

All policies for such insurance on such mortgaged property shall be so drawn, and the plan of any such fund shall be such, as to make any loss in excess of twenty-five thousand dollars (except on materials and supplies and use and occupancy) payable thereunder to the Trustee as its interest may appear; provided, however, that in case such insurance shall be in the form of one or more insurance funds created as aforesaid, it shall not be necessary that the amount which shall be so payable in respect of any loss exceed the amount or amounts in said fund or funds. All funds received by the Company on account of any loss which is covered by any such insurance shall be applied by the Company within one year to the making of the repairs to, replacements of or substitutions for the damaged or destroyed property, or to the extent not so expended within one year shall be deposited with the Trustee.

There shall be deposited with the Trustee, at such times as it may demand, a detailed statement of the policies of such insurance outstanding and in force upon such mortgaged property, or any part thereof, or of the provision made in lieu thereof through such an insurance fund or funds, including the names of the insurance companies which issued such policies, the amounts thereof, the property covered thereby and to whom payable, and such other information with respect to such policies as the Trustee may in writing request. In case the Trustee shall at any time notify the Company in writing that it disapproves of any such insurance company or of the terms of any such policy, other insurance shall be effected satisfactory to the Trustee. The Trustee shall, however, be under no duty to make any such demand (unless requested by the holders of at least 25% in principal amount of the bonds at the time outstanding) or otherwise to supervise the insurance of the mortgaged property.

All moneys received by the Trustee as proceeds of insurance effected pursuant to this §4.14 shall be deposited with the Trustee and, at the option of the Company upon its application, shall from time to time

(a) be paid over to the Company to reimburse the Company for the cost of repairs to, replacements of or substitutions for the damaged or destroyed property, the general character of such expenditures to be specified in the application; or

(b) at the election of the Company, may be treated as if deposited under Article 5 and be held and applied by the Trustee as provided in §5.08.

The provisions of this §4.14 and of §4.15, so far as relates to any fixed properties subject to any prior lien or liens, are in all respects subject to the provisions of such prior lien or liens in respect of the insurance of the properties covered thereby and the disposition of the policies therefor and the proceeds thereof.

§4.15. In the event of loss under any policy of insurance taken by the Company pursuant to the provisions of §4.14, the Trustee may, in the name of the Company or in its own name, exercise any and all rights of the Company under such policy in addition to any such rights as it may have by reason of its interest as Trustee, including the right to give any notice or file any proof of loss which may be permissible or proper or required to be given or made under such policy of insurance by the insured, and to do and perform any and all other acts and things required to be done or performed by the insured under any such policy in order to effect a recovery of the insurance moneys; and the Trustee may in its own name, join with the Company in the settlement and adjustment of any and all claims of every kind and description which may arise under such policy and maintain, either in its own name or in the name of the Company, any action or legal proceeding which in its judgment is necessary or proper to recover any sums or sums which may be payable under any such policy, and compromise or settle any such action or proceeding with the consent of the Company first obtained (or without such consent during the continuance of an event of default), and make, execute, acknowledge and deliver any receipt, release or other instrument for any moneys

paid by the insurer on account of any loss suffered or sustained under such policy. No claim shall arise on the part of the Company or any bondholder against the Trustee by reason of the inadequacy of any sum accepted in settlement or compromise of such claim, action or proceeding. The Company, however, in the event of any loss under such policy, will do and perform all of the acts and things required to be done or performed by it under any such policy of insurance in order to effect a recovery of the insurance moneys, and will give all notices and furnish all proofs which may be required for the purpose of establishing any loss suffered or sustained, and nothing herein contained shall relieve the Company of its duty as aforesaid; nor does the Trustee hereby assume any obligations hereunder to perform any of the duties or obligations to be performed by the Company under any such policy of insurance. The Trustee shall not be called upon to institute or conduct any action or proceeding for the recovery of any insurance moneys unless it shall have been previously indemnified to its own satisfaction in respect of such action.

§4.16. The Company will at any and all times, upon the written request of the Trustee (a) furnish to the Trustee in such manner as the Trustee may reasonably require, but not oftener than annually, a statement in writing signed by the Treasurer or Auditor or an Assistant Treasurer of the Company, showing its financial condition with detailed information as to the assets and liabilities of the Company and its earnings and operating expenses; (b) permit the Trustee or its representatives, for that purpose duly authorized, to inspect the books, accounts, papers, documents and memoranda of the Company, as well as its plants and properties, and to take from such books, accounts, papers, documents and memoranda such extracts as may be deemed expedient; and (c) furnish to the Trustee an accurate and complete detailed statement or list of all or any part of the property of the Company at any time subject to the lien of this Indenture. The Trustee shall be under no duty to examine into the accounts of the Company as provided in clause (b); or to request from the Company the statements provided for in clauses (a) and (c) of this §4.16, or to take any action in respect of any statements or reports furnished or filed with it pursuant to the provisions of this §4.16. The Trustee shall be fully protected in relying upon any statement or report furnished to it under the provisions of this §4.16.

§4.17. The Company will not apply for the authentication and delivery of any bonds, or the release of any property or cash, or the giving of any consent by the Trustee, except in accordance with the provisions of this Indenture, and upon the delivery to the Trustee of true and accurate statements, certificates, affidavits, opinions and/or other evidence as contemplated by the provisions of this Indenture pursuant to which such application is made (hereinafter in this §4.17 collectively referred to as certification) and with the requirements of law; and if, in any case, through mistake or otherwise, the Company shall obtain the authentication and delivery of any bonds, the release of any cash or property or any consent of the Trustee by furnishing to the Trustee any certification which is in any material respect erroneous or inaccurate, the Company will, promptly upon the discovery thereof, and in any event within thirty days after written notice from the Trustee calling attention to such error or inaccuracy, deliver to the Trustee a new certification correcting such error or inaccuracy (which shall thereafter for all purposes of this Indenture be deemed substituted for and shall take the place of the former certification); and, if it shall appear from any such corrected certification that the Company has obtained the authentication and delivery of any bonds, the release of any cash or property or any consent of the Trustee to which it would not be entitled, or to a greater amount than it would be entitled upon the basis of such corrected certification, then the Company will promptly surrender bonds to the Trustee for cancellation, or deposit cash with the Trustee or substitute other property to such extent and in such manner as may be reasonably required in order to counteract the effects of such error or inaccuracy.