

appraisals, or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action by the Trustee, deemed desirable for the purpose of establishing the right of the Borrower to the authentication of any Bonds, the withdrawal of any cash, the release of any property, or the taking of any other action by the Trustee.

(1) When taking action hereunder pursuant to the request of one or more Bondholders, the Trustee may require that there be deposited with it a reasonable sum not exceeding Five Thousand Dollars (\$5,000) as security for such expenses as it may incur. Any sum advanced for expenses by any Bondholder or Bondholders or on their behalf or by the Trustee shall be secured by the lien of this Indenture and shall have priority to the payment of the Bonds and interest secured hereby.

Section 10.02. The Trustee shall have a first lien with right of payment prior to payment on account of interest or principal of any Bond issued hereunder upon the mortgaged property for reasonable compensation, expenses, advances and counsel fees incurred in and about the execution of the trusts hereby created and the exercise and performance of the powers and duties of the Trustee hereunder and the cost and expenses incurred in defending against any liability in the premises of any character whatsoever (unless such liability is adjudicated to have resulted from the negligence or willful default of the Trustee). The Borrower hereby covenants and agrees to pay all advances, counsel fees and other expenses reasonably made or incurred by the Trustee in and about the execution of the trust hereby created and to reimburse the Trustee therefor if such expenses are paid by it. The Borrower agrees to pay the Trustee reasonable compensation for its services in the premises. The compen-

sation of the Trustee shall not be limited to or by any provision of law in regard to the compensation of trustees of an express trust.

Section 10.03. If a default occurs of which the Trustee is by sub-section (e) of Section 10.01 hereof required to take notice or if notice of default be given it as in said sub-section (e) provided, then the Trustee shall give written notice thereof by mail to the last known owners of all Bonds outstanding hereunder as shown by the bond register and the list of Bondholders required by the terms of Section 3.14 hereof to be kept at the office of the Trustee.

Section 10.04. In any judicial proceeding to which the Borrower is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interests of owners of Bonds issued hereunder, the Trustee may intervene on behalf of Bondholders and shall do so if requested in writing by the owners of at least ten per cent (10%) of the aggregate principal amount of Bonds outstanding hereunder. The rights and obligations of the Trustee under this section are subject to the approval of the court having jurisdiction in the premises.

Section 10.05. Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, *ipso facto*, shall be and become successor trustee hereunder and vested with all of the title to the whole mortgaged property or trust estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 10.06. The Trustee and any successor trustees