

MORTGAGE RECORD 88

owner or owners thereof shall look for the payment of such Bond or Bonds plus accrued interest only to the sum so credited thereto in the hands of the Trustee, and in no event to the Company, and the Company shall, as to all such Bonds, be released from all liability in respect thereof, but said sum so deposited shall be held by the Trustee to the credit and for the payment of said Bonds including the interest thereon to the date fixed for redemption and shall be paid by the Trustee to the registered owners of such Bonds on presentation and delivery to the Trustee of said respective Bonds.

Section 2. Upon presentation to the Trustee, cancelled, of all of the Bonds issued and outstanding, or upon the presentation of a portion thereof, cancelled, all of said Bonds having been paid in full, or all of the Bonds not so paid having been designated for redemption by authority of the registered owners of the Bonds under the provisions of this Article, and the Trustee having received the necessary funds and having credited to all such Bonds as shall not have been presented for payment, or presented for redemption, the amount necessary to pay same or the redemption price thereof including interest to date of payment or redemption as aforesaid, the Trustee shall have power and authority and is hereby authorized to cancel and discharge this mortgage as fully, and to the same effect in any such event, as in case of the due payment by the Company at maturity of the total issue of the Bonds, upon and after the payment or satisfaction of all compensation and expenses of the Trustee and all charges or liens created or arising by virtue of this Indenture in addition to the principal of all Bonds and interest thereon to date of payment or redemption respectively, the estate, right, title and interest hereby created shall cease and determine, and the Trustee, upon the request of the Company and at its expense, shall execute and deliver to the Company a proper release in satisfaction of this Mortgage.

All Bonds redeemed under this Article and/or all Bonds paid by the Company shall be cancelled by the Trustee forthwith, and delivered to the Company or in such manner as it may order.

Section 3. All costs, charges and expenses incurred by the Trustee hereunder with respect to the redemption of the Bonds and the cancellation and discharge of this Mortgage shall be paid by the Company.

ARTICLE V.

SALE, EXCHANGE AND RELEASE OF MORTGAGED PROPERTY.

Section 1. It is further covenanted and agreed by and between the parties hereto, nothing herein contained to the contrary notwithstanding, that the Company reserves and shall have the right at any time to sell, exchange, convey, or otherwise dispose of any part of said mortgaged property, real, personal or mixed (except such portions of its railroads, railroad bed, and rights of way, the sale and conveyance of which would break the continuity of the Company's lines of railroads), which is no longer necessary or advantageous to use in the prosecution of the business of the Company, and, with the consent and approval of the Trustee, to expend the proceeds of the property so sold in the purchase of other real estate, buildings, easements, chattels, rolling stock, or other things necessary or proper to be used in or about the properties and business of the Company. The property, when so purchased or received in exchange for any other property conveyed or transferred, shall thereupon become and be subject to the lien and operation of these presents; provided, however, in case the proceeds of any such sale shall exceed the sum of One Thousand Dollars (\$1,000.00) in any one transaction, or whenever such sales shall amount to more than Five Thousand Dollars (\$5,000.00) in any one year, then the excess of such proceeds over said One Thousand Dollars (\$1,000.00) and Five Thousand Dollars (\$5,000.00), respectively, shall be paid to or delivered directly to the Trustee, and shall be paid out by it only in the purchase of other property, as above provided, or, at the request of the Company, and with the consent of the Trustee, for such purposes as the Trustee shall approve.

Section 2. It shall be the duty of the Trustee, upon receiving the proceeds of any such sale of such property, upon written request by the Company, to execute and deliver any conveyance or other instrument necessary or proper to release the property so sold or exchanged from the lien and operation of these presents; and a certificate, signed by the President or Vice President, and verified by the affidavit of the Chief Engineer of the Company, setting forth that the property to be sold or exchanged is no longer necessary or cannot be advantageously used in carrying on the business of the Company, shall be full and absolute authority to the Trustee to consent to the sale or exchange of such property, and to execute and deliver such conveyance or other instrument as is necessary to release said property from the lien and operation of these presents.

Section 3. If the Company shall deem it advantageous to sell, exchange, or otherwise dispose of any of its property, the Company may procure a release of the same from the lien or operation of this Indenture, upon written application to the Trustee, and upon delivering to said Trustee in substitution therefor, by proper instruments of conveyance, other property approved by or acceptable to said Trustee, which shall be at least equal in value to the property to be released, taking into account the value of such property as connected with and a part of the whole security at that time covered by this Indenture. The value of any property sought to be released, and of any property or consideration tendered in substitution therefor, shall be determined by the Trustee. The certificate of the President or Vice President of the Company, together with a certificate of appraisal, satisfactory to and approved by the Trustee, may be accepted by the Trustee as sufficient evidence of the value of the property sought to be released, or any property sought to be substituted therefor, but the Trustee shall not be precluded in any case from requiring any other and further proof of value and other facts so certified, if, in their judgment, any good reason shall exist for so doing. Any property of any kind, and any interest therein, whenever acquired by the Company in renewal, replacement, or substitution of property released from the lien of this Mortgage, shall immediately upon such acquisition, without any further conveyance or assignment, become and be subject to the lien of this Mortgage, as fully and completely as though now owned by the Company, and expressly and specifically conveyed by this Mortgage; but the Company shall, if and whenever at any time requested by the Trustee, execute proper instruments in writing to establish specifically the lien of this Mortgage upon the property or interest therein hereafter so acquired.

Section 4. The Trustee is hereby authorized and empowered to pay over any moneys which may come into its possession under the provisions of this Article, to the Company, or on its order, from time to time, upon a request and certificate signed by the President or Vice President, and verified by the affidavit of the Chief Engineer of the Company, setting forth the purchase of other property as herein provided, the cost of the same, and that it has received good title thereto and has possession of the same; provided, however, in case the property so purchased is real property, such request and certificate shall be accompanied by a good and sufficient instrument subjecting said property to the lien and operation of these presents, accompanied by the opinion of counsel (who may also be counsel for the Company), setting forth that in the opinion of said counsel such instrument is a good and sufficient conveyance and does subject said property to the lien and operation of these presents, as a first lien thereon, current taxes, and charges in the nature thereof, excepted. All real estate acquired by exchange in accordance with the provisions of this Article, shall also be subjected to the lien of these presents by a good and sufficient instrument, which shall be accompanied by the opinion of counsel as above provided.

Section 5. Any property taken by the exercise of the right of eminent domain may be released by the Trustees upon payment to them of the entire compensation received therefor.

Section 6. Any moneys received by the Trustee at any time as a consideration for any release, and not applied at the request of the Company, to the purchase of other property duly subjected to this Mortgage, as hereinbefore provided, shall be held by said Trustee subject to this Mortgage, or at the request of the Company, and with the consent of the Trustee, may be used for such purposes as the Trustees shall approve.

Section 7. In no case shall any purchaser, in good faith, of any property purporting to be released hereunder, be bound to ascertain the authority of the Trustee to execute the release, or to inquire as to any facts required by the provisions hereof for the exercise of such authority, or be bound to see to the application of the purchase price.

ARTICLE VI.

POSSESSION OF PROPERTY AND DEFEASANCE.

Until the Company, or its successors, shall make default in the payment of some principal money by said Bonds, or any of them, according to the tenor thereof, or in the performance or observance of any condition, or interest secured