

companies similarly situated and operating properties subject to similar or greater fire hazards or on which properties an equal or higher primary fire insurance rate has been set by reputable insurance companies, and that if it shall adopt such other method or plan, it will, except as to materials and supplies and except as to any particular loss less than Fifty Thousand Dollars (\$50,000), pay to the Corporate Trustee on account of any loss sustained by reason of the destruction or damage of property by fire, an amount of cash equal to such loss less any amounts otherwise paid to the Corporate Trustee or to the trustee or other holder of any mortgage or other lien constituting a Prior Lien or a lien prior hereto, if the terms thereof require losses so to be paid. In case of the adoption of such other method or plan of protection, the Company shall also furnish to the Corporate Trustee a certificate of an actuary or other qualified person appointed by the Company and approved by the Corporate Trustee with respect to the adequacy of such method or plan. There shall be deposited with the Corporate Trustee, once in each year and also whenever the Corporate Trustee shall make request therefor, a detailed statement, signed by the Treasurer or an Assistant Treasurer of the Company, of any fire insurance policies then outstanding and in force upon the aforesaid property, or any part thereof, including the names of the insurance companies which have issued the policies and the amounts and expiration dates thereof, together with a detailed statement, signed by the Treasurer or an Assistant Treasurer of the Company, of such other method or plan, if any. The Corporate Trustee shall be under no obligation to make any such request unless requested so to do by the holders of not less than twenty-five per centum (25%) in principal amount of the bonds then outstanding hereunder.

All moneys paid to the Corporate Trustee by the Company in accordance with this Section or received by the Corporate Trustee as proceeds of any insurance against loss or damage by fire shall, subject to the requirements of any mortgage constituting a Prior Lien or a lien prior hereto, be held by the Corporate Trustee and, subject as aforesaid, shall be paid by it to the Company to reimburse the Company for an equal amount spent in the rebuilding or renewal of the property destroyed or damaged, upon receipt by the Corporate Trustee of a Resolution requesting such reimbursement and a Treasurer's Certificate stating the amount so expended and the nature of such renewal or rebuilding and an Opinion of Counsel that the property so rebuilt or renewed is subject to the Lien hereof to the same extent as was the property so lost or damaged.

Any such money not so applied within eighteen (18) months after its receipt by the Corporate Trustee, or in respect of which notice in writing of intention to apply the same to the work of rebuilding or renewals then in progress and uncompleted shall not have been given to the Corporate Trustee by the Company within such eighteen (18) months, or which the Company shall at any time notify the Corporate Trustee is not to be so applied, shall thereafter be withdrawn, used or applied in the manner, to the extent and for the purposes and subject to the conditions provided in Section 61 hereof.

SECTION 38. That it will, within ninety (90) days after the close of the calendar year ending December 31, 1939, and within ninety (90) days after the close of each calendar year thereafter, file with the Corporate Trustee an Engineer's Certificate stating that, in the opinion of the signers, except for situations resulting from casualties which could not be met through a proper amount of ordinary maintenance work, the Company has made or caused to be made during such calendar year such expenditures for repairs, maintenance, renewals or replacements of, or substitutes for, the Mortgaged and Pledged