proceeds shall be applied by the Company to the repair, restoration or replacement of the property damaged or destroyed or to the acquisition or construction of Additions and Betterments. Any property acquired by the Company out of the proceeds of insurance as aforesaid and any and all repairs, restorations, replacements, Additions and Betterments acquired or constructed out of such proceeds, subject to the requirements of any Prior Lien, Permitted Encumbrance or Equipment Obligation on the property with respect to which such insurance was collected, shall become and be subject to the Mortgage as fully as though specifically mortgaged or assigned hereby, but, in the case of property repaired or restored, only in the same manner and to the same extent as the property damaged or destroyed with respect to which such insurance was collected.

SECTION 18. The Company will permit the Corporate Trustee, through its agents, to inspect the mortgaged property or any portion thereof at any time and from time to time, and will comply with all reasonable requests of the Corporate Trustee to furnish such information as the Company may have with respect to the mortgaged property.

SECTION 19. The Company will not pledge any Bonds to secure any indebtedness created, assumed or guaranteed, directly or indirectly, by the Company if in consequence thereof the excess of the aggregate principal amount of all Bonds pledged by the Company over the aggregate principal amount of all indebtedness secured thereby would exceed 15% of the aggregate principal amount of all Outstanding Bonds.

The Company will not pledge any Bonds if in consequence thereof the aggregate amount of all such Bonds pledged by it would exceed 150% of the aggregate principal amount of all indebtedness secured by such pledges.

SECTION 20. The Company will deliver to the Corporate Trustee at the time of the distribution thereof a copy of each annual report and financial statement distributed by the Company to its shareholders, beginning with the annual report for the year 1950.

SECTION 21. The Company covenants that all funds made available to it after January 1, 1950, from all or any of the following sources, unless deposited with the Corporate Trustee or with the trustee or mortgagee under a Prior Lien, Equipment Obligation or Permitted Encumbrance, will be applied only to provide for the Cost of Additions and Betterments not theretofore Bonded: (i) proceeds of insurance on the mortgaged property not used for restoration or repairs, (ii) proceeds from salvage recovered from mortgaged property retired, (iii) proceeds from sales of mortgaged property sold in accordance with the provisions of Article IX, and (iv) funds made available by charges to operating expenses representing the service value of any non-depreciable road property retired and not replaced, to the extent that such funds have been deducted from the remaining Available Net Income, if any, in accordance with Section 1 of Article V.