

- 17 -

assurances, conveyances or assignments thereof as the Trustee may reasonably require for the purpose of expressly and specifically subjecting the same to the lien of this Indenture.

SECTION 3.07. The Company will not create or suffer to be created, directly or indirectly, any mortgage, lien or charge upon or against the Trust Estate or any part thereof other than the lien hereof, the Assigned Leases and the assignments thereof or as permitted by this Indenture or any Assigned Lease.

SECTION 3.08. (a) The Company from time to time, and when the same shall become due, will pay and discharge or cause to be paid and discharged all taxes, water and sewer rents, general and special assessments and other governmental charges levied upon or assessed against it or the Trust Estate or any part thereof or upon the revenues, rents, issues, income and profits of the Trust Estate or arising in respect of the occupancy, use or possession thereof, and also all lawful claims and demands of mechanics, laborers, materialmen and others which, if unpaid, might result in the creation of a lien on the Trust Estate or any part thereof, or upon the revenues, rents, issues, income and profits of the Trust Estate, and, in general, will do or cause to be done everything necessary so that the lien hereof shall be fully preserved, at the cost of the Company, without expense to the Trustees or to the payees and holders of the Notes, provided, however, that nothing in this Section 3.08 shall require the payment of any such tax, assessment, charge, claim or demand so long as the Lessee shall in good faith contest the same or the validity thereof by appropriate proceedings which shall operate to prevent the collection of such tax, assessment, charge, claim or demand so contested, or the sale of the premises to satisfy the same. The Company will, upon request of the payees and holders of not less than twenty-five per cent (25%) in principal amount of the outstanding Notes, exhibit to the Trustee receipts evidencing payment of taxes, water rents and assessments levied upon or against the Trust Estate.

(b) In compliance with Section 13 of the Lien Law of the State of New York, the Company hereby agrees that it will receive the advances secured by this Indenture and will hold the right to receive such advances as a trust fund to be applied first for the purpose of paying the cost of improvement as required by said Lien Law, and that it will apply the same first to the payment of the cost of improvement before using any part of the total of the same for any other purpose.