

whose proposals shall have been accepted. The Corporate Trustee may also in its discretion, and upon request of the Company so to do shall, invite offers of bonds for sale to it in any other usual manner. The Corporate Trustee in its discretion may reject any or all proposals in whole or in part and shall reject any or all proposals in whole or in part if it can at the time of opening said proposals purchase the requisite amount of such bonds or any part thereof at a price more favorable to the Company than it could by accepting said proposals. All offers by holders shall be subject to acceptance of a portion thereof unless otherwise expressed in the offers and all advertisements for written proposals shall so state.

SECTION 56. All bonds issued hereunder paid, retired or redeemed under any of the provisions of this Indenture or purchased by the Corporate Trustee as provided in Section 55 hereof and all appurtenant coupons, if any, shall forthwith be canceled by the Corporate Trustee, and at the request of the Company the Corporate Trustee may cremate the same and deliver to the Company a certificate of such cremation.

ARTICLE XI.

Possession, Use and Release of Mortgaged and Pledged Property.

SECTION 57. Unless the Company is in default in the payment of the interest on any of the bonds then Outstanding hereunder or one or more of the Completed Defaults specified in Section 65 hereof shall have occurred and be continuing, the Company shall be suffered and permitted to possess, use and enjoy the Mortgaged and Pledged Property (except such cash as is expressly required to be deposited with the Corporate Trustee and except, to the extent not herein otherwise provided, such securities as are expressly required to be deposited with the Corporate Trustee), and to receive, use and dispose of the tolls, rents, revenues, issues, earnings, income, product and profits thereof, with power in the ordinary course of business, freely and without let or hindrance on the part of the Trustees or either of them or of the bondholders, to use, consume and dispose of supplies, and, except as herein otherwise expressly provided to the contrary, to exercise any and all rights under choses in action, contracts, franchises and claims.

SECTION 58. Unless the Company is in default in the payment of the interest on any of the bonds then Outstanding hereunder or one or more of the Completed Defaults specified in Section 65 hereof shall have occurred and be continuing, the Company may at any time and from time to time, without any release or consent by, or report to, the Trustees or either of them, or deposit with either of them of any consideration received by the Company:

(1) sell or otherwise dispose of, free from the lien of this Indenture, any machinery, equipment, tools, implements or other property, which shall have become old, inadequate, obsolete, worn out, unfit or unadapted for use in the operations of the Company upon replacing the same by or substituting for the same other property of at least equal value to that of the property sold or otherwise disposed of and subject to no liens prior hereto except liens to which the property sold or otherwise disposed of was subject;

(2) cancel or make changes or alterations in or substitutions of any and all right of way grants;

(3) surrender or assent to the modification of any right, power, franchise, license (other than any license issued by the Federal Power Commission for a hydro-electric or power line project), governmental consent or permit under which it may be operating, provided that, in the opinion of the Board of Directors of the Company (such opinion