

(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 other 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 should be paid to the Trustee as a sinking fund for the retirement of debenture 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;

(c) It is further understood and agreed that the Company shall have full power and authority to dispose of such portion of its equipment, machinery, tools and movables, including all boats and water craft (but excluding the steamship Memnon) which are covered hereby, or that may be covered by any indenture supplemental to this trust indenture as may be 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 or greater value and availability, and free and clear from any incumbrance, lien, charge or claim whatever, which equipment, machinery, tools and movables so substituted shall thereupon become subject to the lien and operation of this instrument. The steamship Memnon may be sold at a price not less than its reasonable market value, as determined by an appraisal made by appraisers satisfactory to and approved by the Trustee hereunder. 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 debenture bonds in the manner and under the conditions as 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, 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, and not used as herein provided for the acquisition of new property to come under this trust deed, shall be employed by the Trustee for the redemption and retirement of debenture 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 occurred upon the happening of any of the following named events:

(a) After the loan of the Reconstruction Finance Corporation has been paid, failure in payment of interest as earned as herein provided on any of the debenture bonds hereby secured, of which failure to pay no notice need be given, and the continuance for a period of thirty (30) days; or

(b) Failure to pay at maturity any of the debenture 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 of Twenty-five (25) per cent in the amount