

1410

(1) with respect to each instalment of Basic Rent payable under the Leases during the Interim Term thereof, to the payment of interest required to be made on the Bonds (and any interest on any overdue amount thereof) on or about the due date of such instalment;

(2) with respect to each instalment of Basic Rent payable under the Leases during the Primary Term thereof, to the payment of the Instalment Payment required to be made on the Bonds (and interest on any overdue amount thereof) on the Bond Payment Date occurring on or next succeeding the due date of such instalment of Basic Rent; and

(3) if no default has occurred and is continuing under this Indenture the excess, if any, of any such instalment of Basic Rent after the application thereof pursuant to clause (1) or (2) above, shall be paid promptly, to the Company.

(b) Moneys received by the Trustee as Additional Rent or as any other payment required to be made by Krystal under the Leases shall be applied promptly by it to the purposes for which such moneys were paid pursuant to the Leases. Insurance proceeds, condemnation awards and purchase proceeds received by the Trustee in connection with events referred to in Section 5.9 shall be applied as provided in such Section.

SECTION 6.2. Moneys After Default. If a default has occurred and is continuing under this Indenture, all moneys received by the Trustee as assignee of the Leases shall be applied as set forth in clauses Second, Third and Fourth of Section 7.2(e).

ARTICLE VII

Events of Default and Remedies

SECTION 7.1. Events of Default. If one or more of the following Events of Default shall have happened and be continuing, that is to say:

(a) if default in the due observance or performance of any covenant, condition or agreement of the Company

4328 RV-21