

DOUGLAS COUNTY

additional bonds, under any prior lien, if permitted so to do by the terms of said lien, and within the limitations and upon compliance with the provisions therein contained. The Company covenants and agrees, however, that it will not increase or permit the increase of the outstanding issue of bonds or issue or permit the issue of additional bonds under any prior lien, unless all additional bonds so issued shall be forthwith deposited with the corporate Trustee to be held upon and subject to the provisions contained in Article Six hereof. Nothing in this Section 46 contained, however, shall affect the issuance of bonds under any prior lien to replace any mutilated, lost, stolen or destroyed bonds, if and to the extent permitted by such lien.

SECTION 47. All property of every kind, real, personal or mixed, which may be acquired by the Company after the date hereof, except property of the character hereinabove expressly excepted and excluded from the lien hereof, shall immediately upon the acquisition thereof by the Company, to the extent of such acquisition, and without any further conveyance or assignment, become and be subject to the direct lien of this Indenture as fully and completely as though now owned by the Company and specifically granted and described in the Granting Clauses hereof. At any and all times the Company will do, execute, acknowledge and deliver or will cause to be done, executed, acknowledged and delivered, all and every such further acts, deeds, transfers and assurances for the better assuring, conveying and confirming unto the Trustees all and singular the property hereby conveyed or intended so to be, as the Trustees shall reasonably require for better accomplishing the provisions and purposes of this Indenture, and for securing the payment of the principal of and interest on the Bonds issued hereunder.

SECTION 48. The Company will at all times keep all of the mortgaged property which is of an insurable nature and of the character usually insured by companies operating properties similar to the properties of the Company, insured against loss or damage by fire and from other causes customarily insured against by similar companies. Such insurance shall be effected by one or the other of the following methods, or partly by one and partly by the other:

A. Said property shall be insured, to such amount as such property is usually insured by companies similarly situated, with insurers of good standing. All policies or other contracts for such insurance upon any part of the trust estate shall provide, by endorsement or otherwise, that any one loss to property covered by such policies or contracts in an amount equal to or exceeding \$5,000, shall be payable to the Trustees as their interests may appear. The proceeds of all insurance received by the Trustees, whether from insurers, or from the Company as hereinafter provided, shall be deposited with the corporate Trustee and shall be held and paid over or applied by the corporate Trustee as provided in Article Eleven hereof.

All insurance proceeds amounting to less than the sum of \$5,000 in the aggregate on account of any one loss shall be payable solely to the Company, and the Company covenants and agrees that it will apply all such proceeds to the replacement or repair of the property destroyed or damaged, and/or to the improvement of the mortgaged property, and/or to one or more of the purposes mentioned in Section 60 hereof, and will, from time to time, file with the corporate Trustee a certificate or certificates showing that all such insurance proceeds received by the Company have been so applied by it; provided, however, that upon the happening of an event of default, as defined in Section 65 hereof, the Company agrees that it will forthwith pay to the Trustees any such unapplied insurance proceeds then held by it, and, forthwith upon the receipt thereof by it, will pay to the Trustees all such insurance proceeds which it receives after an event of default shall have happened and while the same remains unremedied.

In case any part of the trust estate covered by any policy of insurance shall suffer loss or damage by fire or other cause, or by any other cause, and the Company shall be held liable for such loss or damage, and any settlement and payment of indemnity therefor which may be agreed upon between the Company and any insurer, as evidenced by a certificate of the Company, may be assented to and accepted by the Trustees in their discretion without any inquiry or investigation whatsoever, and the Trustees shall be in no way liable or responsible for the collection of any insurance moneys in case of any loss or damage.

As soon as practicable after the execution of this Indenture, but not later than July 1, 1937 (if this Indenture shall have been executed on or prior to said date), and on July 1 of each year thereafter, and at any time upon the request of the Trustees, the Company will file with the corporate Trustee a certificate containing a detailed list of the insurance then in effect upon the property of the Company on a date therein specified (which date shall be within 30 days of the filing of such certificate), and said list shall be accompanied by a certificate of the Company stating that said insurance complies with the provisions of this Section 48. The Trustees shall be entitled to accept such list and certificate as satisfactory evidence of compliance by the Company with the provisions of this Section 48. In case the Trustees shall at any time notify the Company in writing that they disapprove of any insurer with which the Company has insured any part of the mortgaged property, other insurance satisfactory to the Trustees shall forthwith be effected by the Company.

B. In lieu of or to supplement the plan of insurance provided for in the preceding Paragraph A, in respect of all or any part of the mortgaged property, the Company shall be at liberty to adopt such other proper plan or method of protection against the casualties aforesaid, whether by the establishment of an insurance reserve to be held and applied to make good losses from such casualties, or otherwise, and upon such terms and conditions, but conforming to the approved practices of similar companies maintaining systems of self-insurance, as may be determined by the Board of Directors of the Company. In such case, the annual certificate provided for in the preceding Paragraph A shall be varied accordingly.

SECTION 49. The Company will keep full and complete records and accounts showing the sale of all Bonds authenticated and delivered hereunder, and the price or prices received therefor, and the several purposes for which the proceeds thereof were expended, and the amounts of such several expenditures.

SECTION 50. The Company will keep proper books of record and account, in accordance with the system of accounts prescribed by any governmental authority having jurisdiction in the premises, if any, in which books of record and account full, true and correct entries shall be made of all dealings or transactions of or in relation to the plants, properties, business and affairs of the Company. The Company will at any and all times, upon the written request of the Trustees, and at the expense of the Company, (a) permit the Trustees by their agents, engineers, accountants and attorneys to examine and inspect the plants and properties, books of account, records, reports and other papers of the Company, and to take copies and extracts therefrom, and will afford and procure a reasonable opportunity to make any such examination and inspection, and (b) furnish the Trustees any financial statements and all such other information as the Trustees may reasonably request, so that they may keep themselves informed as to the performance and observance by the Company of the covenants, agreements and conditions in this Indenture contained to be by it kept, observed and performed.

The Trustees shall be under no duty to institute any such examination or inspection or to require the Company to furnish any such statement or information, unless requested so to do by the holders of at least 15% in amount of the Bonds at the time outstanding, and unless indemnified as hereinafter provided.

The information furnished to the Trustees pursuant to the provisions of this Section 50 shall at all reasonable times during business hours be open to inspection by the holders of Bonds, but the Trustees shall have no duty with respect to any such information furnished to them except to retain the same on file for such inspection.

SECTION 51. The Company will record, register, file, renew and re-record, re-register and refile this Indenture and every indenture supplemental hereto which hereafter may be executed and all such documents as may be required by law in order to maintain this Indenture at all times as a mortgage of