

If and as soon as the Corporation shall have paid to the Corporate Trustee the principal amount of and accrued interest upon the bonds issued hereunder when the same shall become due, whether by lapse of time, by call for redemption, or by declaration, and an amount sufficient to pay all charges and expenses of the Trustees, then and in every such case the moneys deposited with or held by the Corporate Trustee shall, without further act, be deemed forthwith to be set aside and reserved for the benefit of the holders of bonds, and such reservation of such sums shall constitute payment pro tanto of the bonds for which such reservation is made as between the Corporation and the holder or holders thereof. Sums so reserved in the hands of the Corporate Trustee shall constitute a special trust fund and shall, after the deduction of all charges and expenses of the Corporate Trustee, be paid out to the holder or holders of the bonds for which such reservations shall have been made, upon presentation of such bonds to the Corporate Trustee for cancellation, but no interest shall accrue upon such funds so reserved after the reservation thereof and prior to the presentation of such bonds as aforesaid. Upon the setting aside or reserving of funds under the provisions of this Section, the bonds for which such funds are set apart and reserved shall be excluded from participation in the lien and security afforded by this Indenture, and the holders thereof shall look for payment of such bonds and interest thereon only to the funds so set aside and reserved in the hands of the Corporate Trustee.

Section 3. All bonds paid or surrendered to or deposited with the Corporate Trustee for cancellation under any of the provisions of this Indenture shall be by the Corporate Trustee cancelled and delivered to the Corporation, or upon the written order of the Treasurer of the Corporation.

Section 4. In case the Corporation should sell any portion of the mortgaged property described herein, at a price or prices approved by the Individual Trustee, then, if the Corporation is not in default, upon payment of the net proceeds of such sale or sales to the Corporate