

be credited at the sinking fund redemption price. If the Companies intend so to deliver Series B Bonds with respect to any sinking fund payment, they shall deliver to the Trustee at least 45 days prior to the next succeeding sinking fund payment date (a) a certificate signed by the Treasurer or an Assistant Treasurer of the Companies specifying the portions of such sinking fund payment to be satisfied by payment of cash and by the delivery of Series B Bonds and (b) (unless previously delivered) such Series B Bonds. All Series B Bonds so delivered to the Trustee shall be cancelled by the Trustee and no Series B Bonds shall be authenticated in lieu thereof. If the Companies fail to deliver such certificate and Series B Bonds at or before the time provided above, the Companies shall not be permitted to satisfy any portion of such sinking fund payment by delivery of Series B Bonds.

Neither the Trustee nor any paying agent shall redeem any Series B Bonds with sinking fund moneys, and the Trustee shall not mail any notice of redemption of Series B Bonds by operation of the sinking fund, during the continuance of a default in payment of interest on the Bonds of any series or of any Event of Default (other than an Event of Default occurring as a consequence of this paragraph), except that if the notice of redemption of any Series B Bonds shall theretofore have been mailed in accordance with the provisions hereof, the Trustee or any paying agent shall redeem such Series B Bonds if cash sufficient for that purpose shall be deposited with the Trustee or such paying agent for that purpose in accordance with the terms of this Part Two. Except as aforesaid, any moneys in the sinking fund at the time when any such default or Event of Default shall occur and any moneys thereafter paid into the sinking fund shall, during the continuance of such default or Event of Default, be held as security for the payment of all the Bonds; provided, however, that in case such Event of Default or default shall have been cured or waived as provided in the Indenture, such moneys shall thereafter be applied on the next October 15 on which such moneys may be applied pursuant to the provisions of this § 2.04.

Subject to the provisions of § 14.06 hereof, the Trustee shall not be charged with knowledge of any such default or Event of Default unless either (a) an officer of the Trustee assigned to its corporate trust administration department shall, as such officer, have actual knowledge thereof or (b) written notice of such default or Event of Default shall have been given to the Trustee by the Companies or by the holders of at least five percent in principal amount of the Bonds at the time outstanding.