

Mortgage to be released on deposit of money to pay or payment of all bonds.

Covenants to pay bonds.

Covenants to pay taxes, liens, etc

Covenants to maintain property.

Bankers shall have right to examine books and accounts and physical property at any time, through engineer or auditor.

Company to comply with report of engineer or auditor to Bankers in 60 days.

Provision regarding arbitration upon failure to comply with report.

Company to comply with report of arbitrator in 60 days.

Amendments to or surrender of municipal grants.

Covenants to reconfirm assurances.

Covenant not to extend maturity of coupons.

Covenants to maintain corporate existence.

Covenant to discharge all obligations under any lease mortgaged.

of such report. Should the Company agree to abide by the requirements of said report, then and in such event, within sixty days from the receipt of such report, it shall carry out in all respects the requirements in the said report contained, including the making of such repairs and replacements as may be therein indicated. Should the Company in said written notice refuse to comply with the requirements of any such report as aforesaid, then and in such event the Company and the Bankers shall appoint an arbitrator by an instrument in writing, to pass upon the alleged breaches of covenant and failure of maintenance on the part of the Company and the requirements in respect thereof contained in such report, and to determine in what respect and to what extent the Company should be required to perform and carry out the same. Should the Bankers and the Company fail to agree upon an arbitrator as aforesaid within the period of twenty days after the receipt of the said report of the Bankers, or should any arbitrator so appointed fail to make and deliver his written report as herein-after provided, in respect of the matters submitted to him as aforesaid, within the period of twenty days from his appointment, the Corporate Trustees shall thereupon appoint such an arbitrator by an instrument in writing, which shall be delivered by it to the Company. Any arbitrator appointed as aforesaid shall all the rights of examination

(p.33)

of the properties, books, accounts, and vouchers of the Company accorded to the Bankers as hereinbefore provided; and shall make a report in writing embodying his findings in respect of the matters to be submitted to him as aforesaid and his requirements in respect thereof, including the repairs and replacements to be made by the Company, if any. Such report shall be delivered by the arbitrator to the Company, and copies thereof shall be delivered by him to the Bankers and the Corporate Trustees.

Any such arbitrator's report shall be conclusive upon the Company, the Bankers and the Trustees; and the costs, charges and expenses of and incidental to any such arbitrator shall be paid by the Company. Within sixty days from the delivery of any such arbitrator's report to the Company, it shall carry out, in all respects, the requirements in said report contained, including the making of such repairs and replacements as may be therein directed. The Bankers, however, do not assume any liability by reason of the making of any such examination or report, or by reason of any failure so to do.

Section 4. The Company further covenants that it will diligently preserve, and cause to be extended and continued until the termination of this Mortgage Deed of Trust, all the rights and franchises and all the terms thereof now or hereafter owned or held by it, and will diligently conform to all ordinances and grants under which it now operates or may hereafter operate; provided, however, that, with the consent of the Corporate Trustees the Company may omit to maintain, preserve or cause to be extended or continued, any franchise, ordinance, right, power or privilege which, in the judgement of the Company and the Corporate Trustees, it is inadvisable to maintain or preserve or cause to be extended or continued.

The Corporate Trustees may receive a certified copy of a resolution of the board of directors of the Company, signed by a majority of the board, which shall state that, in the judgment

(p.34)

the action proposed to be taken by the Company in respect of the omission to maintain, preserve or cause to be extended or continued, any franchise, ordinance, right, power or privilege is advisable in the interests of the bondholders of the bonds, as sufficient evidence of such facts and of the correctness of the conclusions therefrom; and it shall be fully protected in any action which it may take on the faith thereof.

Section 5. The Company further covenants and agrees that it will do, on demand, of the Trustees, all acts necessary or proper to keep valid the lien hereby created or intended to be created, and will at any future time and as often as it may be necessary, execute, on demand of the Trustees, all such other and further assurances, deeds, mortgages and other instruments of writing in due form and effect as may be proper for the better carrying out of the intent and meaning of this instrument, and especially will at its own expense do all things that may be reasonably required by the Trustees to make and keep valid the lien hereby intended to be created upon property hereafter required.

Section 6. In order to prevent any accumulation of unpaid coupons after their maturity, the Company covenants and agrees that it will not, directly or indirectly, extend, or assent to the extension of, the time for payment of any coupons of any of the bonds hereby secured. In case the time for payment of any such coupons shall be extended, whether such extension be with the consent of the Company or not, such extended coupons shall not be entitled, in any case of default hereunder, to the benefit or security of this Mortgage Deed of Trust, except subject to the prior payment in full of the principal of all bonds issued and outstanding hereunder, and of so much of the accrued interest thereon as shall not be represented by such extended coupons.

(p.35)

Section 7. The Company covenants that it will keep and maintain its corporate existence and that it will comply with all laws, acts, rules, regulations and orders of any national or state, legislative, executive, administrative or judicial body, commission, or officer exercising any power of regulation or supervision over the Company or any part of the trust estate, provided, however, that the Company may in good faith contest the application of any such law, act, rule, regulation or order.

Section 8. The Company will from time to time punctually observe and perform all its obligations, and pay and discharge all amounts payable under or by virtue of any lease hereby mortgaged, so that the interest of the Company in any such leasehold estate may be at all times preserved unimpaired as security for the bonds issued hereunder; provided, however, that nothing hereunder contained shall require the Company