

on account of which said cash is deposited. The Company shall be entitled to receive interest on such deposits of cash at the rate paid by the Corporate Trustee on other deposits of similar character. Such resolutions, certificates, affidavits and opinions shall be conclusive in favor of the Trustees as to the facts stated therein, and shall be deemed and shall be taken to be full authority and protection to the Trustees for the payment of moneys to the Company as herein provided.

Section 7. No bonds shall be authenticated or delivered by the Corporate Trustee under this indenture if, to the knowledge of the Corporate Trustee, default exists hereunder in respect of any of the covenants or conditions contained herein, or in the bonds secured hereby and then outstanding.

### ARTICLE III.

#### COVENANTS OF THE COMPANY.

The Company covenants with the Trustees as hereinafter in this Article set forth:

Section 1. Duly and punctually the Company will pay the principal and interest of each and every of the bonds, at the dates and places and in the manner mentioned in the bonds or in the coupons thereto belonging and comply with the covenants thereof, according to the true intent and meaning thereof. The Company hereby assumes the payment of all such taxes and governmental charges as the Company may by any such bonds or otherwise herein have agreed to pay.

The Company will reimburse to the holder of the bonds of Series A issued hereunder, when paid by said holder, all taxes (other than succession and inheritance taxes) assessed, at a rate of taxation not exceeding the rate existing at the date of this indenture, by the Commonwealth of Pennsylvania, and/or the State of Connecticut, or any subdivisions thereof, upon such bonds or upon such holder as a resident of said Commonwealth, and/or of said State, by reason of the ownership thereof, upon a duly verified request for such reimbursement, stating the number of bonds and setting forth the fact of ownership at the date when such taxation was assessed, and that such tax was assessed upon and paid by said holder as a resident of the Commonwealth of Pennsylvania, and/or of the State of Connecticut, holding said bond. Such request shall be made to the Company in writing at its office, or at the office of the Corporate Trustee, in the Borough of Manhattan, City and State of New York, within a period of sixty days from the date of each and every such payment of such tax by said holder, and the Company shall not be liable to reimburse said holder for any tax, unless such request be made within such period; and it shall in no event be liable to reimburse said holder for any interest or penalty assessed upon or paid in addition to the amount of said tax as originally assessed.

The interest on the coupon bonds shall be payable only upon presentation and surrender of the several coupons for such interest as they respectively mature, and when paid such coupons shall forthwith be cancelled. The interest on the registered bonds without coupons shall be payable only to the registered holders thereof as the same appear on the registration books kept for that purpose at the office of the Corporate Trustee as registrar for the Company.

The Company may provide at the time of the creation of any series other than Series A, that the bonds of such series may be convertible, at the option of the holder thereof, into capital stock of the Company at such times and upon such terms and conditions as the Board of Directors of the Company may determine and as shall be appropriately expressed in the bonds of such series. Any such right of conversion, however, shall be subject to such prior authorization thereof by the stockholders of the Company and by such public service commission or other governmental body as may have jurisdiction in regard thereto, as may then, in the opinion of counsel selected by the company and acceptable to the Corporate Trustee (who may be counsel for the Company), be required by law.

The bonds of each series and the coupons to be attached thereto may contain such provisions, specifications, descriptive words and recitals, and may have such legends printed, lithographed or engraved thereon, not inconsistent with the provisions of this indenture as may be required to comply with the rules of any stock exchange or to conform to in respect thereto, or as may be desired by the Board of Directors of the Company and approved by the Corporate Trustee in its discretion.

In order to prevent any accumulation of coupons and claims for interest after maturity the Company will not, directly or indirectly, extend or assent to the extension of the time for payment of any coupons or claims for interest on any of the bonds, and the Company will not directly or indirectly be a party to or approve of such arrangement by purchasing or funding such coupons or claims for interest or in any other manner.

Section 2. The Company is lawfully seized and possessed of the property hereby mortgaged, pledged and assigned, free from incumbrance, and has good and lawful authority to mortgage and convey said property and will warrant and defend the title thereto to the Trustees, their successors and assigns, for the benefit of the holders for the time being of the bonds issued and to be issued hereunder against the claims and demands of all persons whomsoever.

Section 3. This indenture is and shall always be kept and maintained a valid first lien upon the trust estate as it now exists; and upon all the property which shall, at any time hereafter be or become subject to the lien hereof, and the Company will not voluntarily create nor suffer to be created any debt, lien or charge which would be prior to the lien of this indenture upon the trust estate or any part thereof, or upon the income thereof; within three months after the same shall accrue, will pay or cause to be discharged, or will make adequate provisions to satisfy and discharge, all lawful claims and demands of mechanics, laborers and others which, if unpaid, might by law be entitled to precedence over this indenture as a lien or charge upon the trust estate, or some part thereof, or the income