

that such property has been taken by the exercise of the power of eminent domain or has been disposed of under the requirements of a public authority having jurisdiction to require such disposition or has been purchased by a municipality or public authority in the exercise of a right which it shall have to purchase such property. The proceeds of all property so taken, disposed of or purchased (including severance damages, if any, but after deducting expenses incidental to the sale as certified in an officers' certificate filed with the Trustee) shall be paid over either to the Trustee hereunder to be held as part of the trust estate and applied pursuant to Article VIII, or, if required by the terms thereof (as to which the Trustee may rely, subject to the provisions of Section 1202 hereof, upon an opinion of counsel), to the trustee or other holder of any prior lien which will remain a prior lien on other property of the Company subject to the lien hereof, in which case the Company shall furnish the Trustee with the certificate of such trustee or other holder that it has received such proceeds, but only to the extent of the aggregate principal amount of the outstanding prior lien bonds secured by such prior lien less any moneys then held by such trustee or other holder as to which the Trustee shall have therefore received a certificate of such trustee or other holder in lieu of deposit thereof with the Trustee.

**SECTION 7.06.** Any obligations secured by purchase money mortgage or trust deed, obligations of a municipal corporation or other governmental body or agency and any other evidences of indebtedness (other than prior lien bonds), held by the Trustee, may be released by the Trustee from the lien of this Indenture upon payment to the Trustee of the unpaid portion of such obligations or evidences of indebtedness.

**SECTION 7.07.** In no event shall any purchaser in good faith of any property purporting to have been released hereunder be bound to ascertain the authority of the Trustee to

contained, or when an event of default shall have occurred and be continuing, but notwithstanding any such default or event of default, the Trustee may release from the lien hereof any part of the mortgaged property, upon compliance with the conditions, other than those relating to the non-existence of a default, specified in this Article VII in respect thereof, if the Trustee in its discretion shall deem such release for the best interest of the bondholders.

**SECTION 7.09.** All rights and privileges of the Company provided for by this Article VII shall be exercised only to the extent that the exercise thereof does not violate any applicable provision of law in the premises.

#### ARTICLE VIII

##### APPLICATION OF MONIES RECEIVED BY THE TRUSTEE

**SECTION 8.01.** All moneys received by the Trustee hereunder (except moneys received as a part of any special trust or similar fund, the disposition of which is otherwise provided for) to be applied by it as part of the trust estate shall be held by the Trustee as a part of the trust estate and, so long as the Company is not in default hereunder to the knowledge of the Trustee and there shall not have occurred and be continuing any event of default, shall be paid over from time to time by the Trustee to or upon the order of the Treasurer or an Assistant Treasurer of the Company either:

(a) In the case of moneys deposited with the Trustee pursuant to the provisions of Section 3.06 hereof, in an amount equal to sixty per cent (60%) of the amount of net property additions not theretofore bonded; and in the case of moneys deposited with the Trustee to be applied by it as a part of the trust estate pursuant to any of the other provisions of this Indenture (except moneys referred to in subdivision (e) of this Section 8.01), in an amount equal to one hundred per cent (100%) of the amount of net property additions not

theretofore bonded; or to inquire as to any facts required by the provisions hereof for the exercise of such authority, or be bound to see to the application of the purchase moneys; nor shall any purchaser or grantee of any property or estate permitted by this Article VII to be sold, granted, exchanged or otherwise disposed of, be under obligation to ascertain or inquire into the authority of the Company to make any such sale, grant, exchange or other disposition, or be bound to see to the application of any consideration paid to the Company.

**SECTION 7.08.** In case the trust estate shall be in the possession of a receiver or a trustee in bankruptcy lawfully appointed, or of an assignee for the benefit of creditors, the powers in and by this Article VII conferred upon the Company may be exercised by such receiver, trustee or assignee, with the approval of the Trustee, regardless of whether or not the Company is in default hereunder, and in such event a writing signed by such receiver, trustee or assignee, may be received by the Trustee in lieu of any certified resolution or request required by the provisions of this Article VII, and such receiver, trustee or assignee may make any certificate required by the provisions of this Article VII to be made by an officer or officers of the Company; and if the Trustee hereunder or either of them shall be in possession of the trust estate under any provision of this Indenture, then all the powers by this Article VII conferred upon the Company may be exercised by the Trustee, or that one of them in possession, as the case may be, in their, its or his discretion.

The Trustee shall not be required under any of the provisions of this Article VII to release at the request of the Company any part of the mortgaged property from the lien hereof at any time when the Company shall be in default to the knowledge of the Trustee in the performance of any covenant or agreement in the bonds or in this Indenture

theretofore bonded; provided, however, that if in either case such net property additions are subject to a prior lien, there shall be deducted from the amount of such net property additions an amount equal to one hundred sixty-six and two-thirds per cent (166⅔%) of the principal amount of the then outstanding prior lien bonds secured by such prior lien and not theretofore deducted in connection with any application under this Indenture for the authentication and delivery of bonds or the withdrawal or reduction of cash; but in every case above mentioned, only upon receipt by the Trustee of a request of the Company for the withdrawal from the trust estate of cash in the amount therein specified, and of the certificates, instruments and opinions of the kind prescribed, in, and setting forth the facts with respect to such net property additions specified in subdivisions (b), (c), (d), (e), (g) and (h) of subdivision 3 of Section 3.03 hereof, and an opinion of counsel to the effect that all conditions precedent provided for in this Indenture relating to the withdrawal of the cash in question have been complied with; or

(b) In the case of moneys deposited with the Trustee to be applied by it as a part of the trust estate pursuant to any provision of this Indenture (except moneys referred to in subdivision (e) of this Section 8.01), in an amount equal to (i) one hundred per cent (100%) of the amount of net property additions not theretofore bonded; and (ii) one hundred sixty-six and two-thirds per cent (166⅔%) of the principal amount of prior lien bonds with respect to which one hundred sixty-six and two-thirds per cent (166⅔%) of the principal amount thereof has theretofore been deducted in connection with the reduction or withdrawal of cash under any provision of this Indenture, while prior lien bonds in such case have been deposited with the Trustee or paid or purchased or reduced or ascertained by judicial determination to be invalid and in no case are secured by a lien which is a lien solely on property being simultaneously released from the lien hereof or have been theretofore bonded, but only upon receipt by the Trustee of (1) a request of the Company for the withdrawal