

MORTGAGE OF REAL ESTATE

§ 27a. MORTGAGE OF REAL ESTATE

(ii) an opinion of counsel to the effect that such bonds or other interest-bearing obligations have been issued pursuant to law, that such municipal corporation or other governmental subdivision possesses due taxing power for the servicing and payment of such bonds or other interest-bearing obligations and that such bonds or other interest-bearing obligations are direct and general obligations of such municipal corporation or other governmental subdivision;

or

In the case of the release of obligations theretofore deposited with the Trustee pursuant to paragraphs (1) and (2) of this Subdivision (d), cash, which shall be received and applied by the Trustee as part of the trust estate, in an amount equal to the principal amount of such obligations:

and

(e) An opinion of counsel stating, in case the Trustee is requested to release any franchise, that such release will not impair the right of the Company to operate any of its remaining properties.

All purchase money obligations and all bonds or other obligations issued by a municipality or other governmental subdivision which shall be received by the Trustee pursuant to this Section shall be held as a part of the trust estate and collected by the Trustee, which shall, however, be under no liability or accountability whatever for the collection thereof. Interest received by the Trustee on such obligations shall, so long as the Company is not in default hereunder to the knowledge of the Trustee, be paid over to the Company. All moneys received by the Trustee as principal of such obligations shall be applied by the Trustee as a part of the trust estate. Such obligations held by the Trustee may be released pursuant to this Section.

The amount of cash provided to be deposited pursuant to this Subdivision (d) may, at the election of the Company, be reduced (by compliance with Section 1 or Section 2 of Article VII or, in the case of the release of non-bondable property or obligations deposited with the Trustee pursuant to Subdivision (d) of this Section on the release of non-bondable property, with Section 5 of Article VII, except that any certificates required to be filed with the Trustee pursuant to either of said Sections shall refer to the reduction of cash rather than to the withdrawal of cash) by an amount equivalent to the amount of cash which (assuming that the cash provided to be deposited pursuant to this Subdivision (d) had actually been deposited) could at the time be withdrawn pursuant to Sections 1, 2 or 5 of Article VII, as the case may be.

SECTION 4. Should any part of the trust estate be taken by the exercise of a power of eminent domain, the Trustee may accept any award therefor, if approved by the Company, as representing its full value, and, at the request of the Company evidenced by a certified resolution, shall execute and deliver a release of property so taken and shall be fully protected in so doing upon being furnished with an opinion of counsel to the effect that such property has been taken by the exercise of a power of eminent domain. In any such proceedings the Trustee may be represented by counsel, who may or may not be of counsel to the Company. The proceeds of all property so taken shall be paid over to the Trustee hereunder to be held and applied as a part of the trust estate.

SECTION 5. In no event shall any purchaser or purchasers in good faith of any property purported to be released hereunder be bound to ascertain the authority of the Trustee to execute the release; or to inquire as to any facts required by the provisions hereof for the exercise of such authority; or to see to the application of the purchase moneys. Nor shall any purchaser of machinery or equipment or tools or implements or materials or supplies be under obligation to ascertain or inquire into the occurrence of the event on which any such sale is hereby authorized.

SECTION 6. The Trustee shall not be required under any of the provisions of this Article to release any part of the mortgaged property from the lien hereof at any time when to the knowledge of the Trustee the Company shall be in default hereunder, but notwithstanding any such default the Trustee may release from the lien hereof any part of the mortgaged property, upon compliance with the conditions specified in this Article in respect thereof, if the Trustee in its discretion shall deem such release for the best