

ARTICLE III.

REDEMPTION OF BONDS OF THE 1977 SERIES.

SECTION 3.01. Subject to the provisions of Section 3.04 hereof, the Bonds of the 1977 Series shall, in the manner herein and in Article 4 of the Indenture provided, be subject to redemption prior to maturity at the option of the Company, as a whole at any time, or in part from time to time, at the optional redemption prices set forth in the forms of Bonds of the 1977 Series contained in the recitals hereto, together in each case with accrued interest to the redemption date. If less than the whole of a registered Bond of the 1977 Series without coupons be redeemed, the Trustee shall, upon presentation thereof for the purpose, make or cause to be made a notation thereon of the payment of the portion thereof so called for partial redemption, or shall authenticate and deliver a new registered Bond for the unredeemed portion thereof. The redemption of any portion of a Bond of the 1977 Series shall not affect or reduce the right of conversion, if any, evidenced thereby, the principal amount of the indebtedness convertible into shares of Common Stock being not redeemable.

In case of redemption of a part only of the Bonds of the 1977 Series, except in the case of redemption of any Bonds for the sinking fund, the Company shall, at least forty-five (45) days prior to the redemption date (unless a shorter notice shall be accepted by the Trustee as sufficient), notify the Trustee of the principal amount of Bonds to be redeemed.

The selection of Bonds of the 1977 Series to be redeemed shall, in case less than all of the outstanding Bonds of the 1977 Series are to be redeemed, be made by the Trustee as follows:

The moneys deposited, or to be deposited, with the Trustee pursuant to §4.03 of the Indenture upon such redemption shall be allocated as between (a) registered Bonds of the 1977 Series without coupons and (b) coupon Bonds of the 1977 Series. The moneys allocable to registered Bonds of the 1977 Series without coupons shall be applied to the partial redemption of all such registered Bonds of the 1977 Series without coupons pro rata (disregarding for the purpose of such allocation any portion of the principal amount thereof which is not redeemable under the provisions of Section 3.04 hereof). The moneys allocable to coupon Bonds of the 1977 Series shall be applied to the redemption of Bonds selected

by lot from among all coupon Bonds of the 1977 Series theretofore authenticated and delivered and not previously cancelled by the Trustee or called for redemption, in any manner deemed by the Trustee to be fair and proper. The Trustee shall promptly notify the Company in writing of the distinctive numbers of the coupon Bonds so selected for redemption.

SECTION 3.02. Subject to the provisions of Section 3.04 hereof, the Bonds of the 1977 Series shall in the manner provided in Section 3.01 hereof and in Article 4 of the Indenture be subject to redemption, as provided in the last paragraph of §7.02 of the Indenture, with money received by the Trustee as the proceeds of all or any part of the mortgaged property taken through the power of eminent domain or sold pursuant to the exercise of any right of any municipal or governmental body or agency to purchase, or designate a purchaser of, or order the sale of such property, or sold in lieu thereof and in reasonable anticipation of such event, at the applicable redemption prices set forth in the forms of Bonds of the 1977 Series contained in the recitals hereto, together in each case with accrued interest to the redemption date.

SECTION 3.03. Subject to the provisions of Section 3.04 hereof, the Bonds of the 1977 Series shall in the manner provided in Section 3.01 hereof and in Article 4 of the Indenture be subject to redemption in part from time to time at the applicable redemption prices set forth in the forms of the Bonds of the 1977 Series contained in the recitals hereto, together in each case with accrued interest to the redemption date, through the operation of and for the purposes of the sinking fund provided therefor in Article IV hereof.

SECTION 3.04. Anything herein or in the Bonds to the contrary notwithstanding, so long as the right of conversion set forth in Section 6.01 hereof exists in respect of any Bond of the 1977 Series, that portion of the principal indebtedness evidenced by such Bond which is convertible into Common Stock as provided in §6.01 hereof shall not be redeemable, whether at the option of the Company, through the operation of the sinking fund, out of moneys received by the Trustee or otherwise.