

Paying Agent shall receive and hold all payments made by the Issuer into the sinking fund and disburse therefrom all payments of principal and interest on the bonds. The Paying Agent may invest such funds in any form of account or deposit insured by federal depository insurance or in interest-bearing obligations issued by or guaranteed by the United States Government or any political subdivision thereof. In the event of early redemption of any of the bonds, or the cancellation of any bonds, an appropriate reduction in the amount of regular sinking fund payments may be made.

Section 3. Payment of Interest and Redemption of Bonds. On each semi-annual principal and interest payment date, Paying Agent shall pay all principal and interest due on the bonds as set forth in the amortization schedule attached hereto as Exhibit "C" and incorporated herein by this reference, using money withdrawn from the sinking fund but only to the extent of the funds held in the sinking fund. On any semi-annual payment date, Paying Agent shall not make any payment on the bonds unless the sinking fund contains sufficient funds to make all payments then due on the bonds. If sufficient funds are not available, Paying Agent shall promptly notify the Trustee. In the event of default hereunder, the balance in the sinking fund shall be held as additional collateral for the payment of the bonds, and the performance by Issuer of all obligations hereunder including without limitation the payment of insurance premiums, taxes, fees and expenses of the Trustee.

Section 4. Failure to Surrender Matured Bonds for Payment. The bonds shall not draw interest after maturity. As to any maturing installment of principal or interest which on any bond is not presented for payment on its maturity date, said Paying Agent shall retain in escrow a sum equal to such maturing installment of principal or interest, and said funds shall operate as full payment of such installment as between the Issuer and the holder thereof who shall look solely to such account for payment until such time as Paying Agent shall have paid such amounts to Issuer in accordance with Section 5 of this article, whereupon the holder thereof shall look solely to the Issuer for payment of such account.

Section 5. Payments to Issuer. Paying Agent shall pay to Issuer all amounts in the sinking fund (1) remaining after payment in full of all interest and principal on all outstanding bonds, or (2) in excess of the amount necessary for such payment at maturity or earlier redemption, or (3) remaining two years after the maturity of the last maturing bond and not disbursed because one or more bonds have not been presented for payment.

ARTICLE IV

COVENANTS OF ISSUER

Section 1. Payment of Principal and Interest. Issuer hereby covenants and agrees to pay the required sinking fund payments and the principal sum and interest of all of the bonds secured hereby as the same severally mature and become due and payable at the offices of the Paying Agent in lawful money of the United States of America.

Section 2. Title to the Premises. Issuer covenants that it is well seized of the Premises in fee simple; that the same is free and clear of all encumbrances except as set out in Exhibit "B"; and that it will warrant and defend the Trustee herein, the holders of said bonds, and all those claiming through or under it or them against all lawful claims whatsoever. Issuer covenants that this Indenture is and will be kept a lien upon the Premises, that said lien will not be subordinated except as herein provided and that it will not suffer or permit any charge to accrue which shall have priority over or parity with this Indenture except as herein permitted. Issuer further covenants to give any further or different instrument of conveyance and to make any further assurance as the Trustee may find necessary or proper to be made in the Premises.

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