

On the conditions and in the manner provided in the Indenture, Series K bonds may become subject to redemption in whole or in part at any time by the use of moneys deposited with or paid to the Trustee (a) as the proceeds of property sold; or (b) as the proceeds of property taken under power of eminent domain or as the proceeds of insurance policies deposited with or paid to the Trustee because of damage to or destruction of property or out of moneys deposited with or paid to the Trustee by the Company because of a failure on the part of the Company to meet certain requirements of the Indenture respecting the replacement of property. Series K Bonds so redeemed shall be redeemed at their principal amount plus interest accrued to the date fixed for redemption plus the then applicable premium set forth in the preceding paragraph.

Notice of any of the aforesaid redemptions shall be given by registered mail to the registered owner hereof at his registered address, such notice to be mailed at least sixty (60) days prior to the date fixed for redemption, provided that notice of redemption for the sinking fund may be mailed as aforesaid not less than ten (10) days prior to the date fixed for redemption; all on the conditions and in the manner provided in the Indenture. The Indenture provides that if in case of redemption of less than all of the bonds of this series and all such bonds then outstanding are fully registered in the names of holders, the aggregate of moneys to be applied in redemption shall be apportioned by the Trustee prorata as nearly as practicable among such holders in the manner provided by section 1.05 of the Eleventh Supplemental Indenture. If exact apportionment proves impracticable, then any portion of the moneys available for redemption, but not exactly apportionable in multiples of \$500, shall be retained by the Trustee and applied as a part of the next distribution and apportionment in redemption. If notice of the redemption of any fully registered