

PARTICIPANT OPERATING PROCEDURES

Maturities and Redemptions Q100

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IMPORTANT LEGAL INFORMATION

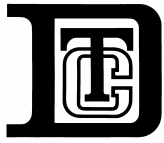
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In connection with their use of the Corporation's services, Participants and Pledges must comply with all applicable laws, including all applicable laws relating to securities, taxation, and money laundering.

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DTC SHALL NOT BE LIABLE FOR: (1) ANY LOSS RESULTING DIRECTLY OR INDIRECTLY FROM INTERRUPTIONS, DELAYS, OR DEFECTS ARISING FROM OR RELATED TO ITS SERVICES; AND (2) ANY SPECIAL, CONSEQUENTIAL, EXEMPLARY, INCIDENTAL, OR PUNITIVE DAMAGES.

The services provided by DTC to its Participants and other authorized users are provided only pursuant to the terms and conditions of the Participants Agreement, which references the Rules and Procedures of DTC, and/or other contractual documents (collectively, the "Contractual Documents"). DTC's obligations to Participants and other authorized users are therefore contractual in nature and are limited solely to those obligations expressly set forth in the Contractual Documents. Participants and other



PARTICIPANT OPERATING PROCEDURES Maturities and Redemptions Q100

authorized users are obligated to, among other things, follow precisely the procedures outlined in the Contractual Documents and provide DTC with complete and accurate information. In accepting financial assets from Participants and/or providing services to other authorized users, DTC relies, among other things, upon the duty of Participants and other authorized users to exercise diligence in all aspects of each transaction processed through DTC.

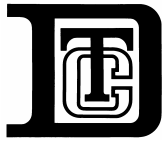
Participants and other authorized users expressly acknowledge that the services provided by DTC are ministerial in nature. Moreover, as further reflected by DTC's fee structure (which typically bears no relationship to the dollar value of any given transaction), DTC does not accept any risk of loss to Participants, other authorized users and possible third party beneficiaries with respect to transactions being processed by DTC.

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The contents of the Service Guides are updated in different formats on a periodic basis. Participants and other authorized users of the Service Guides will find the most current version of the Service Guides, as well as DTC Important Notices which address the contents of the Service Guides, on DTC's internet site, dtservices.dtcc.com. DTC shall bear no responsibility for any losses associated with the failure of Participants or other authorized users to follow DTC's most current Service Guides and/or Important Notices. Participants or other authorized users may direct inquiries about the Service Guides, as well as requests for additional copies, to the Customer Training and Information Services Department, The Depository Trust Company, 55 Water Street, 27th Floor, New York, NY 10041-0099, USA; fax number: (212) 855-2283; e-mail address: training_administrator@dtcc.com.

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PARTICIPANT OPERATING PROCEDURES

Maturities and Redemptions Q100

INTRODUCTION

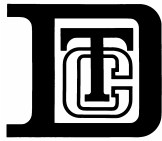
Maturities

Prior to the maturity date for a debt security, The Depository Trust Company (DTC) presents certificates to the redemption agent for payment. On maturity date or the next business day if the maturity date falls on a weekend or holiday, DTC collects redemption proceeds from the agent, allocates the proceeds to DTC Participants having position in the issue and deletes the Participants' positions from DTC's records. Allocations are reported on the Participants' Dividend/Reorganization Cash Settlement Listing on the day they are made.

Participants are responsible for determining that their maturing DTC-eligible security positions have been properly identified and processed by DTC by reviewing their own records (including their customer's holdings) of maturing issues and their own security descriptions for DTC-eligible issues. Participants should use their own security descriptions which provide an independent check for key financial elements for each security, including the interest rate and maturity date. Information regarding DTC's processing of maturities is generally available on the Reorg Inquiry For Participants (RIPS) function of the Participant Terminal System (PTS). Information on a maturity is derived from DTC's security master file, which is coded at the time the issue is made DTC-eligible. **DTC will not be liable for claims for interest on missed or late principal payments on maturities which Participants fail to bring to DTC's attention within one month of the maturity date.** Refer to Section 2.27 of the PTS Manual for additional information regarding RIPS.

Redemptions

Unlike maturities, most redemptions (full calls or partial calls) are not scheduled in advance. Thus, the first step in processing a redemption is discovering its existence. After DTC verifies an upcoming redemption, DTC presents redeemed certificates to the redemption agent for payment. In the event of a partial call, DTC will process a computerized call lottery to determine the Participants' individual holdings to be included in the call. On redemption date or the next business day if the redemption date falls on a weekend or holiday, DTC collects redemption proceeds from the agent, allocates the



PARTICIPANT OPERATING PROCEDURES

Maturities and Redemptions Q110

proceeds to DTC Participants having position in the redeemed portion of the issue and deletes such Participants' position from DTC's records. Allocations are reported on the Participants' Dividend/Reorganization Cash Settlement Listing on the day they are made.

Information regarding DTC's processing of Redemptions is generally available on the Redemption Inquiry (ACLP) or the RIPS functions of *PTS*. The information provided on these functions is derived from sources DTC believes to be reliable, but DTC does not represent the accuracy, adequacy, timeliness, completeness, or fitness for any particular purpose of this information, which is provided as is. Further, this information may be subject to change. Participants should obtain, monitor and review independently any available documentation relating to the redemption and should verify independently information obtained from DTC. Refer to Sections 2.15 (ACLP) and 2.27 (RIPS) of the *PTS* Manual for additional information.

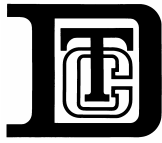
DTC will not be liable for claims for interest on missed or late principal payments on redemptions for which DTC received no notice or late notice. DTC will, however, initiate compensation claims against paying agents whenever appropriate and will pass on to Participants through DTC's redemption refunds any amounts received on such claims. Refer to procedure Q160, Redemption Refunds, for additional information.

Maturities and Redemptions

Both maturities and redemptions are considered mandatory activities. DTC processes the activities without receiving instructions from its Participants.

Participants will not be allocated any redemption proceeds for a position that is pledged (including any contra-CUSIP position that is pledged) until the pledge has been released. A Participant may be allocated the payment for a position that is segregated, but in such cases the Participant's general free position will be caused to go short the equivalent quantity of securities and the Participant will be subject to a short position penalty charge. Participants should arrange for the release of any pledges, segregations or Investment Identifications prior to the anticipated redemption payment date.

To help remind Participants to release such pledges, segregations or Investment Identifications, DTC sends to Participants' *PTS* printers tickets identifying their positions in securities undergoing maturity or



PARTICIPANT OPERATING PROCEDURES

Maturities and Redemptions Q110

full redemption processing on which payment may be delayed due to a pledge or segregation.

Tickets on maturing issues are sent out 30 business days prior to the maturity date and then again every day during the five business days prior to the maturity date. Tickets on fully-called issues are sent out every day during the five business days prior to the redemption date.

DTC will not be liable for claims for interest on late principal payments on maturities or redemptions for which Participants fail to release their pledges or segregations prior to maturity or redemption date.

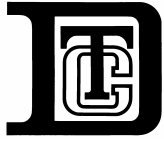
Nothing contained in any information provided by DTC shall relieve Participants of their responsibility under DTC's Rules and Procedures to check the accuracy of their Participant Daily Activity Statements and to notify DTC of any discrepancies.

If you are aware of a maturity of an issue on which you have not received notification from DTC via the RIPS function of *PTS*, you should notify DTC's Reorganization/Redemptions Department's Redemption Payments service desk at the telephone number listed on the back of the Eligible Securities book. If you are aware of a full call or partial call on an issue on which you have not received notification from DTC via the ACLP or RIPS functions of *PTS*, you should notify DTC's Lottery Processing Department by contacting the Lottery Processing service desk at the telephone number listed on the back of the Eligible Securities book.

DTC's Reorg Deposits Service allows DTC Participants to deposit any DTC-eligible securities currently undergoing, or have undergone within the last two years, redemptions, maturity or mandatory reorganization maturity processing. DTC will credit the deposited securities to Participants' accounts and will submit them to the paying agent for payment. DTC will then credit redemption proceeds (or new securities to Participants' securities accounts) to Participants' settlement accounts and delete their positions in the deposited security.

Any DTC-eligible security undergoing call or maturity processing plus any DTC-eligible security that has matured or been called after August 1, 1993 is eligible for the Reorg Deposits Service. Beginning August 1, 1995, deposits of *past due* issues will only be accepted on issues that have matured or been called during the period up to two years prior to that date of deposit.

For deposits made by Participants beginning on the day DTC's regular deposit procedures are terminated (DTC terminates regular deposit services 30 business days prior to maturity date or upon receipt of a

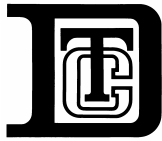


PARTICIPANT OPERATING PROCEDURES

Maturities and Redemptions Q110

full call notice) and ending on the *cutoff date* (10 business days prior to the redemption/maturity date), DTC will allocate redemption proceeds to Participants on the day it allocates such proceeds to Participants for positions deposited prior to regular deposit procedure termination (generally the redemption date of the issue).

For deposits made after the cutoff date, DTC will allocate redemption proceeds to Participants upon receipt of funds from the paying agent. DTC will usually allocate new security proceeds to Participants immediately upon deposit. DTC will allocate cash proceeds to Participants upon receipt of funds from the exchange agent. Refer to Section B - DEPOSITS for additional information.



PARTICIPANT OPERATING PROCEDURES

Maturities and Redemptions Q110

MATURITIES

In contrast to when certificates are partially or fully called, when they mature, DTC can track them and act in advance. DTC announces upcoming maturities approximately 30 business days in advance of maturity date via the Reorganization Inquiry for Participants (RIPS) function of *PTS* and the REORGM CCF file. Refer to Section 2.27 of the *PTS* Manual for additional information regarding RIPS.

Track all upcoming maturities via your own security master file.

Verify upcoming maturities via the RIPS function of *PTS* and the REORGM CCF file.

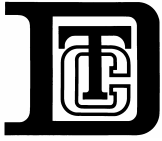
DTC chills all deposit and withdrawal activity on maturing issues 30 business days prior to maturity date. DTC chills all book-entry activities (Deliver Orders, pledges, segregations) two business days prior to maturity date, except Deliver Orders on Same-Day Funds Settlement (SDFS)-eligible issues, which are chilled at the opening of business on the maturity date.

Release or **substitute** maturing securities used as collateral on any outstanding loans. Refer to Section G - COLLATERAL LOANS for additional information.

Release any segregated or Investment Identification (ID) positions. Refer to Section O - INVESTMENT IDENTIFICATION for additional information.

Prior to the maturity date, DTC presents maturing issue certificates to the redemption agent for payment.

On maturity date DTC verifies with the agent that maturity proceeds will be paid. For Next-Day Funds Settlement (NDFS)-eligible issues, DTC deletes Participants positions and allocates proceeds to Participants upon such verification. Allocations on NDFS issues are reported under NDFS settlement code 88 and are reported on the Dividend/Reorganization Cash Settlement Listing. For SDFS-eligible issues, DTC deletes Participants' positions and allocates proceeds to Participants only after receipt of the proceeds from the agent. Allocations on SDFS issues are reported under SDFS settlement code 88. Throughout the processing day details on allocations on SDFS issues are reported to Participants via the RDP Same-Day Funds Allocation Inquiry (SDAL) function of *PTS*. Allocation on SDFS issues are reported after processing cutoff on the SDFS



PARTICIPANT OPERATING PROCEDURES

Maturities and Redemptions Q120

Dividend/Reorganization Cash Settlement Listing. Refer to Section 8.31 of the *PTS* Manual for additional information on SDAL.

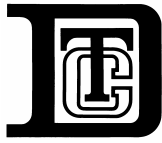
Receive maturity proceeds via DTC's net settlement process (maturity proceeds are credited to the Participant's settlement statements under settlement code 88).

Verify receipt of funds from DTC on maturing issues by reviewing the Dividend/Reorganization Cash Settlement Listing and the SDFS Dividend/Reorganization Cash Settlement Listing.

Review allocations on SDFS issues during the processing day via the SDAL function of *PTS*.

NOTE:

1. **Maturity proceeds are allocated to DTC Participants having position in the maturing issue as of the close of business on the day prior to maturity date.**
2. **For processing options on maturities of foreign currency denominated issues, refer to procedure Q140, Special Cases, under the heading, Foreign Currency Denominated Issues.**



PARTICIPANT OPERATING PROCEDURES

Maturities and Redemptions Q120

FULL REDEMPTIONS

An issuer of a security may be allowed under the terms of the issue to call the issue for redemption in full at certain times during the issue's life. In such case, the issue's trustee is generally required to publish notice of such event or in the case of registered securities mail notice of such event to the registered holders. DTC receives such notices and reviews many publications in order to uncover notices on bearer securities. Once DTC verifies the existence of a full call it notifies Participants of the call via the Reorganization Inquiry for Participants (RIPS) and Redemption Inquiry (ACLIP) functions of *PTS* and the REORGN CCF file, and initiates full call processing.

NOTE: All full calls on convertible issues are processed by DTC and announced to Participants via the RIPS function of *PTS* under a special activity code. Such issues are also treated as conversion expirations. A conversion expiration activity is announced via the RIPS function of *PTS* and Participants wishing to convert their called securities into the underlying security must do so by the conversion expiration date. Refer to Section J - REORGANIZATION of this manual and Section 3.09 (Reorg Conversion Instruction) of the *PTS* Manual for additional information regarding conversion processing.

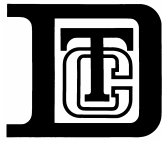
Obtain notification of redemptions from independent sources and DTC.

Monitor DTC's RIPS and ACLIP functions of *PTS* and/or the REORGN CCF file for information about full redemptions.

Notify DTC of any full redemption you are aware of but have not received notification from DTC via the RIPS or ACLIP function of *PTS* or REORGN CCF file by contacting the Lottery Processing service desk at the telephone number listed on the back of the Eligible Securites book.

DTC chills all deposit and withdrawal activity on fully-called issues upon receipt of the call notice. DTC chills all book-entry activities (deliver orders, pledges, segregations) two business days prior to redemption date, except Deliver Orders on SDFS-eligible issues which are chilled at the opening of business on the redemption date.

Release or **substitute** fully-called securities used as collateral on any outstanding loans. Refer to Section G - COLLATERAL LOANS for additional information.



PARTICIPANT OPERATING PROCEDURES

Maturities and Redemptions Q130

Release any segregated or Investment ID positions. Refer to Section O - INVESTMENT IDENTIFICATION for additional information.

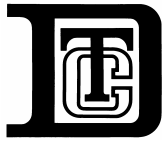
Prior to redemption date DTC presents fully-called issue certificates to the redemption agent for payment.

On redemption date DTC verifies with the agent that redemption proceeds will be paid. For NDFS issues, DTC deletes Participants' positions and allocates proceeds to Participants upon such verification. Allocations on NDFS issues are reported under NDFS settlement code 88 and are reported on the Dividend/Reorganization Cash Settlement Listing. For SDFS issues, DTC deletes Participants' positions and allocates proceeds to Participants only after receipt of the proceeds from the agent. Allocations on SDFS issues are reported under SDFS settlement code 88. Throughout the processing day, details on allocations of SDFS issues are reported to Participants via the RDP Same-Day Funds Allocation Inquiry (SDAL) function of *PTS*. Allocations on SDFS issues are reported after processing cut-off on the SDFS Dividend/Reorganization Cash Settlement Listing. Refer to Section 8.31 of the *PTS* Manual for additional information regarding SDAL.

Receive redemption proceeds via DTC's net settlement process (full redemption proceeds are credited to Participants' settlement statements under settlement code 88).

Verify receipt of funds from DTC on fully-called issues by reviewing the Dividend/Reorganization Cash Settlement Listing and the SDFS Dividend/Reorganization Cash Settlement Listing. Additionally, on SDFS issues, review allocations during the processing day via the SDAL function of *PTS*.

NOTE: Full redemption proceeds are allocated to DTC Participants having position in the fully-called issue as of the close of business on the day prior to redemption date.



PARTIAL CALLS

Before the Call

The full range of DTC bookkeeping and custodial services is available for callable securities before the first call and between calls. During these periods:

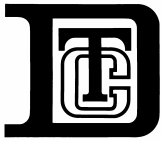
Determine, prior to depositing securities, that the certificates have not been called and are transferable. DTC assesses a fee for deposit rejects and short positions. Refer to Section T - FEES for additional information.

The Call Announcement

An issuer of a security may be allowed under the terms of the issue to call part of the issue outstanding for redemption at certain times during the issue's life. In such a case, the issue's trustee is generally required to publish notice of such event or in the case of registered securities mail notice of such event to the registered holders. DTC receives such notices and reviews many publications in order to uncover notices on bearer securities.

When DTC receives notice of a partial call it creates an *envelope* (file) in its Automated Call Lottery system prior to processing the call lottery. This preliminary call notice information is made available immediately to Participants via the following systems:

- Preliminary Notice *PTS* Ticket (Unsolicited Message)
- Redemption Inquiry (ACLP) Function of *PTS*
- Reorganization Notice (REORGN) Computer-to-Computer Facility (CCF) File



PARTICIPANT OPERATING PROCEDURES

Maturities and Redemptions Q130

Preliminary PTS Flash

XXXXXXXXXXXXXXXXXXXX

SUBJECT: PRELIMINARY NOTICE OF PARTIAL CALL FOR REDEMPTION

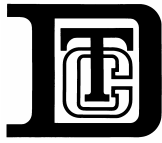
A NOTICE OF PARTIAL CALL HAS BEEN RECEIVED AS FOLLOWS:

- A. SECURITY: XXX
- B. CUSIP: XXXXXX-XX-X
- C. CONTRA CUSIP: XXXXXX-XX-X
- D. PUBLICATION DATE: Z9/Z9/99
- E. AS-OF DATE: Z9/Z9/99
- F. REDEMPTION DATE: Z9/Z9/99
- G. REDEMPTION RATE: \$ ZZ,ZZ9.999999 PER SHARE OR \$1,000.00 BOND
- H. REDEMPTION AGENT: XXXXXXXXXXXXXXXXX
- I. DTC NOTIFIED ON: Z9/Z9/99
- J. ENVELOPE KEY: X-XXXXXXXX-XXXXXXXX-X

INQUIRIES TO: XXX

Receive notification from DTC of the impending call via a Preliminary *PTS* Flash on *PTS*. The notification includes all pertinent information made available by the Trustee, as well as the security description.

NOTE: Participants can obtain DTC lottery information by using the ACLP function of *PTS*. The information available will assist Participants in their call lottery processing and in researching out-of-balance conditions resulting from missed lottery results, thus minimizing the need to make inquiries to DTC's Call Processing Unit. DTC also maintains a called certificate database. Participants can obtain called certificate information



PARTICIPANT OPERATING PROCEDURES

Maturities and Redemptions Q130

by checking the ACLP function of *PTS*. Refer to Section 2.15 of the *PTS* Manual for additional information.

In addition, after the call lottery is processed by DTC, the preliminary notice information is added to the Reorg Inquiry For Participants (RIPS) function of *PTS*. This function also indicates to the Participant whether or not they had a position in the called security in their DTC account as of the close of business the day prior to the publication date of the call. Participants should note, however, that partial call envelopes are added to the RIPS function several days after they appear in the ACLP function. Thus, a partial call will appear on the New Redemption Envelope Index on the RIPS function well after Participants are notified of the call via the

ACLP function. Once the envelope exists on the RIPS function, however, any updates to it, such as a changes in the payment rate, are immediately reflected on the RIPS function. Refer to Section 2.27 of the *PTS* Manual for additional information regarding RIPS.

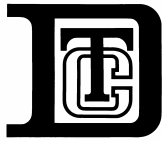
The Call Lottery

DTC will:

- Receive notification of called certificates on or about the publication date.
- Determine the total amount of called bonds or the number of preferred shares to be allocated by the amount of fully or partially called certificates on deposit with DTC.
- Determine the procedure to be used to report called positions to Participants.

In general, DTC allocates total called positions to Participants' Called Securities With Interest and Called Securities Without Interest accounts. For some types of partial calls, however, DTC does not segregate Participants' called positions into these accounts. In these instances, the called positions are instead segregated within Participants' General Free account but under a contra CUSIP number assigned to the issue at the time of the call lottery. The contra CUSIP number assigned to a particular partial call is announced to Participants via the ACLP and RIPS functions of *PTS* and the REORGN CCF file.

Types of partial calls that use a contra CUSIP number:



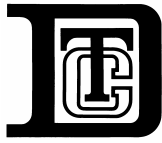
PARTICIPANT OPERATING PROCEDURES

Maturities and Redemptions Q130

- **SDFS-Eligible Issues -**
All partial calls on SDFS issues are processed via contra CUSIP numbers.
- **Concurrent Full and Partial Calls -**
In the event that both a partial and full call are announced on an issue for the same redemption date, the partial call is processed via a contra CUSIP number. Full call processing occurs on the remaining positions under the original CUSIP number.
- **Convertible Issues -**
All partial calls on convertible issues are processed via contra CUSIP numbers. A special activity code on the RIPS function of *PTS* is used to identify such calls. Called positions segregated under the contra CUSIP number are treated as an expiring conversion. A conversion expiration activity is announced on the contra CUSIP via the RIPS function of *PTS* and Participants wishing to convert their called securities into the underlying security must do so by the conversion expiration date. Refer to Section J - REORGANIZATION of this manual and Section 3.09 (Reorg Conversion Instruction) of the *PTS* Manual for additional information regarding conversion processing.
- **Foreign Currency Denominated Issues -**
In the event of a partial call on a foreign currency denominated issue, DTC runs a call lottery using a contra CUSIP number. This permits Participants to submit instructions electing to receive payment proceeds (outside of DTC) in the foreign currency, if they wish to do so. Refer to procedure Q140, Special Cases, under the heading, Foreign Currency Denominated Issues, for additional information.
- **Other Activities -**
In the event that a portion of an issue becomes the target of a voluntary activity (e.g., partial mandatory tender with retainment option), DTC runs a call lottery using a contra CUSIP number. DTC then sets up the voluntary activity with the contra CUSIP number as the target security. Thus, only positions selected in the lottery are eligible for the voluntary activity. Refer to Section J - REORGANIZATION for additional information regarding voluntary activity.

DTC will:

- Conduct an impartial lottery based on Participants' positions as of the close of business the day prior to the publication date.



PARTICIPANT OPERATING PROCEDURES

Maturities and Redemptions Q130

In 1975, DTC issued a description of the impartial lottery method used to allocate called positions. That method was reviewed and found satisfactory by the New York Stock Exchange. Copies of the New York Stock Exchange memoranda and that lottery method description appear in this procedure. DTC currently uses this method, with slight procedural modifications, to allocate called positions.

- Allocate the total called positions to the Called Securities With Interest and Called Securities Without Interests accounts (or to the appropriate contra CUSIP number, as required).

IMPARTIAL LOTTERY METHOD FOR ALLOCATING CALLED SECURITIES

When securities are called, DTC will conduct an impartial lottery using an incremental random number technique.

- First, a "called increment" is calculated by dividing (a) the number of securities called from DTC by the Trustee or Transfer Agent, into (b) the total securities deposited with DTC. In the illustration, the call increment equals 23.72; in other words, almost every 24th security in DTC is called.
- Then each of the securities held by DTC is assigned a consecutive security number starting with one. For this purpose, each share of preferred stock is treated as one security, or, if bonds are being called, each \$1,000 bond is treated as one security. When number assignments are completed, each security held by each DTC Participant is identified by an arbitrary unique number for purposes of the lottery. In the illustration, 100 securities held in DTC by Participant "C" for example, are assigned security numbers 0052 through 0151. Security numbers 1238 through 1337 are also assigned to the same securities from a second range of numbers as explained in the last paragraph of step #4(*).
- Next, a random number is found within the first range of numbers just assigned to the securities held by DTC. This random number is the starting place for allocating the called securities among DTC Participants. The random number will be generated by taking the square root of the lottery date times the lottery day and truncating the decimal portion of the answer until it is within the first range of assigned security numbers. In the illustration, random number 0396 is found within the first range of numbers which extends from 001 to 1186.
- Finally, allocation of the called securities is made. The call increment is added to the starting random number. The answer is the number of the first security called. In the illustration, 23.72 is added to 0396 and the answer (0419.72) rounded off (0420) is the number of the first security called. Then, the call increment is added to the first answer to find the number of the second security called (041.72 + 23.72 = 044.44, or security number 0443). The process is continued until the called portion (50) of the securities deposited with DTC (1,186) is fully allocated among DTC Participants. In the illustration, of the 100 securities held in DTC by Participant "C", for example, 4 securities are called.

* Because the starting random number is selected within the first range of assigned security numbers, the incremental process usually produces answers that go beyond the last number in the first range. Therefore, a second range of numbers is provided as noted earlier. In the illustration, 17 of the 50 securities called were allocated in the second range of assigned security numbers which extends from 1187 to 2372.

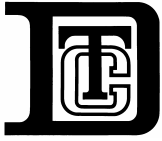
ILLUSTRATION

Assume that there are 1,186 securities XYZ held in DTC by 10 members, that 50 securities are called from DTC by the Trustee or Transfer Agent, and that DTC's lottery is run on May 30, 1973.

- CALL INCREMENT = $\frac{\text{TOTAL SECURITIES CALLED}}{\text{SECURITIES HELD IN DTC}} = \frac{50}{1186} = 23.72$ (CARRIED TO TWO DECIMAL PLACES, NO ROUNDING).
- ASSIGN SECURITY NUMBERS TO EACH SECURITY:

DTC PARTICIPANT	NO. OF SECURITIES HELD IN DTC	ASSIGNED SECURITY NUMBERS 1st RANGE	2nd RANGE
A	1	001	1187
B	50	0002-0051	1188-1237
C	100	0052-0151	1238-1337
D	2	0152-0153	1338-1339
E	1	0154	1340
F	1	0155	1341
G	1,000	0156-1155	1342-2341
H	1	1156	2342
I	10	1157-1166	2343-2352
J	20	1167-1186	2353-2372
TOTAL IN DTC		1,186	
- FIND A STARTING RANDOM NUMBER BETWEEN 001 AND 1186
 LOTTERY DATE IS MAY 30, 1973 (05/30/73)
 RANDOM NUMBER = $\sqrt{\text{LOTTERY DATE} \times \text{LOTTERY DAY}}$
 $= \sqrt{053073 \times 30}$
 $= 1261.82011396$ (CARRIED TO EIGHT DECIMAL PLACES, NO ROUNDING)
 $= 82011396$ (DECIMAL PORTION)
 $= 396$ (DECIMAL PORTION TRUNCATED FROM LEFT TO RIGHT UNTIL WITHIN THE FIRST RANGE OF ASSIGNED SECURITY NUMBERS 0001 TO 1186)
- ALLOCATE THE 50 SECURITIES CALLED (SEE ALLOCATION TABLE ON NEXT PAGE); START THE ALLOCATION PROCESS AT ASSIGNED SECURITY NUMBER 0396
 SUMMARY OF ALLOCATION:

DTC PARTICIPANT	NO. OF SECURITIES HELD IN DTC	ALLOCATION OF SECURITIES CALLED
A	1	0
B	50	2
C	100	4
D	2	0
E	1	0
F	1	0
G	1,000	43
H	1	0
I	10	0
J	20	1
TOTAL IN DTC		1,186
		TOTAL CALLED 50



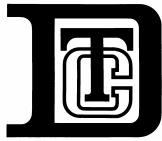
PARTICIPANT OPERATING PROCEDURES

Maturities and Redemptions Q130

ALLOCATION TABLE

RANDOM NUMBER	ROUNDED RANDOM NUMBER*	DTC PARTICIPANT	NO. OF SECURITIES ALLOCATED	RANDOM NUMBER	ROUNDED RANDOM NUMBER*	DTC PARTICIPANT	NO. OF SECURITIES ALLOCATED
0396.00	Start			1012.72			
+ 23.72	Increment			+ 23.72			
0419.72	0420	G	1	1036.44	1036	G	1
+ 23.72				+ 23.72			
0443.44	0443	G	1	1060.16	1060	G	1
+ 23.72				+ 23.72			
0467.16	0467	G	1	1083.88	1084	G	1
+ 23.72				+ 23.72			
0490.88	0491	G	1	1107.60	1108	G	1
+ 23.72				+ 23.72			
0514.60	0515	G	1	1131.32	1131	G	1
+ 23.72				+ 23.72			
0538.32	0538	G	1	1155.04	1155	G	1 32
+ 23.72				+ 23.72			
0562.04	0562	G	1	1178.76	1179	J	1 1
+ 23.72				+ 23.72			
0585.76	0586	G	1	1202.48	1202	B	1
+ 23.72				+ 23.72			
0609.48	0609	G	1	1226.20	1226	B	1 2
+ 23.72				+ 23.72			
0633.20	0633	G	1	1249.92	1250	C	1
+ 23.72				+ 23.72			
0656.92	0657	G	1	1273.64	1274	C	1
+ 23.72				+ 23.72			
0680.64	0681	G	1	1297.36	1297	C	1
+ 23.72				+ 23.72			
0704.36	0704	G	1	1321.08	1321	C	1 4
+ 23.72				+ 23.72			
0728.08	0728	G	1	1344.80	1345	G	1
+ 23.72				+ 23.72			
0751.80	0752	G	1	1368.52	1369	G	1
+ 23.72				+ 23.72			
0775.52	0776	G	1	1392.24	1394	G	1
+ 23.72				+ 23.72			
0799.24	0799	G	1	1415.96	1416	G	1
+ 23.72				+ 23.72			
0822.96	0823	G	1	1439.68	1440	G	1
+ 23.72				+ 23.72			
0846.68	0847	G	1	1463.40	1463	G	1
+ 23.72				+ 23.72			
0870.40	0870	G	1	1487.12	1487	G	1
+ 23.72				+ 23.72			
0894.12	0894	G	1	1510.84	1511	G	1
+ 23.72				+ 23.72			
0917.84	0918	G	1	1534.56	1535	G	1
+ 23.72				+ 23.72			
0941.56	0942	G	1	1558.28	1558	G	1
+ 23.72				+ 23.72			
0965.28	0965	G	1	1582.00	1582	G	1 11
+ 23.72							
0989.00	0989	G	1				
+ 23.72							
1012.72	1013	G	1				

* Rounded to nearer integer.



PARTICIPANT OPERATING PROCEDURES

Maturities and Redemptions Q130

THE New York Stock
EXCHANGE

Memorandum

TO: Mr. James V. Reilly, The Depository Trust Company

FROM: G. Beliakow

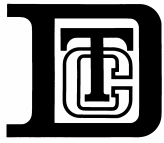
SUBJECT: Impartial Lottery System re Bonds and Preferred Stocks of Issues
Which are Callable in Part

This will serve to make a matter of written record our review of The Depository Trust Company's impartial lottery method for allocating called securities as set forth in The Depository Trust Company's booklet entitled "Callable Securities: Bonds and Preferred Stocks" dated

Such impartial lottery method or system for allocating called securities of issues which are callable in part is satisfactory from the standpoint of Exchange Rule 402.30 (previously Rule 402.80).

Director—Financial and
Operational Standards,
Regulation and Surveillance Group

cc. R.A. Greves
M.A. O'Bannon



PARTICIPANT OPERATING PROCEDURES

Maturities and Redemptions Q130

THE New York Stock
EXCHANGE

Memorandum

TO: Mr. James V. Reilly, Ass't Vice Pres., The Depository Trust Company

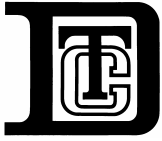
FROM: Norman C. Miller, Director of Policy Planning, Research Dept.

SUBJECT: Callable Bonds and Preferred Stocks

This is to inform you that, in our opinion, the lottery method you are using to select bonds and preferred stocks subject to call is a fair and equitable approach to allocation among DTC participants. By using a widely accepted and mathematically sound sampling technique, the method meets all criteria for assuring a fair selection of securities to be called.

Therefore, the method meets the requirements set forth in NYSE Rule 402.80.

NCM/vp



PARTICIPANT OPERATING PROCEDURES

Maturities and Redemptions Q130

Partial Calls of Uniquely Denominated Securities

A uniquely denominated security has authorized certificate or trading denominations that are not an integral multiple of its minimum denomination. For example, a uniquely denominated variable-rate demand obligation (VRDO) might have a \$100,000 minimum denomination and larger denominations of \$105,000, \$110,000, \$115,000, and so forth (whereas another VRDO that is not uniquely denominated might have denominations of \$100,000, \$200,000, \$300,000, and so forth).

DTC's procedures for processing partial calls on such issues recognize four possible scenarios. Under all four scenarios, DTC rounds the called quantity and all Participants' positions to the nearer even amount (that is, to an amount that is an integral multiple of the issue's minimum, base denomination) for the purpose of running a first lottery. The four scenarios are then the following:

Scenario #1:

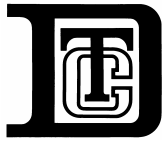
No adjustments are needed after running the first lottery because the amount called is an even amount and no Participant's remaining uncalled position is less than the issue's base denomination.

DTC rounds Participants' unique positions up or down to the nearer even amount so that all Participant positions are even amounts for the purpose of the first lottery, and runs the first lottery. The denomination for the first lottery is the base denomination of the issue.

Scenario #2:

Adjustments are needed after running the first lottery because the amount called is not an even amount and/or one or more Participant's remaining uncalled position is less than the issue's base denomination. The sum of the adjustments is zero.

DTC rounds the called quantity and Participants' unique positions up or down to the nearer even amount so that all amounts are even amounts for the purpose of the first lottery, and runs the first lottery.



PARTICIPANT OPERATING PROCEDURES

Maturities and Redemptions Q130

The denomination for the first lottery is the base denomination of the issue.

If any Participant's remaining uncalled position after the first lottery is less than the base denomination of the issue and not equal to zero, DTC adjusts each such position as follows:

- A. If the remaining uncalled position is less than 50% of the issue's base denomination, or negative, DTC clears the position to zero (call it).
- B. If the remaining uncalled position is equal to or greater than 50% of the issue's base denomination, and the original position was *greater than* the issue's base denomination, DTC restores (uncalls) the original position *up to the issue's base denomination*.
- C. If the remaining uncalled position is equal to or greater than 50% of the issue's base denomination, and the original position held was already *less than* the issue's base denomination, DTC does not adjust the remaining uncalled position since it is already equal to the *original position*.
- D. Adjusting for any overall called amount to be allocated or unwound.

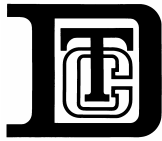
DTC sums up the adjustments made in **A.**, **B.** and **D.** A zero answer means the adjustments offset one another, and the lottery is completed.

Scenario #3:

Adjustments are needed after running the first lottery because the amount called is not an even amount and/or one or more Participant's remaining uncalled position is less than the issue's base denomination. The sum of the adjustments is a *positive amount*.

DTC rounds the called quantity and Participants' unique positions up or down or to the nearer even amount so that the denomination for this lottery is the base denomination of the issue.

- A. Allocate as much as possible of any remaining even amount to be called (including any remaining even portion of a unique amount to be called) to the remaining uncalled positions of Participants whose original positions were even amounts. The purpose is to



PARTICIPANT OPERATING PROCEDURES

Maturities and Redemptions Q130

avoid driving other Participants' remaining uncalled positions below the issue's minimum, base denomination. DTC excludes from this lottery the remaining uncalled positions of Participants whose positions are unique amounts.

The denomination for this lottery is the base denomination of the issue.

- B.** Allocate as much as possible of any remaining amount to be called to the remaining uncalled positions of Participants whose original positions were already below the issue's minimum, base denomination. The purpose is to avoid driving other Participants' remaining uncalled positions below the issue's minimum, base denomination or converting them into unique amounts. DTC excludes from this lottery all other Participants' remaining uncalled positions.

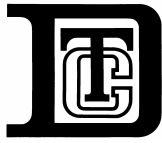
The denomination for this lottery is the incremental denomination above the base denomination of the issue.

- C.** Allocate as much as possible of any remaining amount to be called to the remaining uncalled positions above the issue's base denomination of Participants whose original positions were unique amounts. The purpose is to avoid driving any Participant's remaining uncalled position below the issue's minimum, base denomination or converting other Participants' even positions into unique amounts. DTC excludes from this lottery the base denomination portion of the remaining uncalled positions of Participants whose original positions were unique amounts, and the entire remaining uncalled positions of Participants whose original positions were even amounts.

The denomination for this lottery is the incremental denomination above the base denomination of the issue.

- D.** Allocate as much as possible of any remaining amount to be called to the remaining uncalled positions above the issue's base denomination of Participants whose original positions were even amounts. The purpose is to avoid driving any Participant's remaining uncalled position below the issue's minimum, base denomination, but at this point at least one Participant's even position will be converted into a unique amount.

If at least one Participant's remaining uncalled position above the issue's base denomination is equal to or greater than the remaining amount to be called, DTC inputs the remaining amount



PARTICIPANT OPERATING PROCEDURES

Maturities and Redemptions Q130

to be called for the lottery denomination as though it were the issue's base denomination so that one Participant will be hit in the lottery for the entire remaining amount to be called. The purpose is to minimize converting Participant's even positions into unique amounts. If all Participants' remaining uncalled positions above the issue's base

denomination are less than the remaining amount to be called, the denomination for this lottery is the incremental denomination above the base denomination of the issue.

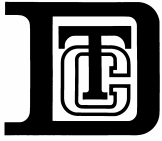
- E. Allocate any remaining amount to be called to the remaining uncalled positions. At this point, at least one Participant's remaining uncalled position after the allocation will be below the issue's minimum, base denomination. DTC will not exclude from this lottery any remaining uncalled positions.

If at least one Participant's remaining uncalled position is equal to or greater than the remaining amount to be called, DTC inputs the remaining amount to be called for the lottery denomination as though it were the issue's base denomination so that one Participant will be hit in the lottery for the entire remaining amount to be called. The purpose is to minimize driving Participants' positions below the issue's minimum, base denomination. If all Participants' remaining uncalled positions are less than the remaining amount to be called, the denomination for this lottery is the incremental denomination above the base denomination of the issue.

Scenario #4:

Adjustments are needed after running the first lottery because the amount called is not an even amount and/or one or more Participant's remaining uncalled position is less than the issue's base denomination. The sum of the adjustments is a *negative amount*.

DTC rounds the called quantity and Participants' unique positions up or down to the nearer even amount so that all amounts are even amounts for the purpose of the first lottery, and runs the first lottery. The denomination for the first lottery is the base denomination of the issue.



PARTICIPANT OPERATING PROCEDURES

Maturities and Redemptions Q130

If any Participant's remaining uncalled position after the first lottery is less than the base denomination of the issue and not equal to zero, DTC adjusts each such position as follows:

- A.** If the remaining uncalled position is less than 50% of the issue's base denomination, or negative, DTC clears the position to zero (calls it).
- B.** If the remaining uncalled position is equal to or greater than 50% of the issue's base denomination, and the original position held was

greater than the issue's base denomination, DTC restores (uncalls) the original position *up to the base denomination*.

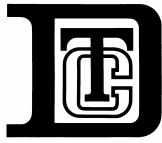
- C.** If the remaining uncalled position is equal to or greater than 50% of the issue's base denomination, and the original position held was already *less than* the issue's base denomination, DTC does not adjust the remaining uncalled position since it is already equal to the *original position*.
- D.** Adjust for any overall called amount to be allocated or unwound.

DTC sums up the adjustments made in **A.**, **B.** and **D.** A negative answer means an amount greater than the called quantity has been allocated to Participants' positions.

DTC runs additional lotteries to unwind the excess amount called as follows:

- A.** Allocate as much as possible of any even amount to be unwound (including any even portion of a unique amount to be unwound) to the even portions of the remaining called positions of Participants whose positions were adjusted down or up to zero previously. The purpose is to first unwind in even amounts among Participants whose positions were cleared (called) by the previous adjustments, without creating the need for further adjustments. DTC excludes from this lottery the unique portions of the remaining called positions, and the entire remaining called positions of Participants whose positions were not adjusted down or up to zero previously.

The denomination for this lottery is the base denomination of the issue.



PARTICIPANT OPERATING PROCEDURES

Maturities and Redemptions Q130

- B.** Allocate as much as possible of any remaining even amount to be unwound (including any remaining even portion of a unique amount to be unwound) to the even portions of the remaining called positions of the Participants whose positions were *not* adjusted down or up to zero previously. The purpose is to unwind in even amounts among these Participants, without creating the need for further adjustments or converting Participants' even uncalled positions into unique amounts. DTC excludes from this lottery the unique portions of the remaining called positions.

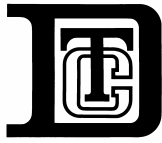
The denomination for this lottery is the base denomination of the issue.

- C.** Allocate as much as possible of any remaining amount to be unwound to the remaining called positions of Participants whose original positions were unique amounts and remaining uncalled positions are not equal to zero. The purpose is to avoid converting Participant's even uncalled positions into unique amounts or driving Participants' uncalled positions below the issue's minimum, base denomination. DTC excludes from this lottery the remaining called positions of Participants whose original positions were even amounts or remaining uncalled positions are equal to zero.

The denomination for this lottery is the incremental denomination above the base denomination of the issue.

- D.** Allocate as much as possible of any remaining amount to be unwound to the remaining called positions of Participants whose original positions were even amounts and remaining uncalled positions are not equal to zero. The purpose is to avoid driving Participants' uncalled positions below the issue's minimum, base denomination, but at this point at least one Participant's even uncalled position will be converted into a unique amount. DTC excludes from this lottery the remaining called positions of Participants whose remaining uncalled positions are equal to zero.

If at least one Participant's remaining called position is equal to or greater than the remaining amount to be unwound, DTC inputs the remaining amount to be unwound for the lottery denomination as though it were the issue's base denomination so that one Participant will be hit in the lottery for the entire remaining amount to be unwound. The purpose is to minimize converting Participants' even uncalled positions into unique amounts. If all Participants' remaining called positions are less than the remaining amount to be unwound, the denomination for this lottery



PARTICIPANT OPERATING PROCEDURES

Maturities and Redemptions Q130

is the incremental denomination above the base denomination of the issue.

- E. Allocate any remaining amount to be unwound to the remaining called positions. At this point, at least one Participant's remaining uncalled position after the allocation will be below the issue's minimum, base denomination. DTC does not exclude from this lottery any remaining called positions.

If at least one Participant's remaining called position is equal to or greater than the remaining amount to be unwound, DTC inputs the remaining amount to be unwound for the lottery denomination as though it were the issue's base denomination so that one Participant will be hit in the lottery for the entire remaining amount to be unwound. The purpose is to minimize driving Participants' remaining uncalled positions below the issue's minimum, base denomination. If all Participants' remaining called positions are less than the remaining amount to be unwound, the denomination for this lottery is the incremental denomination above the base denomination of the issue.

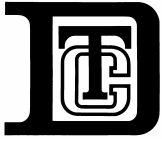
The procedure fairly and equitably allocates partial calls among Participants while avoiding or at least minimizing, first, the driving of Participants' positions below the issue's minimum, base denomination and, second, the converting of Participants' even positions (integral multiples of the issue's base denomination) into unique amounts (authorized amounts, though not integral multiples of the issue's base denomination).

Partial Calls Of Odd-Lot Denominated Securities (Baby Bonds)

An odd-lot denominated security has authorized certificate or trading denominations that are less than \$1,000 principal amount. Such securities, commonly known as *baby bonds*, may have denominations of \$500, \$100 or other small value.

DTC's procedures for processing partial calls on odd-lot denominated issues are consistent with those described previously for uniquely denominated securities. In all cases, DTC initially runs a lottery using the issue's standard denomination (typically \$1,000 principal amount). In cases where an unallocated called position remains after this initial lottery, DTC will allocate that position using the special procedures described previously ("scenarios" #2 through #4).

Lottery Results



PARTICIPANT OPERATING PROCEDURES

Maturities and Redemptions Q130

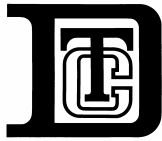
Upon performing its call lottery, DTC immediately broadcasts the results to the Participants via the ACLP function of *PTS* and the Automated Call Lottery Results (ACLRPA) CCF File. A Completion Notice *PTS* Ticket (Unsolicited message) is also sent.

In addition, after the call lottery is processed, the call information (excluding results) is added to the RIPS function of *PTS*. Refer to Sections 2.27 (RIPS) and 2.15 (ACLP) of the *PTS* Manual for additional information.

The Security Position Inquiry Function (POS) function of *PTS* contains two additional security fields for called securities, one security field for **Called Securities With Interest** (i.e., Participant is due accrued interest) and the other for **Called Securities Without Interest**. Refer to Section 2.02 of the *PTS* Manual for additional information regarding POS.

NOTE:

1. If the Participant is coded to receive Reorganization Broadcast messages, DTC will broadcast the information over its *PTS* Network.
2. DTC accepts Participants' deposits of municipal securities with distinctions in *purpose* (that is, the purpose for which the proceeds of the original issuance were used) or series. These distinctions are generally not recognized in the assignment of CUSIP numbers, with the same CUSIP number designating securities which may have different *purposes* or series (although they are identical in all other details). Securities deposited by Participants become part of DTC's overall inventory of certificates in the issue and no distinction is made as to the *purpose* or series a particular Participant holds. Thus, if an issuer announces a partial or full call of bonds of a particular *purpose* or series, DTC will process a partial call against all Participant positions recorded under the CUSIP number assigned to that issue. It is possible that a Participant who had previously deposited securities of one *purpose* or series may have all or part of its position selected in DTC's call lottery even if the call applies to securities of a different *purpose* or series.



PARTICIPANT OPERATING PROCEDURES

Maturities and Redemptions Q130

Completion Flash

For participants who had position and thus participated in the lottery, regardless of whether or not they were "hit".

XXXXXXXXXXXXXXXXXXXX

SUBJECT: COMPLETION OF CALL LOTTERY

A CALL LOTTERY HAS BEEN COMPLETED ON 7/29/99 AS FOLLOWS:

- A. SECURITY: XXX
- B. CUSIP: XXXXXX-XX-X
- C. CONTRA CUSIP: XXXXXX-XX-X
- D. PUBLICATION DATE: 7/29/99
- E. AS-OF DATE: 7/29/99
- F. REDEMPTION DATE: 7/29/99
- G. REDEMPTION RATE: \$ 77,779.999999 PER SHARE OR \$1,000.00 BOND
- H. REDEMPTION AGENT: XXXXXXXXXXXXXXXXXXXXXXX
- I. DTC NOTIFIED ON: 7/29/99
- J. ENVELOPE KEY: X-XXXXXXXX-XXXXXXXX-X

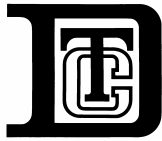
YOU PARTICIPATED IN THIS LOTTERY WITH THE FOLLOWING RESULTS:

AS-OF DATE POS.	ADJUSTED POS.	CALLED AMOUNT	UNCALLED AMOUNT
77,777,777,779—	77,777,777,779—	77,777,777,779—	77,777,777,779—

INQUIRIES TO: XXX

Receive notification from DTC of the completion of a call via a Completion Flash on *PTS*.

In allocating the results of a partial call by means of a lottery, DTC uses all positions maintained by a Participant, whether the position is a general free position, a pledged position, an investment position or a



PARTICIPANT OPERATING PROCEDURES

Maturities and Redemptions Q130

segregated position. The call lottery system has been designed, however, so that the amount of called securities allocated to a given Participant is deducted only from the Participant's position in its General Free account, *even though this deduction may drive the Participant's General Free account short*. For example, if a Participant which is long 10 bonds in its general free account and 90 bonds in its pledged account is allocated 20 bonds in a call lottery, the 20 allocated called bonds are deducted from its general free position, leaving it short 10 uncalled bonds in its general free position, long 90 uncalled bonds in its pledged position, and long 20 called bonds in its called with/without interest account. The Participant will be subject to DTC's standard penalty charge on any short position in the General Free account resulting from call lottery allocations; these charges can be easily averted, however, by arranging for a prompt release of the pledged securities for an equivalent amount of called securities.

The allocation of call lottery results exclusively against a Participant's general free account eliminates delays in Participants receiving credit for call redemptions due to a failure to release pledges of positions and simplifies Participants reconciliation of call lottery results. It also encourages Participants to release pledges or segregation of securities which are the subject of partial calls on a timely basis.

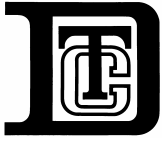
Certificates held outside DTC in Cede & Co.'s name, in Street name or in any other name, including any certificates represented by short positions in DTC Participants' accounts, may be called by the Transfer Agent/Trustee. The called amounts of such certificates are not included in DTC's lottery. Control and redemption of such certificates are the responsibility of the Participants.

All changes in positions from the General Free account to the called with/without interest accounts are effective on the day the lottery is run and appear on the Dividend/Reorganization Participant Statement.

In some circumstances, DTC is notified after publication date. In such cases, DTC captures positions as of the close of business the evening prior to publication date, and those positions are subject to call.

The Participant can combine the result of the DTC lottery with any called amount of the same issue held by the Participant in a fungible mass outside DTC. The Participant conducts an impartial lottery to allocate called amounts to accounts for which the securities are being held, in accordance with any applicable regulations.

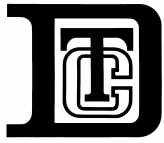
NOTE:



PARTICIPANT OPERATING PROCEDURES

Maturities and Redemptions Q130

1. On and after publication date, called certificates and DTC book-entry transfers of called security positions are *not* a good delivery except when an entire issue is called or when the transaction is specifically in called securities (refer to applicable rules of the self-regulatory organizations).
2. Participants can use DTC's Reclamation Procedure to recall book-entry deliveries of callable securities made between the call publication date and the DTC call lottery date. (Any short positions created before this date are *excluded* from this procedure.) Refer to Section C - DELIVERIES of this manual and Section 6.12 (Broadcast Function) of the *PTS* Manual for additional information.
3. Contact the pledgee to arrange release or substitution prior to redemption date where a called amount has been allocated to pledged securities by DTC's lottery system.
4. Release securities from Investment Identification and Segregated status, where a call has been allocated by DTC's lottery system. Called securities in Investment Identification and Segregated status on redemption date will be redeemed together with all other called securities.



SPECIAL CASES

Full Pre-refundings

The issuer has deposited in escrow sufficient funds to pay all of the bonds on a scheduled redemption date in advance of the original maturity date.

DTC learns of full pre-refundings more than 60 days prior to the pre-refunded redemption date:

- DTC changes the maturity date of the issue to the pre-refunded redemption date on its security master file. In addition, a *less-than* sign (<) is placed in the seventh character of DTC's 20-character security description for the issue. Maturity processing is then invoked on such issues identically to other maturing issues.

DTC learns of full pre-refunding 60 days or less prior to the pre-refunded redemption date:

- DTC processes these issues identically to full redemptions.

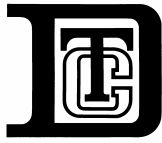
NOTE: In some cases an issue may be fully pre-refunded but to several redemption dates rather than one. In such cases DTC first processes the issue similarly to a partial call by running lotteries to determine which positions will be swung to each new redemption date. Positions selected for a new date are assigned a new CUSIP number with a maturity date set to the pre-refunded redemption date.

Partial Pre-refundings

The issuer is refunding only a portion of the issue to an earlier maturity date. Funds are put into escrow to pay at this earlier date.

DTC processes these issues identically to a partial redemption and then swings the Participants' positions (resulting from the lottery) to the new refunded CUSIP number with its maturity date set to the pre-refunded redemption date. The remainder of the issue is swung from the original CUSIP number to a new non-refunded CUSIP number having the same maturity date as the original. The original CUSIP number is no longer eligible for DTC services.

NOTE: In some cases, the portion of the issue that is being pre-refunded is being refunded to several different redemption dates.



PARTICIPANT OPERATING PROCEDURES

Maturities and Redemptions Q180

In these cases DTC will run multiple lotteries to allocate positions to each of the pre-refunded redemption dates, with each differentiated by CUSIP number.

Full Defeasances

The issuer has deposited in escrow sufficient funds to pay all of the bonds as they come due.

DTC publishes an Important Notice disseminating the information on the defeasance to the Participants.

Partial Defeasances

The issuer has deposited in escrow sufficient funds to pay only a portion of the bonds as they come due.

DTC processes the partial defeasance identically to a partial pre-refunding, except that the maturity date of the defeased portion of the issue does not change.

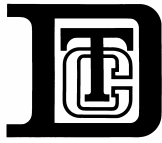
Lottery Cancellations

When DTC receives a notice of partial redemption of an issue, the information is set up on the Automated Call Lottery (ACL) system and a preliminary notice of redemption (flash) is automatically generated via the ACL system (to alert Participants to the call) after verification of the called inventory held at DTC. A cancellation notice (flash) is sent via the ACL system only when DTC holds no called inventory.

Supplemental Lotteries

Upon receipt of revised instructions to call an additional amount of securities in reference to a redemption which has been completed (mainlined), DTC will process a supplemental lottery to comply with these instructions. The supplemental lottery is run identically to an original partial call lottery except that any position already hit in the original lottery is not included in the supplemental lottery (e.g., if the Participant's publication date position is 100 bonds and 40 bonds are called in the original lottery, the Participant's publication date position for purposes of the supplemental lottery will be adjusted to 60 bonds [100 minus 40]).

Lottery Reversals



PARTICIPANT OPERATING PROCEDURES

Maturities and Redemptions Q180

Upon written instructions from the agent rescinding the call, DTC will reverse the call by reinstating Participants' positions and reversing the funds allocation (if funds have been allocated).

Conditional Redemptions

Some full and partial call notices contain language stating that the payment of the redemption proceeds is conditioned upon some event. DTC only allocates redemption proceeds to Participants upon receipt of funds from the redemption agent. Participants are notified of conditional redemptions via Important Notice.

Initial and Interim Distributions on Defaulted Issues Distributions Requiring Certificate Presentation

From time to time, DTC may receive and allocate a distribution of moneys due on a defaulted issue to Participants. In cases where certificates must be presented in connection with an initial distribution, information regarding the distribution is made available through the Redemption Inquiry (ACLP) and Reorganization Inquiry for Participants (RIPS) functions of *PTS*. In the case of an interim distribution on such issues (that is, where additional distributions are expected to be made), DTC will continue to report each Participant's position in the defaulted issue under the original CUSIP number for the issue. Positions will be deleted when a final distribution on the security is made.

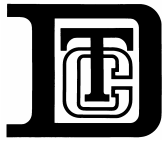
If no presentation of certificates is required (that is, the distribution is paid to holders as of a particular record date), the distribution is paid by DTC's Dividend Division. Refer to Section F - DIVIDEND/INTEREST DISTRIBUTIONS for additional information.

Final Distribution on Defaulted Issues Requiring Certificate Presentation

DTC processes these issues identically to full redemptions.

Final Principal Distribution on Asset-Backed Securities (e.g., Collateralized Mortgage Obligations)

DTC processes these issues identically to full redemptions.



PARTICIPANT OPERATING PROCEDURES

Maturities and Redemptions Q180

Foreign Currency Denominated Issues

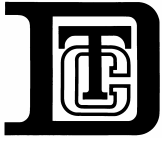
DTC receives payments on foreign currency denominated issues only in U.S. Dollars. Participants wishing to receive maturity or call proceeds on these issues in U.S. Dollars need not take any action. DTC will allocate such payments to Participants on payment date (on confirmation with the agent in the case of NDFS issues; upon receipt of funds for SDFS issues). The U.S. Dollar payment rate is normally available on the second business day prior to the payment date and is displayed on the ACLP or RIPS functions of *PTS* and the REORGM or REORGN CCF files.

With the agreement of the redemption agent for the issue, DTC will make an issue eligible for the Redemptions Foreign Currency (RCUR) function of *PTS*. For such issues, a Participant wishing to receive maturity or call proceeds in the foreign currency may elect to do so by submitting an instruction on the RCUR function. A Participant who has submitted an election instruction on the RCUR function will receive the foreign currency proceeds on the position that is the subject of the instruction directly from the agent for the issue outside of DTC; DTC will have no payment obligation to the Participant relating to the position that is the subject of the processed RCUR instruction.

In the event of a partial call on a foreign currency denominated issue, Participants' called positions will be recorded under a contra CUSIP number. This contra CUSIP number will be made eligible for submission of election instructions on the RCUR function.

If the redemption agent for the issue does not agree to have the issue eligible on the RCUR function, Participants wishing to receive maturity or call proceeds in the foreign currency must withdraw their certificates from DTC and present them directly with their foreign currency elections prior to the issue's cutoff date for such election.

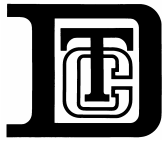
DTC uses its best efforts to identify foreign currency denominated issues and to notify Participants of these. Participants aware of foreign currency denominated issues on which they have not received notification from DTC are urged to notify DTC's Reorganization/Redemption Department's Redemption Payments service desk at the telephone number listed on the back of the Eligible Securities book.



***ACCRUED INTEREST/DIVIDEND DUE
ON MATURITY OR REDEMPTION DATE***

Payments of interest and dividends made on regular interest or dividend payment dates ("on-cycle" payments made to holders as of the record date) for an issue are covered in Section F - DIVIDEND/INTEREST DISTRIBUTIONS.

Payments of interest or dividends made on a redemption date that is not a regular interest or dividend payment date ("off-cycle" payments) represent interest or dividends that have accrued since the previous interest or dividend payment date and are to be paid to presenting holders. These payments are combined with the principal payment allocated to Participants on redemption date. The rate of such payments is included with other information regarding the maturity or redemption on the Reorganization Inquiry For Participants (RIPS) function of *PTS*. Refer to Section 2.27 of the *PTS* Manual for additional information regarding such accrued/dividend payments.



REDEMPTION REFUNDS

The overwhelming majority of redemption proceeds are allocated by DTC to Participants on payable date. In the event that DTC does not pay Participants' redemption proceeds on redemption date, Participants may be entitled to a refund.

A redemption refund is caused by two types of events, both of which involve late allocations of redemption proceeds by DTC to Participants:

- receipt of funds by DTC on payable date, followed by allocation of funds by DTC to Participants after payable date

OR

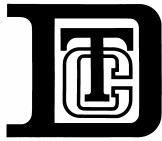
- receipt of funds by DTC and allocation of funds by DTC to Participants after payable date

The first type of event results in a refund to Participants of their pro-rata share of DTC's investment earnings. The second type of event does not generate a refund of investment earnings; rather, it results in DTC submitting compensation claims to redemption agents. Participants receive their pro-rata share of the total amount received on DTC's claim.

Redemption refunds are paid to Participants monthly via credits to their monthly DTC bill. Two separate total refunds are reported:

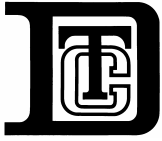
- SDFS redemption refund (SDFS-eligible issues)
- NDFS redemption refund (NDFS-eligible issues)

Supporting schedules listing details of items included in each refund are attached to Participants' hard-copy monthly bill.



***COMMERCIAL PAPER/MONEY MARKET INSTRUMENT
MATURITIES AND REDEMPTIONS***

Procedures relating to maturities and redemptions of commercial paper (CP) and certain money market instruments (MMIs) are not covered by this procedure. CP procedures are included in DTC's CP General Operating Procedures for CP Issuing/Paying Agents, dated July 27, 1990. Proposed procedures for soon to be DTC-eligible MMIs are included in DTC's Proposal For Money Market Programs, dated December 30, 1992.



Charge-Backs and Adjustments

Overview

Charge-backs and Adjustments are an important part of redemption allocations. It is necessary for you to understand how DTC processes charge-backs and adjustments to your DTC account (s).

About Charge-Backs and Adjustments

After crediting you with a redemption payment, DTC occasionally determines that this credit was improper due to an issuer's default on the payment, an error on the part of DTC, or some other reason. In this event, DTC may, in accordance with established procedures, charge your account for the amount of the improper credit and adjust your position accordingly.

Also, from time to time DTC may determine that a payment received by you or your customer directly from the paying agent was rightfully due DTC. In this event, DTC may, in accordance with established procedures, charge your account for the amount of the improper payment and adjust your position accordingly.

In addition, from time to time DTC may determine that you have received insufficient payment. In this event, DTC may, in accordance with established procedures, credit your account.

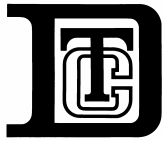
These adjustments will appear on your Participant Statement and can be viewed using the PTS functions ADJI.

Reasons for Charge-Backs and Adjustments

The following are conditions under which DTC processes charge-backs:

Return of Funds to Paying Agents

If DTC has received the funding from an issuer's agent and has allocated the payment to you, and the agent, within one business day of the funding, requests a return of funds, due to default or bankruptcy of the issuer, your account will be charged back and collected funds will be returned to the paying agent no later than one business day following the request.



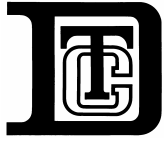
PARTICIPANT OPERATING PROCEDURES

Maturities and Redemptions Q180

- You will receive one day advance notification before the adjustment is processed to your account.
- If such a request is received more than one business day after the funding date, DTC will cooperate with both the payor and you to resolve the matter by contacting the affected parties to ascertain your willingness to accept a charge for funds that may have been distributed to your customers. Funds collected from you will be promptly remitted to the paying agent. In cases where you are unwilling or unable to immediately comply with the request, DTC will provide the agent with participant names and contacts to assist in the collection process.

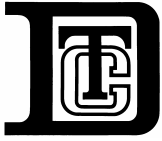
CALLED CERTIFICATES WITHDRAWN BY CERTIFICATE-ON-DEMAND (COD) AFTER PUBLICATION DATE

In the event that a called certificate is withdrawn by COD, or a deposit reject is inadvertently processed, DTC makes an effort to contact the Participant in question and requests the return of the called certificate which was included in DTC's total lottery quantity. If in a reasonable period of time, the Participant cannot return the certificate to DTC, DTC charges the Participant's account the corresponding funds and reinstates its position for the appropriate quantity, upon DTC's allocation of the redemption proceeds.



RECALL OF DELIVERY

Participants can use DTC's Reclamation Procedure to recall book-entry deliveries of callable securities made between the call publication date and the DTC call lottery date. (Any short positions created before this date are excluded from this procedure.) Refer to Section C - DELIVERIES of this manual and Section 6.12 (Broadcast Function) of the *PTS* Manual for additional information.



PARTICIPANT OPERATING PROCEDURES Maturities and Redemptions Q180

ACTIVITY VERIFICATION

Activity involving called positions is recorded on the Participant Daily Activity Statement.

Check your statement to be sure your transactions were properly processed and recorded.

Any discrepancy with DTC's Daily Activity Participant Statement must be reported to DTC's Reconciliation Division as soon as possible after the statement is received.

Warning: It is the Participant's responsibility under DTC's Rules and Procedures to verify the accuracy of the Daily Activity Participant Statement. Refer to Section N - STATEMENTS/AUDITS for additional information.

NOTE: The Participant Terminal System Inquiry (PTSI) function of *PTS* currently lets the Participant inquire about available *PTS* functions, giving a brief description of the functions and the corresponding section in the *PTS* Manual that details operating instructions. To avoid unnecessary inquiries, Participants should check PTSI, along with any pertinent DTC reports and statements, before submitting activity differences for inquiries to DTC. Refer to Section 2.01 of the *PTS* Manual for additional information regarding PTSI.