

appear, and that it will promptly pay all premiums from time to time becoming due therefor, and will keep said policies on deposit with the Trustee herein. All moneys received by said Trustee on account of fire losses under said policies shall be applied to the redemption by call or other retirement of bonds (as elsewhere provided in this instrument) unless within sixty (60) days after such fire loss the Mortgagor shall give written notice to the Trustee of the Mortgagor's desire and intention to repair, rebuild or restore the property damaged or destroyed. Upon such notice duly given and upon it appearing to the satisfaction of the Trustee that the proposed repair, rebuilding or restoration, will result in fully restoring the physical condition, value and capacity of the building, structures and improvements on said land, then the Mortgagor shall be entitled in the absence of any default on the part of the Mortgagor to have said funds released by the Trustee for the purpose of being applied in defraying the expenses of such repair, rebuilding and restoration. Before said insurance money shall be released by the Trustee for the purpose of defraying the expenses of such repair, rebuilding and restoration, the Mortgagor shall furnish evidence satisfactory to the Trustee that all bills for labor and material in effecting such repair, rebuilding or restoration have been paid in full, except such as will be paid by use of the insurance money so held.

Section 7. That all moneys received by the Trustee for fire losses and not used to repair, rebuild or restore the property damaged or destroyed shall be deposited with the Trustee and held by the Trustee in a sinking fund for the payment of interest and principal of said bonds to be applied by the said Trustee to call, pay and discharge the bonds as hereinafter provided.

Section 8. To deposit with said Trustee at least one (1) day prior to the date on which any of said interest coupons or any bonds of this issue become due and payable, sufficient funds to pay said interest coupons, and/or bonds falling due at said date in accordance with the tenor and terms hereof.

## ARTICLE II

### Sinking Fund and Redemption of Bonds

Section 1. The mortgagor covenants and agrees that it will pay to the Trustee each year so long as any of the principal or interest of the bonds secured by this Deed of Trust if outstanding or unpaid a sum of money not less than Five Hundred (\$500) Dollars to be used and applied by the Trustee for the redemption of bonds prior to their maturity as hereinafter provided. Said sums of money hereby covenanted to be paid by the Mortgagor to the Trustee shall be deposited with the Trustee not less than thirty-five (35) days prior to the first day of May in each year while there are outstanding and unpaid any bonds and/or interest coupons secured by this Deed of Trust. The amount to be so deposited shall not be less than Five Hundred (\$500.00) Dollars in any one year and shall be in such amounts as will be sufficient to redeem in full a given number of bonds at par.

Section 2. All or any of the bonds secured by this Deed of Trust are subject to call by lot and redemption prior to maturity on any interest paying date and upon the payment of principal plus accrued interest.

Section 3. At the option of the Mortgagor exercised by a written notice to the Trustee at least thirty-five (35) days prior to the date fixed for redemption and upon payment to said Trustee at the time of such notice of the amount necessary for such redemption, the Mortgagor may call and redeem all or any part of the bonds outstanding hereunder on any interest payment date, provided that the Mortgagor shall cause to be redeemed in each year while any of the bonds and/or interest coupons secured hereby are outstanding, not less than Five Hundred (\$500) Dollars par value of said bonds. Such redemption shall be effected