tion Committee.

The bonds remaining in the hands of the said Trustee shall be used only for the purpose of paying for extensions and improvements, or the purchase of real estate to be used and necessary for the proper operation of said Water Company, and shall be certified and delivered to the said Water Company upon a resolution of its board of directors reciting the amount of bonds required to make such extensions and improvements, or for the purchase of real estate, and that the proceeds from the sale of said bonds will be applied to the payment of said expenses. Said resolution shall be accompanied by an affidavit of the manager or engineer of the said Water Company, setting forth the character, nature and amount of contemplated expenditures.

Upon presentation of said resolution and affidavit the said Trustee shall deliver to the said Water Company the therein required amount of bonds secured hereby, to pay for the said improvements, but the said Trustee shall not be under obligation to see to the application or disposition of any bonds certified or delivered by it as aforesaid.

The Water Co. to pay all lawful taxes and assessments and keep property free from Mechanics' and other liens and maintain condition of property, etc.

Article Second. The said Water Company, party of the first part, hereby covenants and agrees to and with the Trustee, party of the second part, that it will pay all lawful taxes and assessments upon the property hereby mortgaged at any time legally levied and assessed thereon; that it will suffer no mechanic's statutory or laborer's lien which shall have priority to this mortgage to be created or placed on any portion or part of said water works plant, or on any part of the estate and property hereby mortgaged, to the end that the priority and lien of and under this mortgage shall at all times be maintained; that it shall and will diligently preserve all the rights and franchises to it granted and upon it conferred, and shall and will at all times maintain, preserve and keep the same and the other premises hereby mortgaged, and every part thereof, with the fixtures and appurtenances and every part and parcel thereof, in good repair, working order and condition, and shall and will from time to time make all needful and proper repairs, renewals and replacements, useful and proper alterations, additions, betterments and improvements.

Matured coupons must be paid and cancelled. Coupons purchased or sold by or at the request of or used as collateral by the Water Company not a lien upon mortgaged premises.

When and as the coupons attached to the bonds secured hereby mature and become payable, they shall be paid by the said Water Company and the coupons cancelled, and no purchase or sale of said coupons, or of any one or more of them, and no advance or loan upon the same, made by or on behalf of or at the request of the Water Company shall be construed or operate as keeping the said coupons alive or in force as a lien upon the mortgaged premises, as against the holders of the bonds secured hereby and of coupons annexed thereto.

It is hereby agreed and declared that the aforesaid described prop-