

shall be cancelled by it and, except as otherwise provided in this Indenture, no Notes shall be issued under this Indenture in lieu thereof. The Company shall make appropriate notations in its records in respect of all Notes so delivered or surrendered to it and shall destroy such Notes.

**ARTICLE III  
REDEMPTION**

§ 3.01. **OPTIONAL REDEMPTION.** The Notes shall, upon compliance with the provisions of § 3.02, be subject to redemption, at the option of the Company, as a whole or in part (but in an amount not less than \$250,000), on any quarter-annual installment date on or after December 1, 1987, at a redemption price equal to the unpaid principal amount of the Notes so to be redeemed and accrued interest to the date fixed for redemption, together with a premium of a percentage of the principal amount of the Notes so to be redeemed determined as set forth in the following table:

<u>If Redeemed During Twelve Months Period Beginning December 1</u>	<u>Percentage</u>	<u>If Redeemed During Twelve Months Period Beginning December 1</u>	<u>Percentage</u>
1987	5.00%	1993	2.30%
1988	4.55%	1994	1.85%
1989	4.10%	1995	1.40%
1990	3.65%	1996	.95%
1991	3.20%	1997	.50%
1992	2.75%	1998	None

*provided, that Notes shall not be redeemable pursuant to this § 3.01, as a part of or in anticipation of any refunding operation by the application directly or indirectly of borrowed funds having an effective interest rate or cost to the Company, any Subsidiary or any other Affiliate (calculated in accordance with generally accepted accounting principles) of less than ten and one-quarter percent (10¼%) per annum or, as of the redemption date, a Weighted Average Life to Maturity less than the remaining Weighted Average Life to Maturity of the Notes.*