property and shall state the aggregate amount, if separately shown on the books of the Company, or the amount estimated by the Company if not separately shown, which should be so deducted in the computation of New Bondable Additions hereunder. Said report shall be placed on file by the New York Trustee and shall be open to inspection by any Bondholder at any reasonable time.

If the Company, within 30 days after the filing of the report of such Independent Engineer, does not consent to and approve in writing the amount stated therein as aforesaid as the estimated cost of making good such maintenance deficiency and/or the amount stated therein which should be deducted as Property Retirements for the purpose of the computation hereunder of Net Bondable Additions, the amount of such maintenance deficiency, if any, and/or the amount, if any, so to be deducted in any computation of Net Bondable Additions, shall be forthwith referred to three arbitrators selected in the following manner: The New York Trustee, within 10 days after the expiration of said period of 30 days, shall name one arbitrator and give notice of such selection to the Company. Within 10 days after receipt of such notice, the Company shall name one arbitrator and give notice of such selection to the New York Trustee, and failure so to do shall entitle the New York Trustee to name an arbitrator to represent the Company. The two thus selected shall, within 10 days after the appointment of the arbitrator representing the Company, select a third arbitrator, but if said arbitrators are unable, within said 10 days to agree upon such third arbitrator, then, upon the election of either the Company or the New York Trustee, the person who is the District Judge of the United States of America for the Southern District of New York senior in service shall have the power to appoint such third arbitrator, upon application to said District Judge by either party after 5 days' notice thereof to the other party. The written decision of a majority of such arbitrators shall be filed as soon as practicable with the New York Trustee and a copy thereof delivered to the Company, and shall be binding upon the Trustees, the Company and the Bondholders.

Pending the final determination pursuant to the foregoing provisions of this Section as to whether or not the Company has maintained the Trust Estate as an operating system or systems in good repair, working order and condition, no statement contained in any report of any Independent Engineer filed with the New York Trustee, as hereinbefore in this Section provided, shall be deemed to be in any way evidence or proof of a failure to comply with this Section.

The Company shall, with all reasonable speed, do such maintenance work as may be necessary to make good any such maintenance deficiency as shall have been determined to exist as hereinabove provided at the time of the report of such Independent Engineer or at the time of such decision of arbitrators, as the case may be, whereupon such Independent Engineer or such arbitrators, as the case may be (or, in case of his or their refusal or inability to act, some other Independent Engineer), shall report in writing to the New York Trustee whether such deficiency has been made good.

Unless the New York Trustee shall be so advised in writing by such Independent Engineer or arbitrators, as the case may be, within one year from the date of the report of such Independent Engineer or the date of such decision of arbitrators, as the case may be, or such longer period as may be reported by such Independent Engineer or the arbitrators, as the case may be, to be reasonably necessary for the purpose, that such deficiency has been made good, the Company shall be deemed to have defaulted in the due performance of the covenants of this Section, so far as concerns the maintenance of the Trust Estate; and in any proceedings consequent upon such default, said report or reports of such Independent Engineer or said decision or decisions of such arbitrators, as the case may be, shall be conclusive evidence against the Company of the existence of the facts and conditions therein set forth, and the New York Trustee shall be fully protected in relying thereon.

In the computation hereunder of Net Bondable Additions, after any such report of an Independent Engineer or any such decision of arbitrators shall have been filed with the New York Trustee, the Company shall classify as Property Retirements, at the amount or amounts which such report or decision (as the case may be) specifies, the property which said report or decision (as the case may be) states should be classified as Property Retirements for the purpose of such computation and which has not been retired on the books of the Company.

All expenses incurred pursuant to this Section shall be borne by the Company.

In the event that any regulatory authority having jurisdiction over the Company shall determine that the expenditures required by this Section for repairs and maintenance are excessive or shall, by order or regulation, prohibit, in whole or in part, any such expenditures for repairs and maintenance, then, upon filing with the New York Trustee a certified copy of such order or a copy of such regulation, as the case may be, the Company shall, so long as such order or such regulation remains in effect, be relieved from compliance with the covenants contained in this Section, to the extent that such expenditures for repairs and maintenance shall have been held excessive or shall be prohibited.

Section 74. The Company will not permit any increase of the aggregate principal amount of outstanding Prior Lien Obligations secured by any Prior Lien, but the Company shall have the right to issue new Obligations under a Prior Lien in place of, and in substitution for, or to refund, other Obligations secured by the same Prior Lien if the principal amount of such new Obligations shall not exceed the principal amount of the Obligations in place of which, or to refund which, such new Obligations are being issued.

The Company will not permit any default to occur in the payment of any principal of or any interest or premium, if any, or any Prior Lien Obligations, and will not permit any act or omission, which is or may be declared to be a default under any mortgage securing Prior Lien Obligations, to occur hereafter or to continue beyond the period of grace, if any, specified in any such mortgage, and will, at all times, protect its title to the Trust Estate and every part thereof against loss by reason of any foreclosure or other proceeding to enforce any Prior Lien thereon.

Section 75. Upon the cancellation and discharge of any Prior Lien, the Company will cause all cash, obligations or other property then held by the trustee or other holder of such Prior Lien, which were received by such trustee or other holder by reason of the release of, or which represent the proceeds of the taking by eminent domain or the purchase by a public authority or any other disposition of, or insurance on, any of the Trust Estate (including all proceeds of or substituted for any thereof), to be paid to and/or deposited and pledged with the New York Trustee, subject to no lien or charge prior to the lien of this Indenture, such cash to be held and paid over or applied by the New York Trustee as provided in Article Eight and such obligations or other property to be held by the New York Trustee as part of the Trust Estate; provided, however, that, in lieu of paying or delivering to the New York Trustee all of any part of such cash, obligations or other property, the Company may deliver to the New York Trustee a certificate of the trustee or other holder of some other Prior Lien, stating that a specified amount thereof has been deposited with such trustee or other holder pursuant to the requirements of such other Prior Lien, in which case there shall also be delivered to the New York Trustee an Opinion of Counsel stating that such deposit is required by such other Prior Lien.

Section 76. All property of every kind, real, personal or mixed, other than Excepted Property, which may be acquired by the Company after the date 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. 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 New York Trustee shall reasonably require for better accomplishing the provisions and purposes of this Indenture, and for securing payment of the principal of and interest on the Bonds issued hereunder.