

taxes for the then current year, and that this Indenture is a valid first lien thereon subject only to such taxes, provided, however, that if the property released be subject to a mortgage or other instrument constituting a lien thereon prior to that of this Indenture, the property received in exchange therefor may be subjected to such prior lien and conveyed to the Trustee under this Indenture subject thereto.

The net proceeds realized by the Companies, or either of them, from any property taken or damaged in eminent domain proceedings shall be, for the purposes of this Article treated as though realized from a voluntary sale thereof made in conformity to the provisions of this Section.

The proceeds received by the Trustee upon any such sale or condemnation, or from any purchase money obligations received as part of the consideration of released property shall be applied, as and when directed by the Companies, in a writing signed by their respective Presidents or Vice Presidents under their respective corporate seals, in any one or more of the following ways (as may be specified in such direction or directions) viz:

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(1) The Trustee shall pay over to the Companies, or either of them, out of such proceeds sum equal to any expenditures that may be made by the Companies, or either of them, subsequent to the deposit of such proceeds with the Trustee, for permanent additions and betterments to the plants and fixed properties of the Companies, or either of them, upon which additions and betterments this Indenture shall constitute a first lien, provided such expenditures shall not have previously been made the basis for the payment of insurance moneys or the proceeds of the sale of released property; or

(2) The Trustee shall apply such proceeds, or any part thereof, in purchasing any of the bonds secured by this Indenture.

Any such application shall be made in the same manner, upon the same conditions upon the furnishing of the same documents and with the same effect as is provided in Section 7 of Article II of this Indenture, with respect to the like application of insurance moneys.

All purchase money obligations received by the Trustee shall be held and collected by the Trustee, which shall, however, be under no liability or accountability whatsoever for the collection thereof, or be required to take any steps by legal proceedings or otherwise toward such collection, which in its judgment may involve it in expense or liability, unless requested so to do in writing and adequately indemnified, as provided in Article X hereof. Interest thereon shall be paid over to the Companies, not being in default hereunder to the knowledge of the Trustee.

The resolutions, certificates, directions, consents, opinions and statements referred to and provided for in this Section shall be full warrant to the Trustee for its action on the faith thereof, and it shall incur no liability for anything done by it pursuant to this Article.

SEC. 2. While in the possession of the mortgaged property each of the Companies shall also have full power in its discretion; from time to time, to dispose free from the lien of this Indenture, of any portion of the machinery, tools, appliances, furniture, fixtures and other movable property, embraced within this Indenture, which may have become unfit for use, upon replacing the same by, or substituting for the same, new machinery, tools, appliances, furniture, fixtures and other property of equal value which shall forthwith become subject to the lien of this Indenture.

ARTICLE IX.

SECTION 1. Until some default shall have been made in the due and punctual payment