

## DOUGLAS COUNTY

Nothing herein contained shall be held to prevent the Company from discontinuing the operation of any of its plants, works or properties, if in the judgment of the Board of Directors of the Company, it is no longer advisable and profitable to operate the same, or if the Company intends to sell or dispose of the same and within a reasonable time shall endeavor to effectuate such a sale; nor shall anything herein contained be construed to prevent the Company from taking such action with respect to the use of its plants, works and properties as is proper under the circumstances, including the cessation or omission to exercise any rights, permits, licenses, privileges or franchises which, in the judgment of the Board of Directors of the Company, can no longer be profitably exercised or availed of.

SECTION 5.07. The Company will pay or cause to be paid all indebtedness secured by any prior lien and will perform or cause to be performed all the terms, covenants and conditions to be performed by the mortgagor contained in the instruments creating any such lien, to such an extent as shall be necessary to prevent the security afforded by this Indenture from becoming materially impaired, and it will not permit any default under any such lien to occur and continue for the period of grace if any specified therein if thereby the security afforded by this Indenture will be materially impaired; provided that no failure of the Company to pay any indebtedness secured by, or to observe or perform any provision of, any prior lien shall constitute or shall be deemed to be or to become a default under any provision of this Indenture if the Company shall have given written notice to the Trustee of its intention not so to pay or so to observe or perform, stating the facts with respect to such non-payment or non-observance, and shall file with the Trustee a certificate of the Company and a concurring opinion of counsel, each stating that, in the signer's opinion, failure to do so would not be detrimental to the best interests of the Bondholders hereunder.

SECTION 5.08. 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 acquisitions, 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 Trustee all and singular the property hereby conveyed or intended so to be, as the Trustee shall reasonably require for better accomplishing the provision and purposes of this Indenture, and for securing payment of the principal of an interest on the Bonds issued hereunder.

SECTION 5.09. 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.

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 be deposited with the Trustee and 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 Trustee as its interest may appear. The proceeds of all insurance received by the Trustee whether from insurers, or from the Company as hereinafter provided, shall be deposited with the Trustee and shall be held and paid over or applied by the Trustee as provided in Article Seven 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 Article Seven hereof, and will, from time to time file with the 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 8.01 hereof, the Company agrees that it will forthwith pay to the Trustee any such unapplied insurance proceeds then held by it, and, forthwith upon the receipt thereof by it, will pay to the Trustee 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, any appraisal or adjustment of any 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 Trustee in its discretion without any inquiry or investigation whatsoever, and the Trustee shall be in no way liable or responsible for the collection of any insurance moneys in case of any loss or damage.

As soon practicable after the execution of this Indenture, and on July 1 of each year thereafter, and at any time upon the request of the Trustee, the Company will file with the 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 5.09. The Trustee shall be entitled to accept such list and certificate as satisfactory evidence of compliance by the Company with the provisions of this Section 5.09. In case the Trustee shall at any time notify the Company in writing that it disapproves of any insurer with which the Company has insured any part of the mortgaged property, other insurance satisfactory to the Trustee shall forthwith be effected by the Company.

SECTION 5.10. 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 Trustee, and at the expense of the Company, (a) permit the Trustee by its 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 Trustee any financial statements and all such other information as the Trustee may reasonably request, so that it may keep itself 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 Trustee 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 Trustee pursuant to the provisions this Section 5.10 shall at all reasonable times during business hours be open to inspection by the holders of Bonds, but the Trustee shall have no duty with respect to any such information furnished to it except to retain the same on file for such inspection.

SECTION 5.11. The Company will record, register, file, renew and rerecord, re-register and re-file 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 both real estate and personal property, all in such manner, at such times and in such places as may be required by law in order fully to preserve and protect the security of the Bondholders and the rights of the Trustee. The Company will pay any mortgage recording tax due on any recording or filing hereof or of such supplemental indenture and will comply with the requirements of any and every mortgage recording tax law affecting the due recording or maintaining of this Indenture, and will do whatever else may be necessary or be reasonably required by the Trustee in order to perfect and continue the lien of this Indenture upon the property mortgaged, pledged or assigned hereunder or intended so to be.

SECTION 5.12. Except in the case of a merger, consolidation, conveyance or transfer as hereinafter in Article Ten provided, the Company will at all times maintain its corporate existence and right to carry on business, and will duly procure all renewals and extensions thereof, and subject to the provisions hereof, will diligently maintain, persevere and renew all the rights, powers, privileges, immunities, franchise and good will