

The Company shall, with all reasonable speed, do or cause to be done such maintenance work as may be necessary to make good any such maintenance deficiency as shall have been determined to exist as hereinabove provided at the time of the report of such independent Engineer or at the time of such decision of arbitrators, as the case maybe, whereupon such independent Engineer or such arbitrators, as the case may be (or, in case of his or their refusal or inability to act, some other independent Engineer), shall report in writing to the Corporate Trustee whether such deficiency has been made good.

Unless the Corporate Trustee shall be so advised in writing by such independent Engineer or arbitrators, as the case may be, within one year from the date of the report of such independent Engineer or the date of such decision of arbitrators, as the case may be, or such longer period as may be reported by such independent Engineer or the arbitrators, as the case may be, to be reasonably necessary for the purpose, that such deficiency has been made good, the Company shall be deemed to have defaulted in the due performance of the covenants of this Section, so far as concerns the maintenance of the Mortgaged and Pledged Property; and in any proceedings consequent upon such default, such report or reports of such independent Engineer or such decision or decisions of such arbitrators, as the case may be, shall be conclusive evidence against the Company of the existence of the facts and conditions therein set forth.

All expenses incurred pursuant to this Section shall be borne by the Company.

In the event that any regulatory authority having jurisdiction over the Company shall determine that the expenditures for repairs and maintenance necessary to make good any such maintenance deficiency as shall have been so determined would be excessive and shall, by order or regulation, prohibit, in whole or in part, such expenditures for repairs and maintenance, then, upon filing with the Corporate Trustee a certified copy of such order or a copy of such regulation, as the case may be, the Company shall, so long as such order or such regulation remains in effect, be relieved from compliance with the covenants contained in this Section in regard to the maintenance of the Mortgaged and Pledged Property, to the extent that such expenditures for repairs and maintenance shall have been held excessive and shall be prohibited.

The Company covenants that it will promptly retire on its books of account any of the Mortgaged and Pledged Property included in plant account (except real estate held for the purpose of sale or resale) that has, in the opinion of the Company, ceased permanently to be used or useful in its business or which pursuant to the provisions of this Section any independent Engineer has reported to the Company more than thirty (30) days prior thereto (without written objection thereto having been delivered to the Corporate Trustee by the Company), or any arbitrators have determined, should be retired on the books of the Company as having ceased permanently to be used or useful in the business of the Company.

Section 39. (I) The Company covenants that, so long as any bonds of the First Series remain Outstanding, it will, within ninety (90) days after the close of the calendar year 1948 and of each calendar year thereafter, file with the Corporate Trustee an Officers' Certificate (hereinafter called an "Officers' Certificate of Replacements"), stating the following:

(1) for the period of eighteen (18) calendar months beginning July 1, 1947, and ending December 31, 1948, One Million Seven Hundred Twenty-five Thousand Dollars (\$1,725,000); and for each calendar year thereafter, the amount which is equal to (w) One Million One Hundred Fifty Thousand Dollars (\$1,150,000), plus (x) two and one-quarter per centum (2 $\frac{1}{4}$ %) of the gross charges to plant account of the Company for additions to the depreciable property (other than additions consisting of property