

OF PROPERTY NOW OR HEREAFTER COVERED HEREBY, UNDER THE FOLLOWING CONDITIONS:

(A) WHEN OTHER PROPERTY, WHICH, IN THE OPINION OF THE TRUSTEE IS OF EQUAL VALUE, IS SUBSTITUTED THEREFOR IN MANNER APPROVED BY THE TRUSTEE, WHICH PROPERTY SHALL BE THEREBY BY SUCH SUBSTITUTION SUBJECT IN ALL RESPECTS TO THE LIEN AND OPERATION OF THIS INSTRUMENT; OR

(B) WHEN THE COMPANY SHALL MAKE IT APPEAR TO THE SATISFACTION OF THE TRUSTEE THAT THE PROPERTY SOUGHT TO BE RELEASED IS NO LONGER NECESSARY OR DESIRABLE IN THE CONDUCT OF THE BUSINESS OF THE COMPANY, AND THERE SHALL BE PAID TO THE TRUSTEE, AS A SINKING FUND FOR THE RETIREMENT OF BONDS, SUCH SUMS OF MONEY AS SHALL IN THE OPINION OF THE TRUSTEE BE EQUAL TO THE FAIR MARKET VALUE OF THE PROPERTY SO RELEASED.

IT IS FURTHER UNDERSTOOD AND AGREED THAT THE COMPANY, WHILE IT SHALL NOT BE IN DEFAULT HEREUNDER, AS A DEFAULT IS HEREINAFTER DEFINED, SHALL HAVE FULL POWER AND AUTHORITY TO DISPOSE OF SUCH PORTIONS OF ITS EQUIPMENT, MACHINERY, TOOLS, AND MOVABLES, INCLUDING ROW BOATS AND SMALL POWER BOATS, BUT NOT INCLUDING REGISTERED, ENROLLED OR LICENSED VESSELS OR BOATS AS ARE COVERED HEREBY OR THAT MAY BE COVERED BY ANY INDENTURE SUPPLEMENTAL TO THIS DEED OF TRUST, AS MAY BECOME UNFIT FOR USE OR UNNECESSARY IN CONNECTION WITH THE OPERATIONS OF THE COMPANY, PROVIDED, IT REPLACE THE SAME WHEN NECESSARY BY OTHER OR NEW EQUIPMENT OR MACHINERY SATISFACTORY TO THE TRUSTEE OF EQUAL VALUE AND AVAILABILITY, AND FREE AND CLEAR AND FROM ANY INCUMBRANCE, LIEN, CHARGE OR CLAIM WHATSOEVER, WHICH EQUIPMENT, MACHINERY, TOOLS, AND MOVEABLES SO SUBSTITUTED SHALL THEREUPON BECOME SUBJECT TO THE LIEN AND OPERATION OF THIS INSTRUMENT. THE PROCEEDS OF SALE OF ALL PROPERTY SO DISPOSED OF SHALL BE PAID TO THE TRUSTEE, AND ALL SUCH MONEYS SHALL BE USED EITHER

(A) TO PURCHASE OTHER PROPERTY FOR THE USE OF THE COMPANY; OR

(B) TO RETIRE BONDS IN THE MANNER AND UNDER THE CONDITIONS PROVIDED IN ARTICLE III OF THIS INSTRUMENT.

THE COMPANY COVENANTS AND AGREES THAT IT WILL NOT AT ANY TIME SEEK TO RELEASE ANY PART OR PORTION OF THE PROPERTY COVERED HEREBY IN SUCH A WAY OR UNDER SUCH CIRCUMSTANCES OR CONDITIONS AS WILL CAUSE THE SECURITY AFFORDED BY THIS INSTRUMENT TO BE MATERIALLY IMPAIRED.

ALL PAYMENTS MADE TO THE TRUSTEE UNDER THE PROVISIONS OF THIS ARTICLE SHALL BE EMPLOYED BY THE TRUSTEE FOR THE REDEMPTION AND RETIREMENT OF BONDS IN THE MANNER AND UNDER THE CONDITIONS PROVIDED IN ARTICLE III OF THIS INSTRUMENT.

#### ARTICLE V.

##### DEFAULT AND REMEDIES.

SECTION 1. A DEFAULT OF THE COMPANY UNDER THE TERMS OF THIS INSTRUMENT SHALL BE DEEMED TO HAVE OCCURED ON THE HAPPENING OF ANY OF THE FOLLOWING NAMED EVENTS:

(A) FAILURE IN THE PAYMENT OF INTEREST ON ANY OF THE BONDS HEREBY SECURED, OF WHICH FAILURE TO PAY <sup>NO</sup> NOTICE NEED BE GIVEN, AND THE CONTINUANCE OF SUCH FAILURE FOR A PERIOD OF THIRTY (30) DAYS; OR

(B) FAILURE TO PAY AT MATURITY ANY OF THE BONDS SECURED HEREBY, OF WHICH FAILURE NO NOTICE NEED BE GIVEN; OR

(C) FAILURE ON THE PART OF THE COMPANY TO DULY OBSERVE OR PERFORM ANY OTHER COVENANT OR CONDITION HEREIN CONTAINED ON THE PART OF THE COMPANY TO BE KEPT AND PERFORMED, AND THE CONTINUANCE OF SUCH FAILURE FOR A PERIOD OF THIRTY (30) DAYS AFTER WRITTEN NOTICE THEREOF TO THE COMPANY FROM THE TRUSTEE OR FROM THE HOLDERS