

DOUGLAS COUNTY

of the Company of any class or into other bonds of the Company to be issued hereunder. Appropriate language evidencing such right of conversion shall be contained in such bonds or in warrants attached thereto.

SECTION 2. The Company covenants and agrees that it will duly authorize, reserve and have ready at all times shares of its capital stock of the designated class sufficient to effect the conversion of the principal amount of the outstanding and unpaid bonds of any series having the right of conversion into capital stock, and covenants and agrees that the holder of any bonds of such series may convert the same into capital stock of the Company by surrendering said bond or bonds of such series properly endorsed, if registered, and with all unmatured coupons, if any, thereto appertaining, at the office or agency of the Company in Lawrence, Kansas, and at any such other office or agency of the Company as may be designated in said bond or warrant, and shall thereupon be entitled to receive in exchange therefor shares of the designated class of such capital stock upon such terms as may be fixed by the Board of Directors of the Company in the resolution authorizing the bonds of such series; provided, however, that as to such bond or bonds which may be called for redemption, the right of the holder thereof to convert the same into capital stock of the Company must be exercised on, or such number of days prior to, the date, fixed in the call, for such redemption of said bond or bonds, as shall be determined by the Board of Directors of the Company and expressed in said bonds, or, if the right of conversion be evidenced by warrants attached to said bonds, expressed in such warrants.

The Company shall promptly notify the Trustee as and when bonds are surrendered at the office or agency of the Company in exchange for shares of capital stock of the Company, as provided in this section.

SECTION 3. The holder of any bond or bonds of any series having the right of conversion into other bonds shall have the right to convert the same into such other bonds of the Company to a like principal amount, to be issued hereunder, by surrendering said bond or bonds of such series, properly endorsed, if registered, and with all unmatured coupons, if any, thereto appertaining, at such office or agency of the Company as may be designated in the bonds of such series or in a warrant attached thereto, and shall thereupon be entitled to receive from the Company in exchange therefor such other bonds of the Company, to be issued hereunder, upon such terms as may be fixed by the Board of Directors of the Company in the resolution establishing the series having such right of conversion; provided, however, that as to such convertible bond or bonds which may be called for redemption the right of the holder thereof to convert the same into other bonds of the Company as herein provided must be exercised on, or such number of days prior to, the date, fixed in the call, for such redemption of said bond or bonds having such right of conversion, as shall be determined by the Board of Directors of the Company and expressed in said bonds, or, if the right of conversion be evidenced by warrants attached to said bonds, expressed in such warrants.

SECTION 4. Upon any such conversion either into capital stock or other bonds, the Company forthwith shall deliver all such surrendered bonds to the Trustee for cancellation, and thereupon the Trustee shall cancel the same and the same shall be deemed to be and shall be satisfied and discharged. Except as provided in Section 3 of this Article no bond shall be issued by the Company or be authenticated or delivered by the Trustee under this Indenture on account of the satisfaction and discharge of any bond converted hereunder into any other bond issued under this Indenture, but bonds may be issued under the provisions of Section 2 of Article 11 of this Indenture on account of the satisfaction and discharge of bonds converted into capital stock of the Company under the provisions of this Article.

ARTICLE V

Redemption of Bonds

SECTION 1. The Company may provide, in and by the resolution of its Board of Directors authorizing any series of bonds to be issued hereunder, for the redemption of such bonds upon the terms stated in such resolution, and the bonds of such series shall contain appropriate references to their redeemability. All bonds hereunder containing a redemption privilege shall, if the privilege is exercised, be redeemed in accordance with the terms of redemption set forth in such resolution and in accordance with the provisions of this Article.

SECTION 2. Unless a different method is provided in such resolution, the Company shall, in case it desires to redeem any bonds of any one or more series on any date, publish or cause to be published in one newspaper printed in the English language, published and of general circulation in the City of Chicago, Illinois, and in one newspaper printed in the English language, published and of general circulation in each other city (if any) where the interest on and the principal of the bonds of any such series is payable, one week (in each of such newspapers) for four successive weeks (in each case upon any day of the week), the first publication in each of said cities to be not less than thirty (30) days before such redemption date, notice of such intended redemption, specifying (a) the date of redemption and (b) the series designation of the bonds to be redeemed and (c), if less than all the outstanding bonds of any such series are called for redemption, the serial numbers of the bonds of such series to be redeemed, and (d) the place of redemption of the bonds, which shall be at the principal office or place of business of the Trustee for the time being hereunder, and (e) the redemption price of the bonds, which shall be the redemption price stated or referred to in the bonds. If the Company shall propose to redeem on such redemption date less than all the outstanding bonds of any series, the Company shall, unless a different method is provided in the resolution establishing such series, notify the Trustee in writing, at least 40 days before the proposed redemption date, of the face amount of the bonds which it desires to redeem, specifying the day on which it desires to make redemption, and as soon as practicable thereafter the Trustee shall determine by lot, in any manner in its discretion, the serial numbers of the bonds to be redeemed, and shall certify to the Company the serial numbers of the bonds so to be redeemed, and the bonds so certified shall be specified in such notice by their serial numbers. In any determination by lot under this section, (a) bonds held by the Company shall not be considered to be outstanding and shall be excluded in making the determination of the bonds to be redeemed and (b) each registered bond without coupons shall be represented by a separate number for each \$1,000 of its principal amount. If less than the whole principal amount of any such registered bond shall be called for redemption, said notice shall also specifically state the portion of the principal amount thereof which is to be redeemed and that, upon presentation of such registered bond for redemption, there will be issued, in lieu of the unredeemed portion of the principal amount thereof, a new coupon or registered bond or bonds of an aggregate principal amount equal to such unredeemed portion. A similar notice shall also be mailed by the Company to the respective owners of any registered bonds, or bonds registered as to principal, called for redemption, at least thirty (30) days prior to the redemption date, at their addresses appearing upon the registry books, provided, however, that the mailing of notice to such registered owners shall not be a condition precedent to redemption, and neither failure to mail such notice to such registered owners nor any imperfection or defect therein shall affect the validity of any of the proceedings for redemption. In case the Company shall desire to redeem all the bonds of any series outstanding on the date on which it desires to make redemption, it shall give notice thereof in like manner by publication and by mail, as aforesaid, except that the notice need not specify the serial numbers of the bonds to be redeemed.

SECTION 3. Notice of redemption having been given as provided in Section 2 of this Article, and a sum in cash sufficient to redeem the bonds, or the specified portions thereof, so called for redemption having been deposited with the Trustee on or before the redemption date, the bonds so called