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ARTICLE II

PARTICULAR COVENANTS OF THE OBLIGOR

The Obligor hereby covenants and agrees with the Trustees and with the respective owners and holders of the Bonds issued hereunder that:

Section 2.01. Title to Trust Estate. The Obligor is lawfully seized of said property, and has the right to encumber the same; that the mortgaged property is free from all encumbrances except for permitted encumbrances, prior to or on a parity with the lien of these presents; the Trustee and Bondholders shall be subrogated to the claims and liens of all persons whose claims or liens are discharged or paid with the proceeds of the loan secured hereby; and the Obligor will warrant and defend the title to said trust estate against all claims and demands whatsoever, so long as any Bonds are outstanding.

Section 2.02. Payments. The Obligor will pay when due all taxes and assessments lawfully levied or assessed upon the mortgaged property; the Obligor will duly and punctually pay the principal of, premium (if any) and interest on all Bonds outstanding hereunder or secured hereby according to the terms thereof, and will also pay interest on overdue principal, premium, (if any) and interest (to the extent legally permissible) at the rate per annum specified in each Bond hereby secured; and the Obligor will preserve and maintain the lien hereby created as a first and prior lien on said property including any improvements hereafter made a part of the realty.

Section 2.03. Insurance. (a) The Obligor will keep all its properties of a character usually insured by institutions similarly situated insured to 80% of value against loss by fire, explosion, windstorm and hail; and that evidence of such insurance shall be kept by the Obligor; loss, if any, on any of the mortgaged property to be payable to the Trustee hereunder as its interest as Trustee may appear. In the event of damage or destruction of such property and recovery therefor under such insurance, the Obligor will as soon as possible, replace or repair such property or use the money received under the insurance policy to retire the Bonds issued hereunder.

(b) The Obligor will carry insurance against such other risks, including, without limitation, public liability, in such reasonable amounts as may be available and as are usually carried by institutions of the same or similar character and magnitude.

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