

ARTICLE THREE.

REDEMPTION OF BONDS.

SECTION 3.01. *Optional Redemption of Bonds of the 1978 Series.*

A. Subject to the provisions of Section 3.05, the Bonds of the 1978 Series shall be subject to redemption and may be redeemed, in whole or from time to time in part (in an integral multiple of \$50,000), at the option of the Company, on any interest payment date for the Bonds of the 1984 Series, upon payment of a redemption price equal to 102% of the principal amount thereof, together with accrued interest on such principal amount to the date fixed for redemption, upon notice given as provided in Section 3.06, if the Company shall

(a) have on hand excess or surplus funds not required in the conduct of its business in an amount not less than the amount required to make the proposed redemption of such Bonds;

(b) have outstanding no Funded or Current Debt other than the Bonds and not more than \$5,000,000 aggregate principal amount of Subordinated Debt;

(c) not thereby reduce Consolidated Working Capital below the amount specified in Section 5.08 (if such redemption is made on or after the Cut-off Date) nor below an amount which is considered adequate by the officers of the Company for the safe conduct of the business of the Company and its Subsidiaries without the necessity of creating additional Funded or Current Debt to replace funds used to make such redemption; and

(d) have delivered to the Trustee an Officers' Certificate showing compliance with the foregoing conditions.

B. Subject to the provisions of Section 3.05, the Bonds of the 1978 Series shall be subject to redemption and may be redeemed, in whole or from time to time in part (in an integral multiple of \$50,000), at the option of the Company, on any interest payment date for the Bonds of the 1984 Series, upon payment of the following applicable