

96

interest on the bonds shall in such event be payable at said office of the Principal Trustee.

Subject to the provisions of § 16.05, any moneys which at any time shall be deposited by the Company or on its behalf with the Principal Trustee or any other depository for the purpose of paying any of the bonds which shall have become due and payable, whether at maturity thereof or upon call for redemption or otherwise, or for the purpose of paying any coupons, claims for interest appertaining to any of the bonds, shall be, and are hereby assigned, transferred and set over to the Principal Trustee or such depository, to be held in a special account and in trust for the respective holders of the bonds or coupons or claims for interest for the purpose of paying which said moneys shall have been deposited. Interest, if any, accruing on such moneys during the period the same shall remain on deposit shall belong to the Company and shall, unless a default as defined in § 9.01 shall have occurred and be continuing, be paid to it from time to time upon written request of its Treasurer or one of its Assistant Treasurers.

§ 4.03. That it will pay or cause to be paid all taxes and assessments lawfully levied or assessed upon the mortgaged property, or upon any part thereof or upon any income therefrom, or upon the interest of the Trustee in the mortgaged property, or upon the Company, before the same shall become delinquent, and will duly observe and conform to all valid requirements of any governmental authority relative to any of the mortgaged property, and all covenants, terms and conditions upon or under which any of the mortgaged property is held; that it will not suffer any lien to be hereafter created upon any part of the mortgaged property now owned or hereafter acquired, or the income therefrom, prior to the lien of this Indenture, except permitted encumbrances and prepaid liens, and except (subject to the provisions of § 4.16) prior liens; and within three (3) months after the accruing of any lawful claims or demands for labor, materials, supplies or other objects which, if unpaid might by law be given precedence over or parity with, the lien of this Indenture as a lien or charge upon any of the mortgaged property or the income thereof, it will pay or cause to be discharged or make adequate provision to satisfy or discharge the same and will

97

not suffer any other matter or thing whereby the lien hereby created might be impaired; provided, however, that nothing in this § 4.03 contained shall require the Company to observe or conform to any requirement of governmental authority or to pay, or cause to be paid or discharged, or make provision for, any such tax, assessment, claim, demand, prior lien or charge, so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings, unless thereby any of the mortgaged property will be lost or forfeited; and provided further, that nothing in this Indenture contained shall prevent the Company from subjecting to any prior lien hereby permitted any property acquired as betterments, extensions, improvements, repairs, renewals, replacements, substitutions or alterations to, upon, for and of property subject to such prior lien, but only to the extent that the after-acquired property or other provisions of such prior lien attach thereto.

The Company will duly and punctually perform all the conditions and obligations on it imposed by the terms of any lien that may hereafter be a prior lien on any of the mortgaged property to such extent as shall be necessary to keep the security afforded by this Indenture substantially unimpaired, and will not permit any default under any prior lien to occur and continue for the period of grace, if any, specified therein, if thereby the security afforded by this Indenture be materially impaired or endangered.

§ 4.06. That it will keep or cause to be kept all the insurable mortgaged property insured against fire and other risks to the extent usually insured against by companies owning and operating similar property, by reputable insurance companies or, at the Company's election, with respect to all or any part of the mortgaged property, by means of an adequate insurance fund set aside and maintained by it out of its own earnings or in conjunction with other companies through an insurance fund, trust or other agreement (the adequacy of such insurance fund, trust or other agreement to be evidenced by a certificate, to be filed with the Principal Trustee, of an actuary or other qualified person selected by the Company and satisfactory to the Principal Trustee), the loss, if

98

any, except to the person or property of others, and except as to merchandise, materials and supplies, and except any loss less than \$25,000, to be made payable to the Principal Trustee hereunder as its interest may appear and to be paid to the Principal Trustee, to be held and applied as hereinafter provided (unless required by the terms of any prior lien to be paid to the trustee or other holder thereof). As soon as practicable after the execution of this Indenture, but not later than January 31, 1950, and thereafter once in each year, and at any other time upon the written request of the Principal Trustee, the Company will furnish to the Principal Trustee a certificate of the Company stating in substance that the Company has complied with all the terms and conditions of this Section and with the terms and conditions of any and all insurance policies, containing a detailed statement of the insurance then in effect upon the property of the Company on a date therein specified (which date shall be within thirty (30) days of the filing of such certificate) and, except in respect of property insured by means of an insurance fund, trust or other agreement as permitted by this Section, showing the numbers of the policies of insurance in effect and the names of the issuing companies, the amounts and expiration dates of such policies, and the property covered by such policies; and, in case any of the property shall at the time be insured by means of an insurance fund, trust or other agreement, as permitted by this Section, the Company shall, at the time of furnishing each such certificate of the Company, also furnish to the Principal Trustee a certificate, as described above, with respect to the adequacy of such insurance fund, trust or other agreement.

All moneys received by the Principal Trustee as proceeds of any insurance shall be held by the Principal Trustee, or trustee, and shall be paid by it to the Company, at any time within two (2) years after the receipt thereof, to reimburse the Company for an equal amount spent in replacing or rebuilding or in renewal of the property destroyed or damaged, upon receipt by the Principal Trustee of a certified resolution requesting such reimbursement and a certificate of the Company setting out in reasonable detail the amount so expended, the nature of such replacing, renewal or rebuilding, and the fair value to the

99

Company of such replacing, renewal or rebuilding; and an opinion of counsel to the effect that such new or rebuilt property is subject to the lien of this Indenture free from all other liens, charges or encumbrances prior to the lien of this Indenture, except prior liens to which the lost or damaged property shall have been subject; and permitted encumbrances.

Any such moneys may also be withdrawn, used, or applied in the manner, to the extent, and for the purposes and subject to the conditions provided in § 8.11; provided that any such moneys not applied to the work of replacing, rebuilding or renewal as aforesaid within two (2) years after their receipt by the Principal Trustee, or in respect of which notice in writing of intention to apply the same to the work of replacing, rebuilding or renewal then in progress and uncompleted shall not have been given to the Principal Trustee by the Company within such two (2) years, or which the Company shall at any time notify the Principal Trustee are not to be so applied; shall thereafter be withdrawn, used or applied only in the manner, to the extent and for the purposes and subject to the conditions provided in § 8.11; and such moneys shall be deemed to have been deposited as trust moneys within the meaning of said § 8.11 at the expiration of such two-year period, or at such earlier time as the Company may notify the Principal Trustee that such moneys are not to be applied to the work of replacing, rebuilding or renewal, as the case may be.

§ 4.07. That, subject to the provisions of Article 12 hereof and of this Section, it will at all times maintain its corporate existence and right to carry on business and that its business will be continuously carried on and conducted in an efficient manner; that it will in good faith use its best efforts to preserve, maintain and renew all the rights, privileges and franchises pertaining to the gas business to it granted and upon it conferred and it will at all times maintain, preserve and keep, or cause to be maintained, preserved, and kept, the mortgaged property with the appurtenances thereto and every part and parcel thereof, in thorough repair, working order and condition, and from time to time make all needful and proper repairs