

specified in the first paragraph of this Section 3.09 in cash and shall not be entitled to make any optional Sinking Fund Payment.

Except as otherwise provided in the next succeeding paragraph of this Section 3.09, all money paid into the Sinking Fund for the Bonds of Series A shall be held in trust for the holders of such Bonds and shall be applied by the Corporate Trustee to the redemption of such Bonds at the Sinking Fund Redemption Price in the manner specified in the next sentence; provided, however, that if the amount of money held in such Sinking Fund shall be less than \$50,000 on any Sinking Fund Payment Date, such money, unless otherwise directed by the Company, shall not be so applied but shall be retained by the Corporate Trustee and so applied on the next succeeding Sinking Fund Payment Date. Promptly after each January 15 prior to a Sinking Fund Payment Date, the Corporate Trustee shall select, in the manner provided in Section 3.01 hereof, the Bonds of Series A to be redeemed on such Sinking Fund Payment Date and shall cause notice of the redemption thereof to be given in the name and at the expense of the Company as provided in Section 3.04 hereof, except that the notice shall state that the redemption is for Sinking Fund purposes; and such redemption shall otherwise be subject to the same terms and provisions as are applicable to redemptions of Bonds of Series A at the option of the Company.

Anything in this Section 3.09 to the contrary notwithstanding, the Corporate Trustee shall not redeem any Bonds of Series A through the operation of the Sinking Fund therefor, or give any notice of such redemption, during the continuance of an Event of Default, except that if such notice shall have been given before the Corporate Trustee had actual knowledge of such Event of Default or had received the notice thereof specified in Section 10.01(e) hereof, the Corporate Trustee shall redeem the Bonds of Series A as to which such notice of redemption shall have been given if sufficient money is held by the Corporate Trustee in the Sinking Fund for Bonds of Series A. Except as aforesaid, any money held in such Sinking Fund at the time when any Event of Default shall occur, or any moneys thereafter paid into such Sinking Fund, shall be held, during the continuance of such Event of Default, as additional security for all Bonds issued under the Indenture; but if such Event of Default shall thereafter be cured or waived as provided herein, such Sinking Fund moneys shall thereafter be applied to the redemption of Bonds of Series A at the Sinking Fund Redemption Price on the next succeeding Sinking Fund Payment Date.