

ARTICLE XII.

Special Provision for Retirement of Bonds.

Section 64. (I) If during any twelve (12) months' period, any of the Mortgaged and Fledged Property is taken by the exercise of the power of eminent domain and/or any governmental body or agency exercises any rights which it may have to purchase or designate a purchaser of any part of such property and/or any of such property is sold by the Company to one or more Federal, State, County, Municipal or other governmental bodies or agencies or public or semi-public corporations, districts or authorities and/or any of such property is sold by the Company pursuant to the exercise by a governmental body or agency of its right to order the Company to divest itself of any of such property, with the result that (during such period) the Company receives or becomes entitled to receive (during such period or otherwise) proceeds, in cash and/or a principal amount of obligations secured by purchase money mortgage, aggregating not less than Ten Million Dollars (\$10,000,000), at a time or times when any bonds Outstanding hereunder are, by their express terms, redeemable by the application of cash deposited pursuant to the provisions of this Section, the Company covenants that (to the extent that any cash received by the Company for such property, or in payment on account of principal of such obligations, including cash proceeds from the disposition of any such obligations or of property received by the Company in exchange for any of such obligations, has not theretofore been applied to the purchase or redemption of bonds secured hereby, or is not paid or delivered by the Company to the trustee or other holder of a Qualified Lien or a lien prior hereto, under circumstances in which such cash may not be withdrawn and may not be applied for any purpose except to retire Qualified Lien Bonds or bonds secured by a lien prior hereto), the Company will deposit cash

in an amount equal to the cash (less any taxes and expenses incidental to such taking or sale and the principal amount of bonds the right to the authorization and delivery of which pursuant to the provisions of Section 26 or Section 29 hereof shall have been waived as the basis of the release of said property or the basis of the withdrawal of the proceeds of the release of said property, and, at the option of the Company, evidenced by a Resolution, an amount not exceeding ten per centum (10%) of the proceeds of the property so taken, purchased or sold, as an arbitrary allowance for severance damage incident to such taking, purchase or sale; provided, however, the foregoing clause shall not be construed as relieving the Company from compliance with all applicable provisions of Article XI hereof, in respect of such property or in respect of the proceeds thereof, including such ten per centum (10%) of the proceeds of such property) theretofore or then received by the Company for said property (including cash equivalent to any proceeds of said property theretofore withdrawn under the provisions of subdivision (1) of Section 61 hereof on the basis of Property Additions-- which cash shall for the purposes of this Indenture be deemed to be cash replaced-- and including cash received on account of principal of such obligations as aforesaid) with the Corporate Trustee under the provisions of this Section and (to the extent that such cash is not paid or delivered to the trustee or other holder of a Qualified Lien or lien prior hereto, as aforesaid) will deposit, when and as received, all cash thereafter received for said property, including cash received on account of principal of such obligations as aforesaid, with the Corporate Trustee under the provisions of this Section (all of which deposits shall be deemed to have been made pursuant to the provisions of this Section, and, subject, to Section 119 hereof, will (to the extent that any cash so deposited is not applied, within four months after the date deposited, to the purchase or redemption of bonds Outstanding hereunder, pursuant to the provisions of Article X hereof) irrevocably direct the Corporate Trustee to apply the cash so deposited with the Corporate Trustee to the