

MORTGAGE RECORD 85

SECTION 7.02. To the extent that any such moneys deposited with the Trustee are proceeds of insurance upon any part of the mortgaged property, they may be paid over, upon the written order of the Company for the purpose of reimbursing the Company for repairing, restoring or replacing the property destroyed or damaged but only upon the receipt by the Trustee of:

(1) a certificate of the Company stating that expenditures have been made for such purpose, and the amount thereof, and also stating that the amount so expended was not in excess of the reasonable value of such repairs, restorations or replacements, and also stating that no part of such expenditures has theretofore been or will be made the basis for the withdrawal of any cash or the release of any property from the lien of this Indenture, or has been made out of the proceeds of any insurance upon any part of the mortgaged property or out of the proceeds of any part of the mortgaged property released from the lien of this Indenture, or from a prior lien, or taken by the exercise of the power of eminent domain; and

(2) an opinion of counsel to the effect that such repairs, restorations or replacements are subject to the direct lien of this Indenture free from all other liens, charges or encumbrances prior to the lien of this Indenture, except taxes or assessments not delinquent, and except also any other prior liens, charges or encumbrances to which the property so destroyed or damaged shall have been subject.

The amount so to be paid shall be the amount of the expenditures stated in such certificate, but upon receipt of a certificate of the Company to the effect that any of the mortgaged property damaged or destroyed and described in such certificate has been fully repaired, restored or replaced, and an opinion of counsel of the character of that mentioned in Clause (2) of Section 7.02, the Trustee shall pay over upon the written order of the Company all moneys, if any, received and then held by it on account of the damage to or loss of such property.

SECTION 7.03. In case the amount at any one time received by the Trustee as in Section 7.01 provided shall not exceed \$5,000, the same may (unless the Company shall be in default hereunder to the knowledge of the Trustee) be paid over to the Company upon its written request to be applied by it to one or more of the purposes mentioned in Section 7.01 hereof; and the Company covenants and agrees that it will, within 12 months after such money shall have been so paid over, apply the same to one or more of the purposes specified in Section 7.01 and file with the Trustee the instruments which, by the provisions of Section 7.01 hereof, would have been filed with the Trustee to entitle the Company to have the moneys paid over or applied as in Section 7.01 provided, with such appropriate variations as are necessitated by the fact that said moneys have theretofore been paid over by the Trustee without prior compliance with Section 7.01.

SECTION 7.04. In case the amount at any one time so received by the Trustee shall exceed 25% of the aggregate amount of all Bonds at the time outstanding, and all of said amount shall not, within 3 years after the receipt thereof by the Trustee, have been applied to one or more of the purposes mentioned in Sections 7.01 and 7.02 hereof, the amount not so applied shall thereupon be set aside by the Trustee and thereafter applied exclusively to the purpose mentioned in Clause (2) of Paragraph B of said Section 7.01.

SECTION 7.05. The Trustee shall not be responsible for the collection of the principal of or interest on any purchase money obligations which it may receive pursuant to the provisions of Section 6.02 hereof. All interest on such purchase money obligations, as and when received by the Trustee (unless the Company shall be in default hereunder to the knowledge of the Trustee), shall be paid from time to time upon the written order of the Company. The Trustee shall have and may exercise all the rights and powers of an owner of such purchase money obligations and of all substitutions therefor and, without limiting the generality of the foregoing, may collect and receive all insurance moneys payable to it under any of the provisions thereof, may consent to an extension thereof at a higher or lower rate of interest, may join in any plan of voluntary or involuntary reorganization or readjustment or rearrangement of any such purchase money obligations and may accept and hold hereunder new obligations, stocks or other securities issued in exchange therefor under any such plan. Any discretionary action which the Trustee may be entitled to take in connection with any such purchase money obligations or substitutions therefor shall be taken by the Trustee in accordance with the written request of the Company, until the occurrence of an event of default, as defined in Section 8.01 hereof, in which case the Trustee shall take any such action in its own absolute and uncontrolled discretion.

SECTION 7.06. Any and all money received by the Trustee as provided in Section 7.01 hereof or under any other provision of this Indenture shall be held by the Trustee as part of the trust estate, until required to be paid out conformably herewith, but without liability for interest, save such as the Trustee shall from time to time allow on other funds of a similar character or as the Company and the Trustee may from time to time agree upon. Any interest allowed on any such funds shall be paid, from time to time, to the Company, unless the Company shall be in default hereunder to the knowledge of the Trustee.

ARTICLE EIGHT REMEDIES UPON DEFAULT

SECTION 8.01. In case one or more of the following events, herein called "events of default", shall happen, that is to say:

(a) default shall be made in the payment of any interest on any Bond issued hereunder when and as the same shall become due and payable, and any such default shall have continued for a period of 60 days; or

(b) default shall be made in the payment of the principal of any Bond issued hereunder when and as the same shall become due and payable, whether by the terms thereof or otherwise as herein provided; or

(c) default shall be made in the due performance or observance of any other covenant or condition herein required to be performed or observed by the Company, and any such default shall have continued for a period of 60 days after written notice thereof to the Company from the Trustee or from the holders of at least 15% in amount of the Bonds at the time outstanding, specifying such default and requiring that the same be remedied; or

(d) the Company shall (i) become insolvent or admit in writing its inability to pay its debts generally as they become due or file a petition in bankruptcy or make an assignment for the benefit of its creditors or consent to the appointment of a receiver of itself or of the whole or any substantial part of the trust estate or, on a petition in bankruptcy filed against it, be adjudicated a bankrupt, or (ii) an order, judgment or decree shall be entered by any court of competent jurisdiction appointing, without its consent, a receiver of it or of the whole or any substantial part of the trust estate and such order, judgment or decree shall not be vacated or set aside or stayed within 90 days after a written notice thereof to the Company by the Trustee, which in its discretion may, and upon the written request of the holders of 25% in amount of the Bonds at the time outstanding shall, give such notice, or (iii) the Company shall file a petition under the provisions of An Act to establish a uniform system of bankruptcy throughout the United States, approved July 1, 1898, as amended, or file an answer seeking the relief provided thereunder, or (iv) a court of competent jurisdiction shall enter an order, judgment or decree approving a petition filed against it under the provisions of said Bankruptcy Act, or under the provisions of any other law for the relief or aid of debtors any court of competent jurisdiction shall assume custody, control or supervision of the Company or of the whole or any substantial part of the trust estate, and such order, judgment or decree or such custody, control or supervision, as the case may be, shall not be vacated or set aside or stayed or otherwise terminated within 90 days after written notice thereof to the Company by the Trustee, which in its discretion may, and upon