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sale, setting forth the fair value, in the opinion of the signer, of the property sold and that such sale was, in the opinion of the signer, desirable in the conduct of the business of the Company and did not impair the security under this Indenture in contravention of the provisions hereof; and in case such fair value of the property sold and of all other property sold under said Indentures (12) and (13) since the commencement of the then current calendar year is more than \$25,000 or more than one per centum (1%) of the aggregate principal amount of bonds at the time outstanding, such certificate shall be an independent engineer's certificate.

§ 806. In case the Company proposes to sell or has sold any property of the character excepted from the lien hereof and the purchaser thereof requests the Company to furnish a written disclaimer or quit claim by the Trustees of any interest in such property under this Indenture, the Trustees shall execute such an instrument without substitution of other property or cash upon receipt by the Principal Trustee of:

(1) a certificate of the Company reciting the sale or proposed sale, describing in reasonable detail the property sold or to be sold, stating that such property is not subject to the lien hereof, and stating that the purchaser has requested a written disclaimer or quit claim by the Trustees, and stating compliance with conditions precedent; and

(2) an opinion of counsel stating that such property is not subject to the lien hereof or required to be subjected thereto by any of the provisions hereof, and stating compliance with conditions precedent.

§ 807. The Trustees, subject to the provisions of § 802 and § 803, may in their absolute discretion (but shall not be bound to) require any release or consent under the provisions of § 802 to § 805, inclusive, notwithstanding that interest on any bonds then outstanding shall be due and unpaid or that a default as defined in § 901 exists.

§ 808. Any obligation received or to be received by the Principal Trustee pursuant to the provisions of § 802 or § 803 may be released

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upon payment by the Company to the Principal Trustee of the principal amount of such obligation or any unpaid portion thereof. The principal of and interest on any such obligation shall be received by the Principal Trustee as and when the same shall become payable. The Principal Trustee shall have and may exercise all of the rights and powers of an owner of any such obligation and, without limiting the generality of the foregoing, may take any action desirable or necessary for the collection thereof or the enforcement of the security therefor. Any discretionary action which the Principal Trustee may be entitled to take in connection with any such obligation shall be taken, unless a default as defined in § 901 shall have happened and shall be continuing, in accordance with the written request of the Company; and during the continuance of a default as defined in § 901 shall be taken in its own discretion. Unless a default as defined in § 901 shall have happened and shall be continuing, the interest received by the Principal Trustee on any such obligation shall be promptly paid over to the Company.

The new property acquired by exchange or purchase to take the place of any property released under any provision of this Article shall, forthwith and without further action become subject to the lien of this Indenture as a part of the mortgaged property; but the Company covenants that, if so requested by the Principal Trustee, it will convey, assign or transfer the same, or cause the same to be conveyed, assigned or transferred, to the Trustees by appropriate instruments and upon the trusts and for the purposes of this Indenture, and will cause such instruments to be recorded or filed in such manner as appropriate to secure and continue the lien of this Indenture on such property.

§ 809. In case, in the opinion of counsel, the provisions of any prior lien, whether or not a prepaid lien existing on any of the mortgaged property shall require the deposit with the trustee or other holder of such prior lien of the cash or obligations constituting any part of the consideration received in payment for any part of such property released from this Indenture or taken by the exercise of the power of eminent domain or the proceeds of any insurance on such

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property, the Company may deposit the same with the trustee or other holder of such prior lien to the extent that the same may be required to be so deposited, and shall furnish the Principal Trustee with a certificate or receipt of such trustee or other holder to the effect that it has received the same with irrevocable authority to pay over the same to the Principal Trustee upon the release thereof from such prior lien.

Except as in this Section otherwise expressly provided, moneys at any time deposited with the Principal Trustee for the payment, satisfaction or redemption of any indebtedness secured by prior lien on any of the mortgaged property, for the purpose of causing such prior lien to become a prepaid lien as defined in § 101 shall not be deemed to be trust moneys within the meaning of § 811 but shall be applied by the Principal Trustee from time to time to the payment of the principal and interest of or to the redemption of such indebtedness, or shall be repaid to the Company proportionately as such indebtedness shall be paid or reduced out of other funds (except the proceeds of the release or the taking by eminent domain of or the proceeds of insurance upon, any of the property securing such prepaid lien) or shall be ascertained by judicial determination or otherwise to be in whole or in part invalid, upon the filing with the Principal Trustee of a certificate of the Company, to the effect that the indebtedness secured by such prepaid lien has been paid or reduced out of other funds (except as aforesaid) or has been ascertained by judicial determination or otherwise to be in whole or in part invalid and specifying the amount of payment or redemption or the extent of the invalidity, as the case may be, accompanied by a concurring opinion of counsel; provided, however, that in case moneys shall have been deposited with the Principal Trustee for the payment or satisfaction, other than by redemption prior to maturity, of any indebtedness secured by a prepaid lien, and in case any of the property subject to such prepaid lien shall have been released from the lien of this Indenture or shall be taken by eminent domain in accordance with the provisions of this Article or in case there shall become available any proceeds of insurance on any such property, prior to the actual pay-

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ment or satisfaction of such indebtedness; then and in that event, to the extent that such proceeds of insurance or of such releases or of such taking shall have been applied to the payment of the principal and interest on or to the redemption of such indebtedness, the moneys so deposited with and remaining in the hands of the Principal Trustee upon the satisfaction and discharge of such indebtedness shall be deemed to be trust moneys within the meaning of § 811.

§ 810. No purchaser in good faith of property purporting to have been released herefrom shall be bound to ascertain the authority of the Trustees to execute the release, or to inquire as to the existence of any conditions required by the provisions hereof for the exercise of such authority, or be bound to see to the application of the purchase moneys nor shall any purchaser or grantee of any property or rights permitted by this Article to be sold, granted, exchanged or otherwise disposed of, nor any party to any contract permitted to be changed, be under any obligation to ascertain or inquire into the authority of the Company to make any such sale, grant, exchange or other disposition, or such change.

§ 811. All moneys received by the Principal Trustee in consideration of any release by the Trustees under this Article, including payment on account of the principal of any obligations secured by purchase money mortgage, and all moneys herein provided to be held and applied as in this Section provided, and all moneys, if any, received by the Principal Trustee the disposition of which is not elsewhere herein specifically otherwise provided for (herein sometimes referred to as "trust moneys"), shall be held by the Principal Trustee as a part of the mortgaged property, and, upon default in the payment of the principal of any of the bonds when and as the same shall become due and payable, whether by the terms thereof or by declaration or otherwise, as herein provided, said moneys shall be forthwith applicable to the purposes specified in, and in accordance with the provisions of, § 902; but, unless a default as defined in § 901 shall have happened and shall be continuing, all or any part of said trust moneys, at the