

with or priority to this First Mortgage as a lien or charge upon such property or any part thereof or of the income thereof, and if any subsidiary company (as the term "subsidiary Company" is hereinafter defined) shall "except as otherwise permitted by this First Mortgage voluntarily create or suffer to be created any new lien or charge upon its property or income, or shall voluntarily create or suffer to be created any new indebtedness (other than indebtedness for the current expenses of such subsidiary maturing not more than six months from the date of its inception), the Company will cause the same to be vested in the Trustee or will cause the same to be paid and discharged or will make adequate provision for the satisfaction and discharge thereof; provided that nothing in this Section shall require the Company to acquire or cause to be paid or discharged or make provision for any such debt, lien or charge so long as the validity thereof in good faith shall be promptly and expeditiously contested by legal or other proceedings, unless, in the opinion of the Trustee, property subject hereto shall thereby be in danger of being forfeited or lost. The Trustee shall be under no obligation to form or express any such opinion and shall not be liable to anyone for any action or non-action in such connection.

The terms "subsidiary" or "subsidiary Company" as used in this First Mortgage, shall mean any company, more than 50% of the outstanding capital stock of which having absolute voting rights, is at the time owned by the Company, either directly or through one or more other subsidiary companies.

SECTION 7. The Company will exercise all lawful powers which as stockholder or otherwise it may possess, to the end that each subsidiary company of the Company, as the term is herein defined, shall (a) preserve its corporate organization ) except as otherwise permitted by this First Mortgage) and do no act by which it might incur a forfeiture of its corporate existence; (b) promptly pay and discharge all taxes, assessments and governmental charges lawfully levied or imposed upon it, as well as all lawful claims for labor materials and supplies, which, if unpaid, might by law become a lien or charge upon its property; provided, however, that it shall have the right in good faith to contest any such tax, assessments, charge or claim and, pending such contest, to delay ~~to~~ refuse payment thereof; (c) keep its property, rolling equipment and plants, if any, in good repair working order and conditions; (d) keep insured such of its property as is usually insured by companies carrying on a like business and in the same manner and to the same extent; (e) not increase the amount of its capital stock issued, and outstanding, unless forthwith upon the issue thereof be acquired by the Company and deposited hereunder; and (f) not mortgage or pledge, except to the Company, any of its property other than in the ordinary course of business.

SECTION 8. The Company covenants that it has good and valid title to, and is lawfully seized and possessed of, all of the aforesaid mortgaged properties, and has good right and lawful authority to convey, mortgage, pledge, transfer and assign the same as provided in and by this First Mortgage, and that no part of said properties are subject to any mortgage, lien or encumbrance having priority to, or preference over, or on an equality with, the lien of this First Mortgage, except as set forth in the granting clause hereof. All lands, leaseholds, refineries, plants, pipe lines, machinery, tools, equipment and all property of every kind, real, personal and mixed, hereby conveyed, mortgaged, transferred or assigned or intended so to be, whether now owned or hereafter acquired by the Company, shall immediately or immediately upon the acquisition thereof by the Company, to the extent of such acquisition, and without any further conveyance or assignment, become and be subject to the lien of this First Mortgage as fully and completely as though specifically described in the granting clauses hereof and in the case of after-acquired property as though now