

than the moneys deposited under this Section 2 of Article Third. The moneys so deposited with the Corporate Trustee shall be applied by it to the payment of the bonds issued under this indenture at the redemption rate or rates, with accrued interest to the interest day or days designated for redemption.

REDEEMED BONDS TO BE CANCELLED.

SECTION 3.

All bonds redeemed and paid under this Article Third shall be cancelled and surrendered to the Corporation.

ARTICLE FOURTH.

PARTICULAR COVENANTS OF THE CORPORATION.

The Corporation hereby covenants and agrees as hereinafter in this Article set forth:

COVENANT TO PAY PRINCIPAL AND INTEREST.

SECTION 1.

That it will pay duly and punctually the principal and interest of every Series A bond authenticated and delivered by the Corporate Trustee under this indenture, at the dates, place or places and in the manner mentioned in such bonds or any coupons thereto appertaining, according to the true intent and meaning thereof without deduction, insofar as may be lawful, for any Federal Income Tax not in excess of two per centum (2%) which the Corporation, or the Trustees, under this indenture may be required or permitted to pay thereon or retain therefrom; that within twenty (20) days after demand of any holder of any Series A bond issued hereunder and then outstanding, made within the time, in the manner and accompanied by the state-statement and proof hereinafter in this section specified, it will deposit with the Corporate Trustee, for payment to any such holder the amount of all taxes (excluding interest and penalties thereon) levied by the State of California, or any political subdivision thereof and paid by such holder upon any such bond or bonds of Series A, not exceeding, however, for all such taxes five (5) mills per annum on each dollar of the par value of any such bond or bonds. Such demand shall be made by such holder within sixty (60) days after the payment of any such tax and in no event later than six (6) months after such tax shall have become due and payable, shall be signed by such holder, addressed to the corporation and delivered to the Corporate Trustee and shall be accompanied by statement of such holder setting forth the place of residence of such holder on the date as of which such tax was assessed, the fact of the payment of such tax, together with the amount of such payment, the public official to whom paid, and the fact of the ownership of such bond or bonds upon said date as of which such tax was assessed, together with the designating letter or letters and number or numbers of such bond or bonds of Series A, and shall likewise be accompanied by any other or further proof of payment of such tax as may be reasonable required by the Corporation; that it will pay duly and punctually the principal and interest of every other bond authenticated and delivered by the Corporate Trustee under this indenture, at the dates, place or places and in the manner mentioned in such bonds or any coupons thereto belonging, and will perform all covenants therein contained, according to the true intent and meaning thereof. The interest of the bonds until maturity shall be payable only upon the presentation and surrender of the several coupons for such interest as they respectively mature, and when paid, such coupons shall forthwith be cancelled.

CORPORATION TO DEPOSIT FUNDS.

That in all cases where the Corporation is required to deposit with the Corporate Trustee moneys for payment of interest and/or principal on any bonds issued under this