

hereof obligatory upon the said Company, and until such default shall have continued beyond the period of grace, if any, herein provided in respect thereof, the said Company, its successors and assigns, shall retain actual possession of all of the premises hereby mortgaged, and to manage, operate and use the same, and every part thereof, with the rights and franchises appertaining thereto, and to collect, receive, take, use and enjoy the tolls, earnings, incomes, rents, issues and profits thereof.

SECTION 2. RELEASES OF MORTGAGED PROPERTY. *First. Right and Manner of Release.* Upon the written request of the Company, approved by the resolution of its Board of Directors or of the Executive Committee thereof, from time to time, while such Company is in possession of the mortgaged property, or any part thereof, but subject to the conditions and limitations in this Section prescribed, and not otherwise, the Trustee shall release from the lien and operation of this mortgage, any part of the mortgaged premises or property then subject thereto, *Provided*, that no part of the mortgaged premises or property shall be released hereunder unless at the time of such release it shall no longer be necessary or expedient to retain the same for use in the business of the Company. No such release shall be made unless the Company shall have sold or shall have contracted to sell the property so to be released, or to exchange the same for other property; and the proceeds of any such sale shall be applied by the Company to the purchase of other property, real or personal, or in betterment of, or improvements upon some part of the remaining mortgaged premises. And new property of the Company, acquired, to take the place of any property released thereunder, shall *ipso facto* become and be subject to the lien of this mortgage as fully as if specifically mortgaged; but if requested by the Trustee, the same shall be conveyed and mortgaged by appropriate deeds, upon the trusts and for the purposes of this mortgage.

And any portion of said proceeds at any time in the possession of said Company not needed for the improvement and betterment of said property at that time, shall be forthwith paid over by the said Company to the said Trustee and held by said Trustee for such future improvements and betterment of said premises as may be by the Directors of said Company determined upon, and the same, or any portion thereof, needed for such future improvements at the time the same shall be determined upon shall be by the said Trustee paid over to the said Company on its demand therefor, and upon its filing with the said Trustee a sworn statement signed by at least two officers of the Company, stating the cost of such extensions and improvements and that the funds demanded are to be applied to the payment therefor; and payment on such demand shall be full acquittal and discharge of all liability of said Trustee for such funds so paid.

While in possession of the mortgaged premises the Company shall also have full power, in its discretion from time to time, to dispose of, free from the lien hereof, any portion of the machinery, equipment and implements, at any time held subject to the lien hereof, which may have become unfit for use, replacing the same by new machinery, equipment or implements, which immediately thereupon shall become and be subject to this mortgage.

Second. Certificates. A certificate signed by (1) the President or Vice-President, and (2) the Chief Engineer or an Assistant Engineer of the Company, or officer performing such duties, shall be received by the Trustee as conclusive evidence of the facts mentioned in this Article, and shall be full warrant to the Trustee for its action on the face thereof, but the Trustee, in its discretion, may require such further and additional evidence as it may deem proper.

Third. Right of Trustee to Release when in Possession. If the Trustee shall be in possession of the mortgaged premises or any part thereof, under any provisions of this mortgage, then all the powers conferred by this Article upon the said Company may be exercised by the Trustee in its discretion.

Fourth. Liability of Purchaser. In no event shall any purchaser or purchasers of any property sold or disposed of under any provisions of this Article be required to see to the application of the purchase money.

SECTION 3. DEFEASANCE AND SATISFACTION OF THIS MORTGAGE. If when the bond hereby secured shall become due and payable, the said Company shall well and truly pay, or shall cause to be paid, the whole amount of the principal moneys and the interest due upon all of the bonds, and coupons for interest thereof, hereby secured and then outstanding, or shall provide for such payments by depositing with the Trustee hereunder, for the payment of such bonds and coupons, the entire amount due thereon for principal and interest, and shall also pay or cause to be paid, all other sums payable hereunder by the said Company, and shall well and truly keep and perform all the agreements herein required to be kept and performed by it, according to the true intent and meaning of this mortgage, then and in that case, all property, rights, title and interest of the Trustee shall thereupon cease, and on demand of the Company, and at its cost, the Trustee shall enter satisfaction of this mortgage upon the records; otherwise the same shall continue and remain in full force and virtue.

ARTICLE FIVE

RIGHTS AND REMEDIES OF THE TRUSTEE AND BONDHOLDERS IN CASE OF DEFAULT

SECTION 1. REMEDIES OF THE TRUSTEE IN CASE OF DEFAULT. In case (1) default shall be made in the payment of any interest on any bond or bonds secured by this mortgage and any such default shall have continued for a period of six months after demand duly made; or in case (2) default shall be made in the due and punctual payment of the principal of any bond hereby secured; or in case (3) default