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In case default is made in the payment of interest on or principal of any of the prior lien bonds undeposited and outstanding, the coupons appertaining to any prior lien bonds not subject to this Indenture or of the same issue as the prior lien bonds upon which such default shall have been made, shall not be cancelled, and the Trustee may demand and enforce payment of all sums due, whether for interest or principal, and may exercise any and all rights of a holder with respect to prior lien bonds of such issue then held by it, and may take such other action as shall be desirable or necessary to avail of the security created for prior lien bonds of such issue by the mortgage or other instrument securing the same, and all prior lien bonds of such issue then held by it shall be enforceable ratably and equally with all other prior lien bonds of such issue not deposited with the Trustee; but all interest maturing prior to any such default upon any prior lien bonds of such issue then held by it shall be deemed to have been paid and satisfied. Subject to the provisions of this Indenture, the Trustee is expressly empowered to exercise, enforce or waive any of the rights and powers which it may possess as holder of any prior lien bonds held by it in pledge hereunder.

The Company agrees that, except as permitted by Article XIII, it will not sell, assign or transfer any coupon or right to interest delivered or assigned to it in respect of any prior lien bonds pledged hereunder, and will not, without the consent of the Trustee, collect any coupons or interest or any other claim or judgment in respect of such prior lien bonds by legal proceedings or by enforcement of any security therefor or in any other manner which the Trustee shall deem prejudicial to the trusts hereby created; and, until actually paid, released or discharged, every coupon or right to interest and all other claims in respect of any such prior lien bonds shall remain subject to the lien hereof.

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holder of the prior lien and such mortgage or prior lien shall be discharged of record, but such bonds shall be cancelled and delivered and such mortgage or prior lien shall be discharged of record only at the request of the Company evidenced by a certified resolution and upon the receipt by the Trustee of an opinion of counsel to the effect (i) that all the property then subject to such mortgage or other lien, in so far as the same is of the character covered by this Indenture, has been subject to the lien of this Indenture, and (ii) that there are no liens or encumbrances on such property junior to the lien of the mortgage or other instrument securing such prior lien bonds which are prior to the lien of this Indenture, excepting permissible encumbrances.

In the event that all property subject to a prior lien is released from the lien of this Indenture, the Trustee shall, upon receipt of an opinion of counsel to such effect, deliver to the Company all prior lien bonds secured by such prior lien which are held by the Trustee.

Section 6.04. All purchase money obligations and all bonds or other obligations issued by a municipal corporation or other governmental body or agency which shall be received by the Trustee pursuant to the provisions of paragraphs (1) and (2) of subdivision (c) of Section 7.03 hereof shall be held and collected by the Trustee. Interest received by the Trustee on such obligations (together with any premium received upon payment of the principal thereof) shall, so long as the Company is not in default hereunder to the knowledge of the Trustee and there shall not have occurred and be continuing any event of default, be paid over to the Company. All moneys received by the Trustee with respect to principal of such obligations shall be held and applied by the Trustee as a part of the trust estate. All such obligations held by the Trustee may be released pursuant to the provisions of Article VII hereof. The Trustee may exercise any and all rights of a holder of all such purchase money obligations and bonds and

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Section 6.03. So long as the Company is not in default hereunder to the knowledge of the Trustee and there shall not have occurred and be continuing any event of default, the Trustee, if so directed by an instrument in writing signed by the President or a Vice-President and the Treasurer or an Assistant Treasurer of the Company, shall surrender any of the prior lien bonds held by it in pledge hereunder to the trustee of the mortgage or other holder of the lien securing such prior lien bonds for cancellation or to be held uncancelled for the purposes of any sinking fund or analogous fund for the retirement of bonds for which provision may have been made in the instrument evidencing the mortgage or other lien securing the prior lien bonds so surrendered, subject to the provisions of Section 5.09 hereof, but prior lien bonds shall not be so surrendered, except for cancellation, unless the Trustee shall have received an opinion of counsel to the effect that the Company has made effective provision, either in the instrument evidencing the mortgage or other lien securing such prior lien bonds or otherwise, so that no transfer of ownership or possession of such bonds by the trustee or other holder of such mortgage or other lien is permissible except to the Trustee.

Whenever all outstanding prior lien bonds of a particular issue (except any lost, stolen or destroyed bonds as to which the Trustee shall have received the certificate of the trustee or other holder of the mortgage or other instrument securing such bonds to the effect that satisfactory indemnity has been given to it) shall have been deposited with the Trustee or shall be held by the Trustee under any provision of this Indenture or by the trustee or other holder of the mortgage or other lien securing the same, or provision for their payment is made which is satisfactory to the trustee of such prior lien and to the Trustee, the Trustee shall cancel or cause to be cancelled all prior lien bonds of such issue so deposited with or held by it, (if not previously cancelled) and shall deliver the same so cancelled to the trustee or other

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other obligations, and may take such action as shall be desirable or necessary to avail of the security created therefor, including, without limiting the generality of the foregoing, the extension or modification thereof at a higher or lower or the same rate of interest and the joining in any plan of voluntary or involuntary reorganization or readjustment or rearrangement of any such purchase money obligations or bonds or other obligations, and the acceptance of new obligations or securities issued in exchange therefor under any such plan and the extension or modification of any of the terms of said purchase money obligations or bonds or other obligations or of any instrument securing the same.

Section 6.05. In case the Trustee is authorized by the provisions of this Indenture to exercise all the rights of a holder of any securities pledged hereunder, the Trustee shall be deemed, to the exclusion of the Company, to be the sole holder and owner thereof, but, so long as the Company is not in default hereunder to the knowledge of the Trustee and there shall not have occurred and be continuing any event of default, any discretionary action which the Trustee may be entitled to take in connection with any security pledged hereunder shall not be taken by the Trustee without the written consent of the Company. If and so long as the Company shall be in default hereunder to the knowledge of the Trustee, or if an event of default has occurred and is continuing, the Trustee shall take any such action in its own absolute and uncontrolled discretion and may in such event consult with an engineer or engineers or other expert or experts, and the reasonable expense of such consultation shall be paid by the Company.

#### ARTICLE VII.

##### POSSESSION, USE, RELEASE AND TRANSFER OF PROPERTY.

Section 7.01. Unless an event of default shall have occurred and be continuing, the Company shall be entitled to