

in the manner provided in Section 4.02, such an aggregate principal amount of Bonds as will exhaust such moneys as nearly as may be, at the applicable redemption price and the Trustee shall cause notice of redemption of such Bonds on the next succeeding anniversary date of the Bonds to be given in the name of the Corporation and in the manner provided in Section 4.02 for the redemption of Bonds in part at the option of the Corporation; and on and after such anniversary date of the Bonds the Trustee shall apply or cause to be applied such sinking fund moneys in the manner provided in Section 4.04 to the redemption of the Bonds so selected.

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

(d) The Trustee shall not redeem any Bonds with sinking fund moneys or mail any notice of redemption of 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 except that where the notice of redemption of any Bonds shall theretofore have been mailed, the Trustee shall redeem such Bonds. 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 default or event of default shall have been waived as provided in Section 7.01 or 7.06 or the default cured on or before the sixtieth day next preceding the due date of the next sinking fund payment, such moneys shall thereafter be applied on the next succeeding anniversary date of the Bonds in accordance with the provisions of this Section.

SECTION 4.04. If the giving of notice of redemption shall have been completed as above provided, the Bonds or portions of Bonds specified in such notice shall become due and payable on the date and at the place stated in such notice at the applicable redemption price, together with interest accrued to the date fixed for redemption. If moneys in the necessary amount to pay such Bonds or portions of Bonds at the redemption price, together with interest thereon to the date fixed for redemption, shall prior to the date fixed for redemption have been deposited in trust with the Trustee or with any paying agent (other than the Corporation) or have been set aside and segregated in trust by the Corporation (if the Corporation shall act as its own paying agent), interest on such Bonds or portions of Bonds shall cease to accrue on and after the date fixed for redemption. Interest on Bonds or portions of Bonds called for redemption as aforesaid shall cease to accrue on and after the date fixed for redemption, in any event, irrespective of whether or not any such deposit in