

Upon an optional redemption in part, the subsequent quarter-annual installment payments on the Notes shall be reduced by a fraction thereof of which the numerator is the principal amount of the Notes so redeemed and the denominator is the principal amount of the Notes outstanding immediately prior to such redemption (regarding as having been paid the regular payment of principal included in the quarter-annual installment payment due on such date).

§ 3.02. METHOD OF REDEMPTION AND CONTENTS OF NOTICE; ALLOCATION. In case the Company shall elect to exercise its option to redeem Notes pursuant to § 3.01, it shall give notice of such redemption by delivering to the Mortgagee not less than ten (10) days' nor more than thirty (30) days' written notice, signed by the President or a Vice President of the Company, of its intention to redeem Notes, specifying the date fixed for redemption and the aggregate principal amount of Notes so to be redeemed on said date in the manner set forth in § 3.08. The notice of redemption to be so delivered shall also state:

A. The redemption price.

B. That the interest on the Notes to be redeemed will cease to accrue on such redemption date; and that on said date said redemption price will become due and payable upon each of said Notes.

C. That said Notes are to be surrendered for payment of the redemption price at the principal office of the Company.

D. That the Notes or portions thereof are to be redeemed pursuant to the provisions of § 3.01 of the Indenture and that the provisions of such Section have been fully complied with.

Notice of election to redeem Notes having been given by the Company, the Notes or portions thereof so designated for redemption shall, on the redemption date designated in such notice, become due and payable, at the redemption price then applicable and, upon presentation thereof for redemption in accordance with such notice, such Notes or portions thereof shall be paid at the redemption price on said date.

If there shall have been designated for redemption as aforesaid a portion of any outstanding Note, at the option of the Mortgagee

(a) such Note may be surrendered by the Mortgagee for cancellation, in which event the Company shall execute and deliver to