

or other instrument, to be held and applied in accordance with the provisions thereof, the Company hereby covenanting that upon the satisfaction or release of such prior mortgage or other instrument any of such proceeds from the sale of the released property remaining in the possession or control of such mortgagee or trustee shall be forthwith deposited with the Trustee hereunder, to be held and applied in accordance with the provisions of this section. In case any of the proceeds from the sales of released property under any of the provisions of this section shall be paid to the Trustee hereof in cash, such cash shall be held by the Trustee as part of the mortgaged property, and shall be paid out from time to time upon checks or drafts drawn by the Company, either for the purpose of paying the reasonable cost of replacing part or all of the property released, or for any of the purposes for which cash may be withdrawn from the Special Trust Fund as provided by clauses (b) and (c) of section 2 of Article VI hereof. All such checks or drafts shall be signed in the Company's name by its President or Vice President, and by the Treasurer or Assistant Treasurer, and prior to the presentation thereof to the Trustee the Company shall deliver to the Trustee a certificate signed by said officers showing that such checks or drafts are drawn for one or more of the purposes for which cash may be paid out under the provisions of this Section, and the Trustee shall be fully protected in paying any and all checks or drafts mentioned in such certificate. The Trustee, however, shall have the right, but shall not be obliged to, require the Company to furnish such further evidence in the premises as the Trustee may deem necessary in order to establish the right of the Company to the payment of such checks, or drafts.

(3) In <sup>the</sup> case of property exchanged or for which other property shall have been substituted as aforesaid, the property acquired by the Company in exchange or substitution therefor shall be subjected to the lien of this indenture; and if covered by any prior lien the property received in exchange may be mortgaged to the trustees hereunder subject to such prior lien.

(4) Every request of the Company for release of property under this section shall be accompanied by a certified copy of resolution of its Board of Trustees and signed certificates of three persons appointed by the Company and approved by the Trustee showing that in the opinion of said Board of Trustees and of the persons so appointed such property to be released is not necessary for the efficient conduct of the business of the Company, and that the proceeds of sale thereof is its full value, or that the value of the property substituted or exchanged therefor is at least equal to the value of the property to be released, and that such sale or exchange or substitution is advisable in the interest of the Company, the Trustees, and the bondholders hereunder.

Section 2. If any part of or interest in the mortgaged property shall be taken by proceedings for condemnation or in eminent domain the net proceeds obtained by the company therefrom shall be disposed of in the same way as though obtained from a voluntary sale and release under the provisions of section 1 of this Article.

Section 3. In favor of every purchaser from the Company and of every person claiming any interest therein by, through or under the Company, every release of property from the lien of this indenture by the Trustees shall be valid, and no such purchaser or person need inquire as to the power or authority of the Trustees to give any such release, or as to the application of the purchase money.

Section 4. The Company may from time to time sell free from the lien hereof such lamps and electrical apparatus and other merchandise and supplies as are commonly dealt in by companies operating like properties, such sale or sales being made in the usual course of trade with customers of the Company, and may also sell such securities or