

or make a deduction from its next application for the authentication of Bonds equal to such excess.

SECTION 15. No Bonds shall be issued under this Indenture for the purpose of providing funds for the Company or a Subsidiary Company to keep or maintain its property in good and business like working order and condition, or merely to replace old and worn-out property except to the extent specified in Clause (d) of Section 5 of this Article. Permanent improvements, extensions and additions in process of construction or erection and so far as actually constructed or erected and paid for, and directly or indirectly placed under the lien of this Indenture, shall be deemed permanent improvements, extensions and additions within the meaning of this Article.

### ARTICLE III.

#### PARTICULAR COVENANTS OF THE COMPANY.

#### THE COMPANY AND THE SUBSIDIARY MORTGAGOR COMPANIES JOINTLY

#### AND SEVERALLY COVENANT AND AGREE:

SECTION 1. That they are respectively the lawful owners of the premises and property hereinbefore by them respectively conveyed or transferred to the Trustee; that they respectively have good right and lawful authority to mortgage the same as provided in and by this Indenture; that said premises and property are free from all liens and encumbrances not hereinbefore stated; that they will warrant and defend the title thereto and the interest of the Trustee therein against all claims and demands whatsoever.

SECTION 2. That they will duly and punctually pay the principal and interest of every Bond issued hereunder at the dates and the places and in the manner mentioned in the Bonds or in the coupons thereto appertaining, respectively, according to the true intent and meaning thereof, without deduction so far as the Bonds of Series "A" are concerned, for any taxes, assessments or governmental charges (other than inheritance and succession taxes) which the Company or its agents or the Trustee may be required or permitted to pay thereon or to deduct or retain therefrom under any present or future law of the United States of America or of any state, county, municipality or other taxing authority therein, except such portion of any Federal income tax with respect to income derived from such interest as shall be in excess of two per cent, per annum of such interest.

The interest on the coupon Bonds shall be payable only upon presentation and surrender of the several coupons for such interest as they respectively mature, and such coupons shall be cancelled forthwith upon the payment thereof.

SECTION 3. That upon written application the company will also reimburse to any bearer or registered holder of any Bonds of Series "A", any personal property taxes imposed by the States of Pennsylvania and/or of Connecticut, paid in either of said States by such bearer or registered holder to the extent of four mills per annum in each of said States, on each dollar of the principal amount thereof, and any income tax of the State of Massachusetts to the extent of six per cent. (6%) per annum on income derived from the interest paid thereon, which may be paid by such bearer or registered holder subject to the payment of any such tax by reason of the ownership thereof or the deriving of income therefrom; provided that such application shall be made to the company within sixty days after payment of any such tax, and that such application shall be accompanied by an affidavit setting forth the ownership by the applicant of Bonds, together with the number or numbers thereof, the residence of the applicant at the time said tax was paid by him and that such tax was paid by him because of the ownership by him of such Bonds, or the deriving of income therefrom; provided further that the company shall in no event be liable to reimburse such bearer or registered holder for any interest accrued or penalty