

(4) That the Company is not, and by the making or granting of the application will not be, in default in the performance of any of the terms and covenants of this Indenture;

(c) In case the fair value of any property (other than obligations thereto deposited with the Trustee pursuant to paragraphs (1) and (2) of Subdivision (d) of this Section) to be released is shown by the engineer's certificate required by Subdivision (b) of this Section to be more than Five hundred thousand dollars, an independent engineer's certificate stating, in the opinion of the signer, that the proposed release is desirable in the proper conduct of the business of the Company, or is otherwise in the best interests of the Company;

(d) In the case of the release of property, other than obligations of the nature specified in paragraphs (1) and (2) of this Subdivision (d), cash, which shall be received and applied by the Trustee as a part of the trust estate, in an amount at least equal to the amount by which the fair value to the Company of the property to be released, as specified in the engineer's certificate, exceeds the aggregate of:

(1) An amount equal to the aggregate principal amount of obligations secured by purchase money mortgage on the property to be released deposited with the Trustee, accompanied by an opinion of counsel to the effect that such obligations are valid obligations and that any purchase money mortgage securing the same is sufficient to constitute a valid purchase money lien upon the property to be released subject to no liens other than the liens, if any, existing on such property immediately prior to its release; provided, however, that such purchase money obligations together with all other purchase money obligations which shall have been used to reduce the amount of cash required to be deposited under the provisions of this Section 3 and are then held as part of the

to be released and provided that concurrently therewith all of the indebtedness secured by such lien and deposited with the Trustee shall be released from the lien hereof pursuant to Section 4 of this Article VII;

or

In the case of the release of obligations of the nature specified in paragraphs (1) and (2) of this Subdivision (d), cash, which shall be received by the Trustee as a part of the trust estate, in an amount equal to the principal amount of such obligations;

and

(e) An opinion of counsel stating, in case the Trustee is requested to release any franchise, that such release will not impair the right of the Company to operate any of its remaining properties.

The amount of cash required to be deposited pursuant to Subdivision (d) of this Section 3 may, at the election of the Company, be reduced by an amount equivalent to the amount of cash which could at the time be withdrawn pursuant to Sections 1, 2 or 4 of Article VIII, by simultaneous compliance with said Section 1, said Section 2 or said Section 4 of Article VIII, as the case may be, except that any certificates required to be filed with the Trustee pursuant to said Sections shall refer to the reduction of cash rather than to the withdrawal of cash.

If the property to be released is subject to any prior lien, the certificate of the trustee or other holder of any such prior lien, that it has received cash or obligations of the nature specified in paragraphs (1) and (2) of Subdivision (d) of this Section 3 in an amount set forth in such certificate, shall (except in cases where all of the property subject to such prior lien is being released) be accepted by the Trustee hereunder to the extent of the amount so received by such other trustee or other holder, in lieu of cash and obligations required by Subdivision (d) of this

trust estate shall not exceed ten per cent (10%) of the aggregate principal amount of Bonds at the time outstanding under this Indenture;

(2) An amount equal to the fair value in cash of bonds or other interest-bearing obligations, issued pursuant to law, in whole or in part payment for the property to be released, by any municipal corporation or other governmental subdivision possessing taxing power, deposited with the Trustee, provided there shall be filed with the Trustee:

(i) an appraiser's certificate stating the fair value in cash of such bonds or other interest-bearing obligations; and

(ii) an opinion of counsel to the effect that such bonds or other interest-bearing obligations have been issued pursuant to law, that such municipal corporation or other governmental subdivision possesses due taxing power for the servicing and payment of such bonds or other interest-bearing obligations and that such bonds or other interest-bearing obligations are direct and general obligations of such municipal corporation or other governmental subdivision;

and

(3) An amount equal to the principal sum secured by any lien prior to the lien hereof which is a lien solely on the property to be released; provided that in case such prior lien shall be a funded prior lien, the amount to be deducted pursuant to this paragraph (3) shall be limited to the principal amount of prior lien bonds secured by such funded prior lien which are deposited with the Trustee plus the amount of cash they or therefor deposited with the Trustee in order to make such prior lien a funded prior lien; and provided, further, there shall be filed with the Trustee an opinion of counsel stating that such lien is a lien solely on the property

Section 3 to be delivered to the Trustee upon the release of said property.

SECTION 4. From time to time hereafter the Company may obtain the release of funded prior lien bonds if, but only if, all the property subject to the prior lien securing such funded prior lien bonds shall have been, or is simultaneously being, released from the lien of this Indenture pursuant to Section 3 of this Article VII, and the Trustee shall release the same from the lien hereof, but only upon receipt by it of:

(a) A certified resolution requesting such release;

(b) An officers' certificate stating in substance that all of the property subject to the prior lien securing such funded prior lien bonds has been, or is simultaneously being, released from the lien of this Indenture;

(c) An opinion of counsel to the effect that none of the property of the Company will, upon the granting of such release, be subject to the prior lien securing such funded prior lien bonds; and

(d) Cash, which shall be received and applied by the Trustee as part of the trust estate, (1) in an amount equal to the aggregate principal amount of all prior lien bonds to be released or (2) if the fair value of the property subject to such prior lien as stated in the certificate filed pursuant to Section 3 (b) of this Article shall be less than the principal amount of all prior lien bonds secured by such prior lien, cash in an amount equal to such proportion of such fair value as the principal amount of such prior lien bonds to be released bears to the principal amount of all prior lien bonds secured by such prior lien.

SECTION 5. Should any part of the trust estate be taken by the exercise of a power of eminent domain or should any municipality or other governmental subdivision at any time exercise any right which it may have to purchase any part of the trust estate,