

the foregoing shall be applied to the payment of the principal of the Note in inverse order of maturity of such principal installments.

SECTION 3.06. Moneys to be Continuously Secured. All moneys received by the Depository under this Indenture and not invested by the Depository pursuant to the provisions of Section 3.07 of this Indenture shall be continuously secured for the benefit of the Issuer and the Holders of the Note to the extent and in the manner required by law.

SECTION 3.07. Investment of Moneys. Moneys on deposit to the credit of the Construction Fund or Depository may be retained uninvested as trust funds and shall, upon written direction from the Corporation if an Event of Default (as defined in the Agreement) shall not then exist or be continuing or upon written directions from the Issuer if such an Event of Default shall then exist or be continuing, be invested by the Depository in Permitted Investments.

Any securities purchased with the moneys in the Construction Fund, shall be deemed a part of such fund and, for the purpose of determining the amount of moneys therein, the securities therein shall be valued at their cost or market value, excluding accrued interest, whichever is lower. The interest, including realized increment on securities purchased at a discount, received on all such securities (after deduction for accrued interest, commissions, if any, and premium paid from the Construction Fund, at time of purchase) shall be deposited by the Depository in the Construction Fund and any loss resulting from such investments will be charged to the Construction Fund. The Depository shall not be liable or responsible for any loss resulting from any such investment or resulting from the redemption, sale or maturity of any such investment as in this Indenture authorized. If at any time it shall become necessary that some or all of the securities purchased with the moneys in the Construction Fund be redeemed or sold in order to raise moneys necessary to comply with the provisions of this Indenture, the Depository shall effect such redemption or sale, employing, in the case of a sale, any commercially reasonable method.