property and securities the release of which is requested, determined as of a date not more than ninety (90) days prior to the delivery to the Trustee of the application for such release; provided that such Independent Engineer's Certificate shall not be required if the Fair Value of the property and securities, the release of which is requested, as stated in the Engineer's Certificate pursuant to the requirements of clause (i) of sub-paragraph (b) of Paragraph 2 of this Section, is less than the greater of (i) \$25,000.00 or (ii) one per cent. (1%) of such aggregate principal amount of bonds.

(4) In case the Fair Value of any property constituting any part of the consideration received or to be received for property released which prior to its acquisition was used or operated by a person or persons other than the Corporation, as stated in the Engineer's Certificate pursuant to the requirements of clause (ii) of sub-paragraph (d) of Paragraph (2) of this Section, is equal to or exceeds the greater of (i) \$25,000.00 or (ii) one per cent. (1%) of the aggregate principal amount of bonds issued under this Indenture at the time outstanding, as stated in the Engineer's Certificate, - then an Independent Engineer's Certificate stating the Fair Value of such property, determined as of a date not more than ninety (90) days prior to the delivery to the Trustee of the application for such release;

(5) A certificate dated not more than ninety (90) days prior to the delivery to the Trustee of the application for such release, executed in the name of the Corporation by the President or a Vice-President of the Corporation, stating whether, and if so in what respect and to what extent the Corporation is to the knowledge of the signer in default in the observance or performance of any provisions hereof or of the bonds;

(6) Any money or obligations or other personal property capable of manual delivery not otherwise subjected to the lien of this Indenture stated in the Engineer's Certificate provided for in Paragraph (2) of this Section 3 to be the consideration for the property, the release of which is requested; provided that in case such money or obligations or other personal property are received in consideration of released property, which property has been purchased, constructed, or otherwise acquired by the Corporation subsequent to March 31, 1941, and does not consist of Capital Additions and which property is released from the lien of any mortgage or trust indenture prior to the lien hereof, then such money, obligations or other personal property may be delivered to or deposited with the trustee of such prior mortgage or trust indenture, and in that event there shall be delivered to the Trustee the certificate of the trustee or other holder of such prior mortgage or trust indenture to the effect that it has received such money, obligations or other personal property, or a part thereof, as the case may be, and has been irrevocably authorized by the Corporation to pay over to the Trustee any balance of such money, obligations or other personal property remaining after the discharge of such prior mortgage or trust indenture; and provided further that, prior to the satisfaction or release of such prior mortgage or trust indenture, such money, obligations or other personal property shall be withdrawn from the possession of control of such trustee or other holder only for purposes, and upon compliance with conditions, substantially similar to the purposes for which, and the conditions upon compliance with which, proceeds of released property may be withdrawn from the Trustee hereunder, unless, in the exercise of its discretion, the Trustee shall consent to the withdrawal of such money, obligations or other personal property for other and different purposes and/or compliance with other and different conditions;

(7) An Opinion of Counsel to the effect that any obligations included in the consideration for the property, the release of which is requested, are, in his or their opinion, valid obligations, and that any purchase money mortgage securing such obligations is a first lien upon the property to be released subject only to Permitted Liens, and that such purchase money mortgage does not by its terms provide for or permit to be issued thereunder or secured thereby any obligations other than the obligations included in the consideration for such release, and stating also, in case the Trustee is requested to release any franchise, that such release will not impair the right of the Corporation to operate any of its remaining properties;

(8) In case the property, the release of which is requested, is of a character which would be included in the definition of Capital Additions, contained in Section 11 of Article XVI of this Indenture (without, however, the restriction as to date of acquisition, construction or erection) and the consideration for such property to be released consists of Capital Additions, the Engineer's Certificate required by Paragraph (2) of this Section shall also:

(a) Describe such Capital Additions in such manner and detail so as to show conformity thereof with the definition of Capital Additions set forth in Section 11 of Article XVI of this Indenture; and

(b) State that the signers either personally or through one or more competent assistants have examined the Capital Additions so described, that such Capital Additions are, or, upon the vesting of title thereto in the Corporation, will be, Capital Additions as defined in Section 11 of Article XVI hereof, and that they are desirable for use and are in use or are intended for use in the conduct of the business of the Corporation as a telephone company; and there shall also be delivered to the Trustee documents conforming to the requirements of Paragraphs 5 and 6 of subdivision (B) of Section 4 of Article II of this Indenture, with such variations or omissions from or insertions in the Opinion of Counsel required by Paragraph 5 of such subdivision (B) as may be appropriate in the light of the purpose for which it is used.

In the event that the Fair Value of the property including obligations secured by purchase money mortgage, the release of which is requested, shall exceed the amount of cash plus the Fair Value of other property including obligations secured by purchase money mortgage, received as consideration therefor as shown by the certificates provided for above in this Section, the difference shall be deposited with the Trustee in cash and held or disposed of by the Trustee in the same manner as other moneys or cash received by the Trustee in connection with the release of property under the provisions of this Section 3 of this Article VII.