

tionment, notify the Company in writing of the numbers and principal amounts of bonds designated or selected by the Trustee for redemption, whether in whole or in part. 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 succeeding apportionment in redemption as herein provided.

Section 1.06. In the event of redemption or prepayment for sinking fund purposes of a portion of the principal amount of any fully registered Series K bond registered in the name of any initial purchaser or its nominee in whose name a bond or bonds of such series were first registered, the Trustee shall make payment to such registered bond holder without surrender to the Trustee of the bond on which partial redemption or prepayment only is being made if there shall be on file with the Trustee (and not theretofore rescinded by written notice from any such registered bond holder to the Trustee) an agreement between the Company and such purchaser to the effect that: (i) Payments will be made as aforesaid; (ii) such holder promptly will make notations on such bond, or on a paper attached thereto, of the portions thereof so redeemed or prepaid; (iii) such holder will not sell, assign, encumber, pledge or hypothecate such bond without first surrendering the same to the Trustee in exchange for a bond or bonds in a principal amount equal to the unpaid balance of the principal amount of the bond surrendered. In case any payment is made as provided in this subparagraph, the Trustee shall make an appropriate notation of such payment on its records, and such payment made by the Trustee shall be valid and effective to satisfy and discharge liability upon such bond to the extent of the sum so paid.

Section 1.07. Fully registered bonds of Series K, upon surrender thereof at the main office of the