

dition, and whether or not there is any property of the Company which should be classified as Retirements for the purpose of computing Net Bondable Additions hereunder and which has not been retired on the books of the Company. If such Independent Engineer shall report that the Trust Estate, as an operating system or systems, has not been so maintained, he shall state clearly in his report the character and extent and estimated cost of making good such deficiency, and, if longer than one year, the time reasonably necessary to make good such deficiency and, if he shall report that there is property of the Company which should be classified as Retirements for the purpose of computing Net Bondable Additions hereunder and which has not been retired on the books of the Company, his report shall briefly describe such 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 Net 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 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 3 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