

The Paying Agent shall create and establish in the name of the Issuer an Interest and Bond Payment Account, to which account the Paying Agent shall credit all deposits made by the Treasurer of the Issuer in accordance with Section V hereof and from which account the Paying Agent shall pay all bonds and all interest accrued thereon of this bond issue as the same shall come due and are presented for payment. Other than as hereinafter provided to the contrary, the Paying Agent shall not pay out of such account or allow the withdrawal therefrom any sum or sums of money except for the payment of the bonds of this bond issue and servicing costs until all of said bonds shall have been paid. The Interest and Bond Payment deposits may be placed in an interest bearing account with the Paying Agent Bank or invested in any United States Government Securities or any Securities guaranteed by the United States.

After all of the bonds issued hereunder shall have matured, the Paying Agent shall retain in the Interest and Bond Payment Account a sum equal to the principal amount of all outstanding bonds of this bond issue together with accrued interest thereon at maturity. Such sums shall be retained in such account until all outstanding bonds and interest coupons of this bond issue shall have been paid or until the Statute of Limitations applicable in this state to such obligations shall have run against such outstanding bonds, at which time the remaining balance in such account shall be delivered to the Issuer and the Paying Agent shall thereupon be relieved of all duties and obligations as Paying Agent hereunder.

The Paying Agent shall furnish the Issuer with regular monthly or semi-annual reports of the deposits made by the Issuer in the Interest and Bond Payment Account and shall forward all bonds to the Issuer as they mature and are presented for payment.

The Paying Agent shall not be required to give any bond or security in respect to the performance of its duties and obligations hereunder.

The Paying Agent may at any time resign from the duties and obligations imposed upon it hereunder by giving thirty (30) days notice in writing to the Issuer. Such notice shall be delivered personally or by registered mail. Such resignation shall take effect at the end of such thirty (30) days or upon the earlier appointment of a successor Paying Agent. Every successor Paying Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor and to the Issuer an instrument in writing accepting such appointment hereunder and shall thereupon become fully vested with and responsible for all of the duties and obligations as Paying Agent hereunder. The Paying Agent agrees, however, that if, after its resignation hereunder, any bonds or interest coupons of this bond issue are presented to it for payment that it will return the same, with a letter advising the name and address of the successor Paying Agent, to the bond holder.

The Paying Agent for this bond issue shall be responsible only for the performance of the duties and obligations specifically imposed upon it under the provisions of this SECTION and SECTION XI hereof and for its own negligence or willful default in the performance of such duties and obligations.

SECTION VIII

That in the event a successor Paying Agent is appointed by the Issuer hereunder in accordance with the provisions of SECTION VII hereof, the Issuer shall give notice of the name and address of such successor Paying Agent to the holders of the bonds of this bond issue in the same manner as that provided for the giving of notice of any early redemption of bonds of this bond issue in SECTION X hereof.

SECTION IX

That it is hereby covenanted and agreed that as long as any of the bonds of this issue have not matured and are outstanding and unpaid:

- (1) The Issuer will keep the buildings, equipment and fixtures, purchased, constructed or repaired with proceeds derived from the sale of bonds issued hereunder insured to 80% of value against loss by fire, explosion, wind-storm, hail and floods, and that evidence of such insurance shall be kept by the Issuer and made available to any bond holder for inspection during reasonable hours. A Mortgage Clause shall be attached to the policy, naming the Trustee in the First Mortgage of Real Estate and said Trustee shall be empowered to act as set forth in the First Mortgage of Real Estate. In the event of damage or destruction of such property and recovery therefor under such insurance, the Issuer will, as soon as possible, replace or repair such property or use the money received under the insurance policy to retire the bonds issued hereunder.

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