

- 17 -

however, that the Company may in good faith contest any such law, act, rule, regulation or order in any lawful and reasonable manner which will not endanger or subject to prior lien or to forfeiture, the title of the Trustee to any part of the trust estate.

Section 8. So long as any of the First Mortgage Bonds issued hereunder are outstanding, the Company agrees to keep the buildings, equipment, improvements and all other insurable property covered by this Indenture now standing or hereafter erected or placed on the premises insured against loss or damage by fire, and such other hazards as the holder of the bonds secured hereby may from time to time require, all such insurance to be in forms, in companies, and in sums (not less than sufficient to avoid any claim on the part of the insurers for co-insurance) satisfactory to the Trustee herein; that all insurance policies shall be held by the Trustee herein and shall be for the benefit of and first payable in case of loss to the holder of the bonds secured hereby and that at least fifteen (15) days before the expiration of each such policy, a new and sufficient policy to take the place of the one so expiring shall be delivered to the Trustee herein. The Company hereby assigns to the Trustee herein all monies, recoverable under each such policy and agrees that in the event of a loss, the amount collected under any policy of insurance on said property may at the option of the holder of the bonds secured hereby be applied by the Trustee upon the pro rata payment of the bonds secured hereby, or if all of said bonds are then owned by Liberty Life Insurance Company, the proceeds from said policy or policies may be applied in such order as the Liberty Life Insurance Company may determine, or said amount or any portion thereof may at the option of the holder of the bonds secured hereby either be used in replacing, repairing or restoring the improvements partially or totally destroyed, to a condition satisfactory to the Trustee herein or be released to the Company, in either of which events the Trustee shall not be obligated to see to the proper application thereof; nor shall the amount so released or used be determined a payment on any bonds