

ARTICLE 3.

REDEMPTION OF BONDS.

§3.01. The Company may, at its option expressed by resolution of its Board of Directors, at any time prior to maturity upon notice as hereinafter provided, call for redemption and pay the outstanding bonds, as a whole or in part, at the following percentages of the principal amounts thereof:

- 102% up to and including March 31, 1944;
- 101% on April 1, 1944 and thereafter to and including March 31, 1948;
- 100½% on April 1, 1948 and thereafter to and including March 31, 1952;
- 104½% on April 1, 1952 and thereafter to and including March 31, 1954; and
- 100% on April 1, 1954 and thereafter prior to maturity;

together in any case with interest accrued thereon to the date of redemption. In case of the redemption of a part only of the bonds issued hereunder the particular bonds to be redeemed shall be selected by lot or in any other manner deemed by the Trustee to be equitable.

§3.02. Notice of redemption of the bonds issued hereunder shall be given by the Company, or by the Trustee upon the request of the Treasurer or an Assistant Treasurer of the Company, by mailing such notice of redemption not less than thirty (30) days, and not more than ninety (90) days, prior to such redemption date to each registered owner of bonds selected for redemption at the address which shall appear on the bond registry. The proceedings for the redemption of said bonds shall not be affected by any defect in any such notice so given.

A certificate of the Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary of the Company as to the giving of proper notice of any call for redemption may be accepted by the Trustee as full and complete authority for any action required to be taken by it pursuant to this Article 3. In case any question shall arise as to whether or not such notice shall have been sufficiently given, such question shall be decided by the Trustee, and its decision shall be final and binding upon all parties in interest.

§3.03. On or before the redemption date specified in the notice given pursuant to §3.02, the Company shall deposit with the Trustee a sum of money sufficient to redeem (at their principal amount plus premium, if any) the bonds so selected for redemption and to pay the interest due thereon up to such redemption date to be held in a special account and in trust for the holders thereof and to be paid and delivered to them respectively upon surrender of said bonds with all unmatured coupons appertaining thereto, maturing on or after the redemption date, subject to the provisions of the last paragraph of this §3.03.

The Trustee shall, upon the written request of the Treasurer or an Assistant Treasurer of the Company, apply funds then held by it under the provisions of Article 6 and/or any other provisions of this Indenture, so far as permitted therein, to make up the whole or any portion of the money required for the redemption of such bonds. After the Company shall have deposited with the Trustee the money necessary to redeem the called bonds and to pay the interest due thereon, and/or shall have requested the Trustee so to apply funds held as aforesaid under the provisions of Article 6 and/or any other provisions of this Indenture, all bonds to be redeemed and appurtenant coupons shall cease to be entitled to any lien, benefits and security of this Indenture except the right to receive the redemption price upon presentation and surrender thereof and shall be deemed to have been retired and not to be outstanding hereunder; and after such redemption date, such bonds shall cease to bear interest and the coupons for interest maturing subsequently to such redemption date shall be void.

If, upon presentation for payment of any bonds called for redemption, there shall not be surrendered with such bonds the coupons maturing on the redemption date thereof, the Company shall receive such bonds, together with all coupons maturing after such redemption date, and shall pay in respect thereof the redemption price hereinbefore provided, exclusive of accrued interest, and such coupons shall be paid to the holders upon presentation and surrender thereof at the office of the Trustee.

§3.04. All bonds redeemed in accordance with this Article 3 shall forthwith be cancelled by the Trustee and no bonds shall be issued hereunder in place thereof.

Cash deposited pursuant to this Article 3 shall be applied exclusively, subject to the provisions of §4.01, to the redemption of the bonds specified in such notice and shall not form a part of the mortgaged property.