

**Section 7. *Payment of Expenditures of Trustee.***

On demand of the Trustee, the Company forthwith will pay, or will satisfactorily provide for, all expenditures incurred by the Trustee under any of the provisions of this Article, including all sums required to obtain and perfect the ownership and title to any property which the Trustee shall purchase or shall cause to be purchased pursuant to such provisions hereof, and in case the Company shall fail so to do, then without impairment of or prejudice to any of the rights of the Trustee hereunder by reason of the default of the Company, the Trustee in its discretion may advance all such expenses and other moneys required, or may procure such advances to be made by others, and for such advances made by the Trustee or by others at its request, with interest thereon, the Trustee shall have a lien upon the Trust Estate prior to the lien of the bonds issued hereunder.

**Section 8. *Payment for Stocks Agreed to be Pledged.***

On delivery to the Trustee hereunder by the Company, subsequent to the execution and delivery of this Mortgage, of any shares of the common or preferred stock of the Columbia Railway, Gas & Electric Company or preferred stock of The Parr Shoals Power Company in the granting clauses hereof agreed to be pledged, the Trustee shall pay to the Company, from and out of the funds deposited hereunder in lieu of the deposit of such stock, the sum of One hundred (100) Dollars for each share of such stock so delivered and, after the receipt by the Trustee and the pledge hereunder of all the shares of such stock agreed to be so pledged in pursuance of paragraphs (c), (d) and (e) in the granting clauses hereof, any interest on such fund shall be paid over to or upon the written order of the Company, signed by its President or a Vice-President.

**ARTICLE SEVENTH.**

***Release of Property.***

**Section 1. *Release of Stock Pledged Hereunder.***

Notwithstanding any conveyance to the Company in accordance with the provisions of Section 2 of Article Third hereof, all of the preferred and common stock of the Columbia Railway, Gas & Electric Company and all of the preferred stock of The Parr Shoals Power Company then pledged hereunder shall remain pledged hereunder subject, nevertheless, to the provisions for the surrender thereof set forth in Section 1 of Article Sixth hereof.

**Section 2. *Sale or Exchange of Property Without Consent of Trustee.***

The Company may, without the consent of the Trustee, at any time sell or dispose of, free from the lien hereof, any and all manufactured commodities acquired by it for sale or lease in the ordinary course of business; and any machinery, tools, implements, material or moveable property subject to the lien of this Mortgage which shall at any time become unfit for use or unnecessary in the conduct of the business of the Company, replacing the same, if not previously replaced, by other property of the same or greater value or utility to the Company, which shall forthwith become without further action, subject to the lien of this Mortgage.

**Section 3. *Change in Location of Structures.***

The Company may without the consent of the Trustee, at any time make any change in the location of any poles, wires, tracks, switches, sidings, bridges, transmission lines, distribution lines, gasholders, tanks, mains, pipes, conduits, canals, ditches, aqueducts, dams, raceways, flumes, reservoirs, stations, sub-stations, storehouses, offices, lightning-arresters houses or other like articles or structures upon any part of the mortgaged property, provided the same or the replaced articles or structures in their changed location and the premises upon which they shall be situated shall be of a value and efficiency at least equal to the value and efficiency of the articles or structures, the location whereof shall be changed, and the premises upon which they were situated.

**Section 4. *Release of Property.***

The Company may from time to time sell or exchange any part of the Trust Estate, either real or personal, except the pledged stocks, and the Trustee shall release the same from the lien hereof upon receipt by it of:

(1) A certified copy of a resolution of the Board of Directors of the Company stating that the Company has contracted to sell some part of the Trust Estate, the consideration to be received therefor, and the amount of cash, securities or property constituting such consideration; that such consideration is equivalent to the fair value of the property to be released, and that the property so to be sold is no longer of use in the proper conduct of the business of the Company, or that, in the opinion of the Board of Directors, the sale or exchange thereof will be of benefit to the Company and will not impair its ability to carry on its business;

(2) A certificate of an engineer satisfactory to the Trustee, who may be an engineer of the Company, to the effect that he has examined the property to be released and that its fair value is a sum to be therein stated and, if any of the consideration consists of property other than cash or securities, that he has examined such property and that the total consideration to be received for the property so to be released is equal in value to the property to be released, and further that the release of such property will not impair the ability of the Company to carry on its business;

(3) In case any part of the consideration consists of property other than cash or securities, such instruments of conveyance as may be necessary in the opinion of counsel satisfactory to the Trustee, who may be counsel to the Company, to vest in the Trustee as part of the Trust Estate all of the right, title and interest of the Company in and to the property so acquired, or the opinion of such counsel that no such instruments of conveyance are necessary.

The sale or exchange of the street railway property of the Columbia Railway, Gas & Electric Company, if the same shall have been conveyed to the Company, shall not be construed to impair the ability of the Company to carry on its business with reference to the giving of the certificates called for by subdivision (1) and (2) preceding.

**Section 5. *Disposition of Proceeds of Released Property.***

The proceeds of any property released or to be released and all money received as compensation for any property subject to this Mortgage taken by exercise of the power of eminent domain (unless required to be applied in accordance with the requirements of an instrument constituting a prior lien on the property so sold or exchanged or taken or on part thereof) shall be deposited with the Trustee and paid out and applied to the purchase or reimbursement of the cost of other property, real or personal, or for additions, extensions, improvements or betterments of or to any property of the Company and upon the same conditions and in the same manner provided in Section 11 of Article Third hereof and upon receipt by the Trustee of the opinion provided for by subdivision 3 of Section 3 of Article Second hereof. Any amounts not so applied within one year after deposit thereof with the Trustee or for which the Company within such time shall not apply, or as to which it shall have waived its right to so apply shall, subject to the requirements of mortgages or other instruments prior in lien to this Mortgage, be applied by the Trustee, at the option of the Company, to the purchase or redemption of bonds in accordance with the provisions of Article Fourth hereof. The Trustee may rely conclusively upon the certificate of any trustee under any prior mortgage to the effect that it is entitled to and has received or is about to receive the proceeds of any released properties.

**Section 6. *Substituted Property.***

Any new property received in exchange for any property released hereunder or purchased with the proceeds of property released or taken by the power of eminent domain *ipso facto* shall become and be subject to this Mortgage as fully as if specifically mortgaged and pledged hereby. Any such new property which shall consist of stocks, bonds or other obligations or securities shall, unless required by the provisions of some mortgage or other instrument prior hereto to be pledged with the trustee thereunder, be deposited and pledged hereunder.

**Section 7. *Protection of Purchasers.***

In no event shall any purchaser or purchasers of any property sold or disposed of under any provision of this Article be required to see to the application of the purchase money. Any release of any such property executed by the Trustee shall be conclusive evidence to every purchaser of full compliance with all the conditions precedent to such release required by this Mortgage and shall be full protection to such purchaser.

**ARTICLE EIGHTH.**

***Rights and Remedies of Trustee and Bondholders.***

**Section 1. *Description of Defaults.***

If one or more of the following events, hereinafter called events of default, shall happen: (1) default shall be made in the payment of any interest upon any of the bonds secured hereby and such default shall continue for sixty (60) days, or (2) default shall be made in the observance