ARTICLE THREE

PARTICULAR COVENANTS OF THE CORPORATIONS

The Corporations hereby jointly and severally covenant and agree with the Trustees and with the respective owners and holders of the Bonds issued hereunder:

Section 3.01. That they are the lawful owners of the premises and property hereinbefore by them respectively conveyed or transferred to the Trustees; that they 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 any and all liens and encumbrances prior to the lien of these presents, and that they will warrant and defend the title thereto against all claims and demands whatsoever.

The conveyances or transfers of the real estate, however, are expressly subject to any taxes and assessments, general and special, for the year 1947, and installment payments which may become due hereafter on improvement bonds or certificates previously issued for public improvements heretofore instituted or completed, and also all zoning and other ordinances regulating and restricting the use of said premises.

Section 3.02. That they will not suffer or permit any default to occur under this Indenture, but will faithfully observe and perform all the conditions, covenants, and requirements hereof obligatory upon them.

Section 3.03. That they will duly and punctually pay the principal of and interest on all the Bonds outstanding hereunder,

or secured hereby according to the terms thereof, and will also pay interest at the rate of five per cent. (5%) per annum on all over-due principal and/or installments of interest in respect of each bond hereby secured, and that they will not directly or indirectly extend, or assent to the extension of the time for the payment of any principal, coupon or claim for interest upon any of the Bonds secured hereby and will not directly or indirectly be a party to or approve of any arrangement for any such extension of said principal, coupons or claims in any manner whatsoever. In the event said principal, coupon or claim for interest shall be so extended by or with or without the consent of the Corporations then, anything in this Indenture contained to the contrary notwithstanding, such principal, coupon or claim so extended shall not be entitled, in case of default hereunder, to any benefit of or from this Indenture, except after the prior payment in full of all principal, coupons or claims for interest on Bonds not so extended.

Section 3.04. That they will [illegible] all taxes and assessments lawfully levied or assessed upon the mortgaged and pledged property, or upon any part thereof, or upon any income therefrom, or upon the interest of the Trustees in the mortgaged and pledged property when the same shall become due, and will duly observe and conform to all valid requirements of any governmental authority relative to any of the mortgaged and pledged property, and all covenants, terms and conditions upon or under which any of the mortgaged and pledged property is held; that they will not create or permit to be created any direct or indirect indebtedness or obligation on their part which will be secured in whole or in part by a lien