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If any bond is called for prepayment as herein provided, it shall cease to bear interest from and after the date fixed for such prepayment; provided, however, that if upon presentation for that purpose the Company shall fail to pay the principal amount thereof, together with interest accrued thereon to the date fixed for prepayment plus such premium as may be applicable at the time fixed for prepayment, such bond shall bear interest from and after the date fixed for such prepayment at the rate of six (6%) per cent per annum.

ARTICLE III

RELEASE AND SUBSTITUTION OF SECURITY

The Company shall have the right, without the consent of the Trustee or the holder or holders of any of said bonds, and without obtaining a release from the Trustee in connection therewith, in due course of business and from time to time to sell, freed and discharged from the lien of this Trust Indenture:

(a) Auxilliary equipment, auxilliary machinery and accessories and furniture and fixtures, having a value at the time of not more than Five Thousand (\$5,000.00) Dollars, upon replacing the same with new or improved auxilliary equipment, auxilliary machinery, accessories, furniture or fixtures of an equal or greater value; and

(b) Auxilliary equipment, auxilliary machinery and accessories and furniture and fixtures, having a value at the time of not more than One Thousand (\$1,000.00) Dollars which for any reason is no longer needed by the Company in connection with the proper operation of the business of the Company.

The Company shall have the right upon obtaining a release from the Trustee in connection therewith, and with the consent of Pilot Life Insurance Company, if Pilot Life Insurance Company is the holder at the time of any of said bonds, in due course of business and from time to time, to sell, freed and discharged from the lien