

ARTICLE FOUR

PARTICULAR COVENANTS OF THE MORTGAGOR

The Mortgagor covenants and agrees that:

SECTION 4.01. It will add the proceeds of the Loan hereunder to the treasury funds of the Mortgagor and will apply an amount equal to such proceeds toward the payment of the cost and expenses of constructing and putting into operation the New Facilities and will use the balance remaining, if any, to restore a portion of the working capital of the Mortgagor expended in carrying out part of its modernization and expansion program.

SECTION 4.02. It will construct and put into operation, as promptly as practicable, the New Facilities.

SECTION 4.03. It will duly and punctually pay the principal of, and interest on, each of the Notes in the manner specified in such Note and in this Indenture and will also duly and punctually pay all other indebtedness and obligations secured hereby in accordance with the terms and provisions of the instrument or instruments out of which such obligations arise, and will faithfully perform and discharge all of the covenants, conditions and obligations which are imposed on it by this Indenture and by all other agreements evidencing such other indebtedness or obligations and will not permit to occur any act or omission which is or may be declared to be a default thereunder.

SECTION 4.04. At its own cost and expense: (a) it will do or cause to be done all things necessary to preserve its corporate existence and will diligently preserve all rights and privileges to it granted and on it conferred by law, or otherwise, insofar as they continue in the judgment of the Mortgagor to be advantageous to the Mortgagor; (b) it will at all times maintain, preserve and keep its properties and each and every part and parcel thereof in good repair, working order and condition so that the business carried on in connection therewith may at all times be properly and advantageously conducted, but nothing herein contained shall be construed to prevent the Mortgagor from surrendering, discontinuing, abandoning, selling, leasing or disposing of any property, in whole or in part, which is no longer deemed by the Mortgagor to be useful or of productive value to the Mortgagor; or where such surrender, discontinuance, abandonment, sale, lease or other dis-