

July 27, 2005

**NOTICE**

**Re: Flexible Treasury Options**

Firms are reminded that the deadline for CBOT® Flexible Treasury Bond and Note Options exercises and automatic exercise cancellations submission to CME Clearing is 6:00 PM. The schedule and processes for Flexible Treasury options are as follows:

- |                   |   |
|-------------------|---|
| 2:00 PM           | Trading in the expiring option halts.   |
| 6:00 PM           | Deadline for notification of intent to exercise out-of-the-money options.<br><br>Deadline for cancellation of automatic exercise of in-the-money options.<br><br>Deadline for reporting special instructions to CME clearing either on-line via C21 positions or by hard copy hand delivered to CME Clearing House, 20 S. Wacker, 6 <sup>th</sup> floor South tower.<br><br>Special Instructions for Flexible options submitted after 6:00 PM will not be accepted. |
| 6:15 PM           | Firms may call 930-8201 after 6:15 PM to hear a recorded message about special instructions or go to <a href="http://www.cme.com/clearing/clr/del/ssoptinstruct9272.html">http://www.cme.com/clearing/clr/del/ssoptinstruct9272.html</a> and click on <b><u>Submitted Special Option Exercise Instructions Report</u></b>   |
| 7:00 PM           | Expiration time for all CBOT Flexible Treasury Option contracts on the last day of trading.   |
| After<br>10:00 PM | Option Exercise /Assignment Notice (CPM650) will be distributed via TCP/IP or INFOPAC.  |

All in-the-money flexible options will be automatically exercised unless notice to cancel automatic exercise is given to CME Clearing by the 6:00 PM deadline.

The 2:00 PM settlement will define at-the-money designations for flexible options.

Firms may check the status of flexible option trades in the “Flexible Inquiry” section of ACS.

Questions should be directed to John Van Der Bleek at 435-3591 or Dennis Collins at 435-3736.

Paul J. Draths  
Vice President and Secretary