

Subsidiary shall expire during the continuance of any such pledge, it will take or cause to be taken all such steps as may be necessary or permitted, in so far as it legally may, to secure the extension of such corporate existence beyond the time when the principal of any bonds hereby secured becomes due according to the terms thereof, and it will, during the continuance of any such pledge, duly and punctually pay, or cause to be duly and punctually paid, all taxes, water rates, assessments and governmental or other charges lawfully imposed upon the property, franchises, earnings, or business of any such Subsidiary; provided, however, that nothing contained in this section shall require the payment of any such tax, assessment or charge so long as the validity or enforceability thereof shall be contested in good faith.

The Company, during the continuance of the pledge hereunder of the stock of any Subsidiary, will not permit any default to occur as to any of the securities of such Subsidiary, or in the terms, covenants or conditions of any instrument securing the same, or constituting a lien upon the property of such Subsidiary pay and discharge, or cause to be punctually paid and discharged, as the same shall become due, all the lawful indebtedness of, and all claims, demands, liens or charges, including those of mechanics and laborers, on the property of any such Subsidiary, not pledged hereunder, which might impair the value of the ^{pledged} stock of such Subsidiary; provided, however, that nothing contained in this section shall require the payment of any such indebtedness, claims or demands so long as the validity or enforceability thereof shall be contested in good faith, or shall prevent the extension or renewal of any securities of a Subsidiary, under the provisions of Section 5 of this Article.

The Company will cause every Subsidiary to insure either by means of policies issued by reputable insurance companies or, at the Company's election, by means of an adequate insurance fund set aside and maintained by the Company out of its own earnings or in conjunction with other companies through an insurance trust or other agreement against loss or damage by fire, all of its property of a character usually insured by companies similarly situated, and to such amount as such property is usually insured, the loss, if any, to be made payable to the trustees of the mortgages upon the property of such Subsidiary as their interest may appear; and to apply the proceeds of any insurance upon any part of its property in accordance with the requirements of such mortgage or otherwise for the benefit of such Subsidiary in such manner that the security afforded by this mortgage shall not suffer thereby.

The Company will cause every Subsidiary at all times to maintain, preserve and keep its plants and properties in thorough repair, working order and condition and equipped with suitable equipment and appliances, and from time to time to make all needful and proper repairs, renewals and replacements thereof, and to maintain preserve and renew all the rights, powers, privileges and franchises owned by such Subsidiary; provided, however, that nothing herein contained shall be construed to prevent any Subsidiary from ceasing to operate any of its plants or other properties if in the judgment of such Subsidiary it is advisable not to operate the same for the time being, or if such Subsidiary intends to sell or otherwise dispose of the same and within a reasonable time endeavors to effectuate such a sale; nor in any such event to prevent such Subsidiary from taking such action with respect to its plants or other properties as is proper and customary under the circumstances.

Section 8. The Company will not permit any Subsidiary to sell, lease or otherwise dispose of its property and franchises, or any part thereof, except as provided in Article IX hereof, or except in the ordinary course of business, or except to the company, or to some other Subsidiary.