

Record No.

County,

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be earlier than January 1 of the year in which such deposit of cash shall finally become due (which shall be considered for the purposes of redemption, at the special redemption prices hereinbelow set forth, to be the next available redemption date), or by the application of cash deposited with the Corporate Trustee pursuant to Section 64 of the Mortgage, at the following special redemption prices, expressed in percentages of the principal amount of the bonds to be redeemed:

SPECIAL REDEMPTION PRICES

If redeemed during 12 months period ending December 31,

1949..... 102.06%	1959..... 101.57%	1969..... 100.91%
1950..... 102.03%	1960..... 101.52%	1970..... 100.83%
1951..... 101.98%	1961..... 101.46%	1971..... 100.75%
1952..... 101.94%	1962..... 101.39%	1972..... 100.66%
1953..... 101.89%	1963..... 101.33%	1973..... 100.58%
1954..... 101.84%	1964..... 101.26%	1974..... 100.49%
1955..... 101.79%	1965..... 101.20%	1975..... 100.40%
1956..... 101.74%	1966..... 101.13%	1976..... 100.30%
1957..... 101.68%	1967..... 101.06%	1977..... 100.21%
1958..... 101.63%	1968..... 100.98%	1978..... 100.11%

in each case, together with accrued interest to the date fixed for redemption.

(III) At the option of the holder and upon payment of the charge therefor provided for in Section 12 of the Mortgage, any coupon bonds of the Second Series upon surrender thereof, with all unmaturing coupons appertaining thereto, at the office or agency of the Company in the Borough of Manhattan, The City of New York, shall be exchangeable for a like aggregate principal amount of fully registered bonds of the same series of authorized denominations; all such coupon bonds to be exchanged as aforesaid shall be in bearer form or, if registered, accompanied by a written instrument of transfer in form approved by the registrar duly executed by the registered owner or by his duly author-

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ARTICLE II.

Dividend Covenant.

SECTION 2. The Company covenants and agrees that, so long as any of the bonds of the Second Series remain Outstanding, the Company will not declare or pay any dividends upon its common stock (other than dividends in common stock) or make any other distributions on its common stock or purchase or otherwise retire any shares of its common stock, unless immediately after such declaration, payment, purchase, retirement or distribution (hereinafter in this Section referred to as "Restricted Payments"), and giving effect thereto, the amount arrived at by adding,

(a) the aggregate amount of all such Restricted Payments (other than the dividend of fifty cents (\$.50) per share declared on December 8, 1948 and paid on February 1, 1949 to holders of Common Stock) made by the Company during the period from December 31, 1948, to and including the effective date of the Restricted Payment in respect of which the determination is being made, plus

(b) an amount equal to the aggregate amount of cumulative dividends for such period (whether or not paid) on all preferred stock of the Company from time to time outstanding during such period, at the rate or rates borne by such preferred stock, plus

(c) an amount equal to the amount, if any, by which fifteen per centum (15%) of the Gross Operating Revenues of the Company for such period shall exceed the aggregate amount during such period expended and/or accrued on its books for maintenance and/or appropriated on its books out of income for property retirement, in each case in its respect of the Mortgaged and Pledged Property and/or automotive equipment used primarily in the electric utility business of the Company (but excluding any provisions for amortization of any amounts included in utility plant acquisition adjustment accounts or utility plant adjustment accounts),

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ized attorney. At the option of the registered owner, and upon payment of the charge therefor provided for in Section 12 of the Mortgage, any fully registered bonds of the Second Series, upon surrender thereof, for cancellation, at said office or agency of the Company together with a written instrument of transfer in form approved by the registrar duly executed by the registered owner or by his duly authorized attorney, shall be exchangeable for a like aggregate principal amount of coupon bonds of the same series, with all unmaturing coupons attached, or for a like aggregate principal amount of fully registered bonds of the same series of other authorized denominations. The bonds of the Second Series may bear such legends as may be necessary to comply with any law or with any rules or regulations made pursuant thereto or with the rules or regulations of any stock exchange or to conform to usage with respect thereto.

The holder of any coupon bond of the Second Series may have the ownership thereof registered as to principal at the office or agency of the Company in the Borough of Manhattan, The City of New York, and such registration noted on such bond. After such registration no transfer of such bond shall be valid unless made at said office or agency by the registered holder in person or by his duly authorized attorney and similarly noted on such bond; but the same may be discharged from registration by being in like manner transferred to bearer and thereupon transferability by delivery shall be restored; but such bond may again from time to time be registered or transferred to bearer in accordance with the above procedure. Such registration, however, shall not affect the negotiability of the coupons appertaining to such bonds, but every such coupon shall continue to be transferable by delivery merely and shall remain payable to bearer. Fully registered bonds of the Second Series shall also be transferable at said office or agency of the Company.

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will not exceed the amount of the aggregate net income of the Company for said period available for dividends (computed and ascertained in accordance with sound accounting practice, on a cumulative basis, including the making of proper deductions for any deficits occurring during any part of such period) plus \$3,000,000.

The Company further covenants and agrees that not later than May 1 of each year beginning with the year 1950 it will furnish to the Corporate Trustee a Treasurer's Certificate stating whether or not the Company has fully observed the restrictions imposed upon it by the covenant contained in this Section 2.

ARTICLE III.

Improvement Fund for Bonds of the Second Series.

SECTION 3. The Company covenants that, so long as any bonds of the Second Series shall remain Outstanding, it will, as an additional improvement fund for the benefit of the bonds of the Second Series Outstanding under the Mortgage, as supplemented, on or before October 1 of each year beginning with the year 1950, in addition to the amounts which will be required as to the bonds of the Second Series pursuant to the original provisions of Section 39 of the Mortgage, deliver to the Corporate Trustee, an amount in cash and/or principal amount of bonds of the Second Series equivalent to another one-half (½) of one per centum (1%) of the greatest principal amount of bonds of such Second Series prior to January 1 of such year at any one time Outstanding and such delivery shall be deemed to be an additional requirement of said Section 39 and subject to all the provisions thereof excepting

(a) that the right to obtain credits against the amount of cash or bonds of the Second Series payable or deliverable not only pursuant to the provisions of this Section 3 but also pursuant to the original provisions of Section 39 of the Mortgage