

ARTICLE XVI

PREPAYMENT PRIVILEGES

Section 1. Right to Prepay. That the Issuer hereby reserves the right and privilege of redeeming any of the several bonds issued hereunder prior to the stated maturity date thereof by paying to the owner or owners of such bond or bonds the principal amount thereof plus accrued interest. Such redemption, however, may occur only on a semi-annual interest payment date for the simple interest bonds and only on a semi-annual interest computation date for the compound interest bonds of this bond issue. The Trustee and the owner or owners of such bond or bonds shall be given written notice of such redemption mailed to the owner's or owners' address as it appears on the bond registry not less than thirty (30) days prior to such redemption. Redemption of such bond or bonds shall be made only through the Trustee. Any bond or bonds called for redemption in accordance herewith shall not yield interest from and after the date fixed for redemption.

Section 2. Deposit with Trustee. The Issuer will pay to Trustee before the date fixed by the Issuer for such prepayment as provided in the following paragraph, a sum sufficient to pay the bonds being called for payment and all interest and penalties, if any, and the Trustee is expressly authorized to pay the bonds thus called for payment by making payment thereof including matured interest and penalties out of the funds deposited with it for that purpose. Upon the delivery of bonds to Trustee and the redemption thereof, such bonds shall be cancelled.

Section 3. No Interest After Redemption Date. As to any bond or bonds which have been called for prepayment in accordance with the foregoing provisions which shall not be presented to the Trustee for payment on or before the date fixed therefore in the prescribed notices, the Trustee shall retain in the bond redemption account a sum equal to the principal thereof and accrued interest remaining unpaid. This will operate as full payment of the bonds and the interest thereto as between the Issuer and the holders thereof, and no interest will be payable thereafter on such bonds by the Issuer or Trustee.

Section 4. Adjustment of Amount of Deposit. Should the Issuer deposit funds for the prepayment of outstanding bonds which Trustee ultimately determines are in excess of the funds actually required to be deposited to effect said prepayment, then Trustee, immediately upon discovering this fact, shall remit such excess payment to the Issuer or to such other persons or firms to whom Issuer is obligated with respect thereto. Should Issuer deposit funds for such prepayment which are insufficient to accomplish same, Issuer will immediately remit to Trustee such additional funds as may be required to complete the prepayment, even if such underpayment was the result of the reliance by Issuer on prepayment calculations furnished it by Trustee. In the event that Issuer does not, under such circumstances, promptly remit such additional funds, then Trustee may, at its options, stop payment on the bonds of said issue which have not then already been prepaid, or it may advance such additional funds as will permit said bonds to be prepaid, in which event Issuer agrees to promptly reimburse Trustee upon demand and Trustee shall have a lien against the property of the Issuer to secure the payment of any of its funds thus advanced with interest at the greatest rate of interest provided in the bonds issued hereunder, from the date of any such advance.