

or accepting such evidence of compliance, the Trustee shall not (subject to the provisions of § 15.02) be under any duty to make any further investigation into the truth of the matters evidenced by any such resolution, certificate, statement, opinion, evidence, report, order and/or other paper, but it may in its discretion make any such independent inquiry or investigation as to it may seem proper. If the Trustee shall determine to make such further inquiry, it shall be entitled to examine the books, records and premises of the Company, either itself or by agent or attorney, and unless satisfied, with or without such examination, of the truth and accuracy of the matters stated in such resolutions, certificates, statements, opinions, evidence, reports, orders and/or other papers, it shall be under no obligation to grant the application or to accept such evidence of compliance. The reasonable expenses of every such examination or other inquiry shall be paid by the Company, or if paid by the Trustee shall be repaid by the Company, upon demand, with interest at the rate of six per centum (6%) per annum, and until such repayment shall be secured under this Indenture in priority to the Bonds and coupons.

ARTICLE 2.

THE BONDS.

§ 2.01. The Bonds may, at the election of the Board of Directors, be in one or more series and, except as hereinafter in this § 2.01 provided, shall be designated generally as First Mortgage Bonds, with such further appropriate particular designations added to or incorporated in or eliminated from such title, for the Bonds of any particular series, as the Board of Directors may determine. Each Bond shall bear upon the face thereof the designation so selected for the series to which it belongs. The aggregate principal amount of Bonds which may be executed by the Company and authenticated and delivered by the Trustee and be secured by this Indenture shall be limited in principal amount at any one time outstanding, except as provided in § 2.13, to Twelve Million Dollars (\$12,000,000). The Board of Directors of the Company may at any time provide a limitation in respect to the aggregate principal amount of Bonds of any particular series at any one time

(on the same property as that securing the prior lien debt so held) under conditions such that no transfer of ownership or possession thereof is permissible, except upon a default under such lien, or except to the Trustee hereunder, or to the trustee of the lien securing the same for cancellation or to be held uncancelled under like conditions under the terms of such lien, and (e) prior lien debt for the payment or redemption or other retirement of which provision shall have been made by the deposit of cash with the Trustee hereunder or with the trustee under the lien securing the same.

§ 1.09. Wherever in this Indenture, in connection with any application for the authentication and delivery of Bonds hereunder or for the withdrawal of any moneys held by the Trustee under any provision hereof or for the execution of any release, or any other application or certificate or report to the Trustee hereunder, it is provided that the Company shall deliver to the Trustee resolutions, certificates, statements, opinions, evidence, reports, orders and/or other papers as a condition of the granting of such application, or as evidence of the compliance by the Company with any condition or covenant herein contained, the truth and accuracy, at the time of the granting of such application or at the effective date of such certificate or report (as the case may be), of the facts and opinions stated in such resolutions, certificates, statements, opinions, evidence, reports, orders and/or other papers shall in each and every such case be conditions precedent to the right of the Company to have such application granted or to the effectiveness of such certificate or report. Nevertheless, upon any such application, certificate or report, the resolutions, certificates, statements, opinions, evidence, reports, orders and/or other papers required by any of the provisions of this Indenture to be delivered to the Trustee as a condition of the granting of such application, or as evidence of such compliance, may, subject to the provisions of § 15.02, be received by the Trustee as conclusive evidence of any statements therein contained, and, subject to such provisions, shall be full warrant, authority and protection to the Trustee acting on the faith thereof, not only in respect of the statements of fact therein made, but also in respect of the opinions therein set forth. Before granting any such application,