

price; or (b) to the reimbursement of the Companies (on the basis of the then applicable sinking fund redemption prices) for purchases of Bonds upon the deposit of such Bonds in the sinking fund; but if at the expiration of such ten months' period (or at any date prior to such expiration as may be determined by the Companies) such payment shall not have been exhausted by such purchases or reimbursements, the amount thereof remaining, if in excess of \$25,000 (or a lesser amount if so determined by the Companies) shall be applied by the Trustee to the redemption of Bonds at the applicable sinking fund redemption price (plus accrued interest to the date of redemption which the Companies shall pay to the Trustee prior to such date) pursuant to the provisions of § 4.02 and § 4.03 on the next succeeding sinking fund payment date.

Any sinking fund moneys not so applied by the Trustee to the redemption of Bonds of any series, shall be added to the next cash sinking fund payment received by the Trustee for Bonds of such series, and together with such payment shall be applied in accordance with the provisions of this § 4.06.

§ 4.07. The Trustee shall not redeem any Bonds with sinking fund moneys or commence the publication of or mail any notice of redemption of any Bonds by operation of any sinking fund if at the time, to the actual knowledge of the Trustee, the Companies shall be In Default, except that where the first publication of notice of redemption of any Bonds shall theretofore have been made, the Trustee shall complete such publication and shall redeem such Bonds by application of sinking fund moneys deposited with it. Except as aforesaid, any moneys in any sinking fund at the time when any Event of Default shall occur, and any moneys thereafter paid into any sinking fund, shall be held as security for the payment of all the Bonds of the series with respect to which such deposit was made; provided, that in case such Event of Default shall have been waived or the Event of Default cured, such moneys shall thereafter be applied in accordance with the provisions of § 4.06.