

ARTICLE III

REDEMPTION OF BONDS

Section 3.01. Bonds held by Government: Any of the Bonds, so long as they shall be owned by the Government, may be redeemed or prepaid at the option of the Borrower on any interest payment date prior to their respective maturities, either in whole or in part, and if in part in the inverse order of the numbers of the Bonds in the case of coupon Bonds, and in the inverse order of the maturity dates of said principal installments in the case of fully registered Bonds, upon payment of the principal amount of the Bonds or of the principal installments thereof to be redeemed, without premium, plus accrued interest on such principal amount to the date fixed for redemption.

Section 3.02. Written Notice to Trustee: Written notice of the election of the Borrower to redeem Bonds pursuant to this Article III shall be delivered by the Borrower to the Trustee not less than thirty days prior to the date to be fixed for redemption. Such notice shall be signed by one of the officials of the Borrower designated in Article III, Section 2, of Part One of the Indenture, and shall be accompanied by a Certified Resolution calling for redemption of the Bonds referred to in such notice. Such notice shall state the amount of premium, if any, to be paid on redemption of each Bond to be redeemed and, if less than all of the outstanding Bonds are to be redeemed, shall specify the serial numbers or principal installments of the Bonds to be redeemed.

Section 3.03. Publication of Notice: Notice of intention to redeem (including, when only a portion of the Bonds is to be redeemed, the numbers of such Bonds, or principal installments thereof) shall be given by or on behalf of the Borrower by publication at least once not less than thirty nor more than sixty days before the redemption date in a financial journal