

them, may in their absolute discretion make any and all necessary contracts with contractors or construction engineers for work, labor or materials in the name of the Company, and may sign the name of the Company as its attorneys or attorney in fact, hereby irrevocably appointed by the Company for such purposes, to any and all papers and documents necessary in and about the work of constructing the San Juan Project, or, at the election of the Corporate Trustee in its sole discretion, the Trustees, or either of them, may make any such contracts in the name of the Trustees or in the name of either of them and may, but shall not be obligated so to do, at any time, pay out of the San Juan Construction Fund any outstanding bills, liabilities or indebtedness incurred by the Company or by the Trustees, or either of them, in behalf of the Company or in the name of the Trustees or either of them, or may make up any deficiencies in connection with any contract made or liability incurred or assumed by the Company or by the Trustees, or either of them, as aforesaid, regardless of whether or not any mechanic's lien is filed in relation thereto. The Company further agrees, upon demand, to pay to the Trustees, or either of them, any sums, advances or expenses made or expended by them or either of them in accordance with the provisions of this Section, and all such payments until so reimbursed shall be treated as a charge upon the mortgaged property to the same extent as other advances made under the provisions of this Indenture. Nothing herein contained shall require the Trustees, or either of them, to do or perform, or cause to be done or performed, any work in relation to the construction or laying of the San Juan Project or other work or to expend any moneys therefor or for any other purposes in this Section mentioned, or to do any other act or thing, unless there shall be first made available to them any moneys so to be expended, and unless they shall have received a request in writing from the holders of at least twenty-five per cent. in principal amount of the bonds then outstanding, specifying in reasonable detail the action to be taken or permitted, and shall have been tendered security satisfactory to them for their reasonable compensation and expenses, including fees of counsel, and shall have been indemnified to their satisfaction against all loss, costs, expenses or damages in respect thereof.