

of the capital stock is at the time pledged hereunder, that may be acquired and held by the Mortgagor Company, shall be forthwith deposited with the Trustee to be held under and in accordance with the terms and provisions of this Indenture.

Section 3. The Mortgagor Company, at an office or agency to be maintained by it in the Borough of Manhattan, in the City of New York, will keep a sufficient register or registers of the bonds secured by this Indenture, which, at all reasonable times, shall be open to the inspection of the Trustee; and upon presentation for such purpose it will, under such reasonable regulations as it may prescribe, register therein the principal of any such bonds, and such registration shall also be noted on the bonds so registered. The person in whose name the same shall be registered shall, for all purposes of this indenture, be deemed and be regarded as the owner thereof, and thereafter payment of, or on account of, the principal of any such bond while registered, shall be made only to, or upon the order of, such registered holder thereof. All such payments so made shall be valid and effectual to satisfy and discharge the liability upon any such bonds to the extent of the sum or sums so paid. Registration of any bond shall not, however, restrain the negotiability of any coupon thereto belonging, but any such coupon shall pass by delivery and shall remain payable to bearer. Upon presentation of any registered bond by the registered holder for the time being, with a written power to transfer the same, executed in a form approved by the Mortgagor Company, such bond shall be transferred upon such register. The registered holder of any such registered bond except bond No. A1 for one million five hundred thousand dollars shall also have the right to cause the same to be registered as payable to bearer, in which case transferability by delivery shall be restored, and thereafter the principal of such bond shall be payable to any person presenting the same; but any such bond registered as payable to bearer may be registered again in the name of the holder with the same effect as a first registration thereof. Successive registrations and transfers may be made from time to time as desired, and each registration shall be noted on the bond.

Section 4. The Mortgagor Company will well and truly pay and discharge upon presentation thereof for payment at or after maturity, or if called for redemption then upon presentation at or after the day fixed for redemption, all of the underlying bonds secured by a lien or mortgage prior to the lien of this Indenture upon any part of the Mortgaged estates, properties, and franchises, and it will punctually pay or cause to be paid, or, upon demand of the Trustee, will provide to its satisfaction for the payment of, the interest on all such underlying bonds from time to time outstanding, as and when such interest shall become due and payable, until all said bonds shall have been finally paid and discharged.

Section 5. The Mortgagor Company will not voluntarily create or suffer to be created any lien or charge having priority to, or preference over, the lien of this Indenture upon the mortgaged estates, properties and franchises or any part thereof or upon the income thereof, excepting only the supplemental mortgages which the Mortgagor Company proposes to hereafter execute and deliver as hereinbefore particularly set forth. If any company of whose capital stock the greater part shall be at any time pledged under this Indenture shall, save as otherwise herein provided, create or suffer to be created or to exist any lien or charge upon its property or income, or create or suffer to be created or to exist any indebtedness other than (1) an indebtedness to the Mortgagor Company; or (2) for the current operating expenses of such company during a period of not exceeding six months, then it, the Mortgagor Company, will pay and discharge the same or take up and acquire the same: Provided, however, that nothing in this Indenture contained shall prevent the Mortgagor Company from purchasing bonds.