soever; that (b) it is lawfully seized and possessed of all the real property described in the Granting Clauses hereof; that (c) it will maintain and preserve the lien of this Indenture on the mortgaged property so long as any of the bonds issued hereunder are outstanding; that (d) it has good right and lawful authority to mortgage the mortgaged property, as provided in and by this Indenture; and that (e) the mortgaged property is free and clear of all liens, charges or encumbrances thereon or affecting the title thereto prior to the lien of this Indenture; excepting (as to each of the foregoing covenants (a), (b), (c), (d) and (e)) permitted encumbrances, the matters described in the clause commencing with the word "Subject" immediately following the habendum clause of this Indenture, and the property specifically excepted from the lien hereof; and *provided* that nothing in this Indenture contained shall prevent the Company from hereafter acquiring any property subject to a prior lien, but only to the extent permitted by Section 4.15.

Section 4.02. That it will duly and punctually pay the principal of and interest on, and premium, if any, on, all the bonds at any time outstanding hereunder, according to the terms thereof. The interest on all coupon bonds shall, until maturity of such bonds, be payable only upon presentation and surrender of the several coupons for such interest as they respectively mature, and, when paid, such coupons shall forthwith be cancelled. The interest on fully registered bonds without coupons shall be paid to or upon the order of the registered owners thereof. The principal of each bond shall be payable only upon presentation and surrender of the bond except that upon partial payment of a fully registered bond the amount thereof may be noted upon the bond and the bond returned to the registered owner. The Company will not directly or indirectly extend or assent to the extension of the time for the payment of any coupon or claim for interest upon any of the bonds secured hereby and will not directly or indirectly become a party to any such extension or approve any arrangement therefor by purchasing or funding said coupons or claims or in any other manner. Neither any such coupon or claim so extended, nor

any coupon or claim for interest belonging to any bond outstanding hereunder which in any way at or after maturity shall have been transferred or pledged, separate or apart from the bond to which it relates, shall be entitled in case of a default hereunder, to any benefit of or from this Indenture, except after the prior payment in full of the principal of the bonds outstanding hereunder and of all coupons and claims for interest not so transferred, pledged, kept alive or extended.

Section 4.03. That, if it shall appoint a paying agent other than the Trustee, it will cause such paying agent to execute and deliver to the Trustee an instrument in which it shall agree with the Trustee, subject to the provisions of the last paragraph of this Section, (1) that such paying agent shall hold in trust for the benefit of the bondholders or the Trustee all sums held by such paying agent for the payment of the principal of or interest (and premium, if any) on the bonds outstanding under this Indenture, whether received from the Company or any other obligor upon the bonds; and (2) that such paying agent shall give the Trustee notice of any default by the Company or any other obligor upon the bonds in the making of any deposit with it for the payment of the principal of or interest (and premium, if any) on the bonds, and of any default in the making of any such payment.

That, if and to the extent that it acts as its own paying agent, it will, on or before each due date of each instalment of principal of or interest on the bonds, set apart and segregate and hold in trust for the benefit of the holders of such bonds or of the Trustee a sum sufficient to pay such principal (and premium, if any) or interest so becoming due on the bonds and which is to be paid by it as its own paying agent and will notify the Trustee of such action or of any failure to take such action.

Anything in this Section to the contrary notwithstanding, the Company may at any time, for the purpose of obtaining a release or satisfaction of this Indenture or for any other reason, pay or cause to be paid to the Trustee all sums held in trust as required by this Section, such sums to be held by the Trustee upon the trusts herein contained.