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possess, use and enjoy all the mortgaged property (other than such securities, obligations and moneys as are expressly required to be deposited with the Trustee), and to receive, use and dispose of, free from the lien of this Indenture, the rents, revenues, license, earnings, income, products and profits thereof, with power in the ordinary course of business, freely and without let or hindrance on the part of the Trustee or either of them or of the bondholders, (i) to use, consume and otherwise dispose of merchandise, materials and supplies, (ii) to deal with and exercise any and all rights under choses in action, contracts, franchises and claims, (iii) to alter, repair, replace, renew, dismantle, change the position of or remove any of its property (provided, however, that the position of none of the mortgaged property shall be changed if such property would thereby become subject to any prior lien to the lien of this Indenture, excepting permissible encumbrances, to which it was not subject prior to the change of the position thereof, unless such property is sold or otherwise disposed of or released as permitted by this Article VII), and (iv) subject to the provisions of Article XIII hereof, to lease (subject to the continuing lien of this Indenture on the property so leased) any part of the mortgaged property as may be desirable or advisable in the proper conduct of the business or in the operation of the properties of the Company.

Section 7.02. So long as the Company shall remain in possession of the trust estate, the Company may at any time and from time to time, in its discretion, without any release or consent by, or notice to, the Trustee, and without accountability to the Trustees for any consideration received by the Company:

- (a) Sell or otherwise dispose of free from the lien of this Indenture any of its equipment, machinery, pipe, poles, wire, appliances, tools, implements or salvaged materials which are subject to the lien hereof and which shall have become worn out, obsolete, inadequate, unserv-

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perish, have the right to conduct the same or an equivalent or an extended business in the same or an equivalent or an extended territory during the same or an extended or unlimited or indeterminate or indefinite period of time (for the purposes of this subdivision (c) and of any opinion to be rendered under it, any right of a municipality or other governmental authority to terminate a permit, license, authority or franchise shall not be deemed to abridge or affect its duration); and

- (d) Surrender or assent to or procure a modification of any franchise, license, authority or permit which it may hold or under which it may be operating, if, in the opinion of the Board of Directors, it is no longer necessary, desirable or advisable in the profitable conduct of the business of the Company to operate such properties or to comply with the terms and provisions of such franchise, license, authority or permit.

Section 7.03. 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 Company may at any time and from time to time sell, surrender or otherwise dispose of any of the mortgaged property, except prior lien bonds, and obtain the release of, and the Trustee shall release from the lien hereof, such property, but only upon receipt by the Trustee of:

- (a) A certified resolution stating that the Company has sold, surrendered or disposed of, or contracted to sell, surrender or dispose of, certain property and stating the consideration, if any, received or to be received therefor, and requesting the release thereof from lien of this Indenture;

- (b) (1) An engineer's certificate stating, in the opinion of the signer, the then fair value of the property to be released (which property shall be described in such certificate in reasonable detail) without deduction for any liens on such property and whether or not it has theretofore been bonded; whether or not any portion of such

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property is subject to any prior lien, and, if so, such prior lien shall be specified and there shall be filed an opinion of counsel to the effect that such property is subject to such prior lien; that such release is in the opinion of the signer desirable or advisable in the conduct of the business of the Company; that in the opinion of the signer such release will not impair the security under this Indenture in contravention of the provisions of this Indenture; and that the Company is not, to the knowledge of the signer, in default in the performance of any of the terms or covenants of this Indenture; and

- (2) In case the fair value of such property to be released and of all other property released from the lien of this Indenture since the commencement of the then current calendar year, as shown by certificates filed pursuant to this subdivision (b) or subdivision (c) of Section 7.04 hereof, is ten per cent (10%) or more of the aggregate principal amount of bonds outstanding at the time of the application then being made, an independent engineer's certificate stating in substance:
 - (i) the then fair value, in the opinion of the signer, of the property to be released, without deduction for any liens on such property; and
 - (ii) that such release, in the opinion of the signer, will not impair the security under this Indenture in contravention of the terms of this Indenture;
 provided, however, that no independent engineer's certificate need be delivered to the Trustee in the case of any release of property if the fair value thereof, as shown by the certificate filed pursuant to paragraph (1) of this subdivision (2), is less than twenty-five thousand dollars (\$25,000) or less than one per cent (1%) of the aggregate principal amount of bonds at the time outstanding;

- (c) Cash, which shall be received and applied by the Trustee as a part of the trust estate, in an amount equal to the consideration, if any, received or to be received from the sale, surrender or other disposition of the prop-