ARTICLE SEVEN

APPLICATION OF MONEY RECEIVED BY THE CORPORATE TRUSTEE

Section 7.01. All moneys received by the Corporate Trustee

(a) as proceeds of property taken by the power of eminent domain; and

(b) as payment for losses under any insurance policies (except where the total amount received on all policies for any loss is $10,000.00 or less);

shall be held by the Corporate Trustee and shall be paid from time to time by the Corporate Trustee to the Corporations upon the order of the President or Vice President of the respective Corporations to reimburse the Corporations for cash expended by them or either of them at any time, whether prior to or subsequent to the receipt of such money by the Corporate Trustee, (1) for "permanent property" (meaning thereby not only real estate which has been or then is made specifically subject to this Indenture, but as well any and all plants, structures, additions, improvements or betterments thereon or on any other of the mortgaged property) acquired subsequent to the date of this Indenture through construction, installation, purchase, exchange or otherwise, as and for a part of the permanent or fixed investment for the business of the Corporations; or (2) for the replacement subsequent to the date of this Indenture of destroyed property. No reimbursement in respect to any permanent property, or in respect of any replacement of destroyed property shall be made from moneys received by the Corporate Trustee under this Article to an amount in excess of One Hundred per cent (100%)

of the actual expenditures for such property.

Such payments shall be made by the Corporate Trustee only upon receipt by it of

(a) a copy of a resolution of the board of trustees or directors of the Corporations, stating the expenditures made by the Corporations for permanent property or replacements of destroyed property, described in the certificate next hereinafter mentioned and requesting reimbursement of such expenditures;

(b) a certificate signed by the President or Vice President of the respective Corporations, stating:
(1) That the Corporations, or one of them, have acquired certain permanent property, describing the same with reasonable certainty and detail, or have made certain replacements of destroyed property, describing the same with reasonable detail, and that such property, including any of such replacements, are not encumbered by any lien (except current taxes) prior to the lien of this Indenture;
(2) That the Corporations, or one of them, have actually expended since the date of this Indenture for such property the amount specified in the resolution last above mentioned as the cash cost thereof; and said certificate shall further distinctly specify whether any of such expenditures, and if so what portion were expended to acquire permanent property or to replace destroyed property, and whether the destroyed property has been fully replaced. If the permanent property has not been completed or if the destroyed property has not been fully replaced, such certificate shall be accompanied (a) by a certificate of an engineer or architect satisfactory to the Corporate Trustee, stating the reasonable cost of acquiring the permanent property or fully replacing the destroyed property and stating that in his opinion the mortgaged property, after acquisition of such permanent property or upon completion of such replacements, will be worth not less than the mortgaged property previous to such destruction; and if such estimated cost be greater than the insurance moneys available, then also (b) an amount in cash equal to the difference between the estimated cost of such property as fixed by such architect or engineer and the amount of insurance moneys available for the purpose of such acquisition or replacement in the hands of the Corporate Trustee. Any subsequent certificate requesting the withdrawal of money to reimburse the Corporations for expenditures made toward the acquisition of permanent property or replacement of such destroyed property shall state that, after payment of such sum the amount remaining on deposit with the Corporate Trustee is sufficient to fully accomplish such acquisition or replacement, free from all liens of mechanics or materialmen;