

ARTICLE I  
Eighth Series of Bonds

SECTION 1. There shall be a series of bonds designated "4 1/2% Series due 1991" (herein sometimes referred to as the "Eighth Series"), each of which shall also bear the descriptive title "First Mortgage Bond" and the form hereof and of any subsequent coupons which shall be established by Resolution of the Board of Directors of the Company, shall contain suitable provisions with respect to the matters hereinafter in this Section specified. Bonds of the Eighth Series shall mature on November 1, 1991, and shall be issued as coupon bonds in the denomination of One Thousand Dollars, registrable as to principal, and as fully registered bonds in denominations of One Thousand Dollars and Ten Thousand Dollars and, at the option of the Company, in any multiple or multiples of One Thousand Dollars (the exercise of such option to be evidenced by the execution and delivery hereof); they shall bear interest at the rate of four and one-half per centum (4 1/2%) per annum, payable semi-annually on May 1 and November 1 of each year; the principal of and interest on each said bond to be payable at the office or agency of the Company at the Borough of Manhattan, The City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for public and private debts. Coupon bonds of the Eighth Series shall be dated as of November 1, 1961, and fully registered bonds of the Eighth Series shall be dated as in Section 10 of the Mortgage provided.

(I) Bonds of the Eighth Series shall be redeemable at the option of the Company in whole at any time, or in part from time to time prior to maturity upon notice published as provided in Section 52 of the Mortgage, in one Daily Newspaper printed in the English language and of general circulation in the Borough of Manhattan, The City of New York, at least four (4) times before the date fixed for redemption, unless notice by publication shall not be required as provided in Section 52 of the Mortgage in which event notice shall be given by mailing the first publication; or mailing, as the case may be, to be at least thirty (30) days and not more than ninety (90) days prior to the date fixed for redemption, at the following general redemption prices, expressed in percentages of the principal amount of the bonds to be redeemed:

GENERAL REDEMPTION PRICES

If redeemed during 12-month period ending October 31

|      |         |      |         |      |         |
|------|---------|------|---------|------|---------|
| 1962 | 105.00% | 1972 | 103.28% | 1982 | 101.52% |
| 1963 | 104.82% | 1973 | 103.10% | 1983 | 101.38% |
| 1964 | 104.65% | 1974 | 102.93% | 1984 | 101.21% |
| 1965 | 104.48% | 1975 | 102.76% | 1985 | 101.04% |
| 1966 | 104.31% | 1976 | 102.59% | 1986 | 100.87% |
| 1967 | 104.14% | 1977 | 102.41% | 1987 | 100.69% |
| 1968 | 103.96% | 1978 | 102.23% | 1988 | 100.52% |
| 1969 | 103.79% | 1979 | 102.04% | 1989 | 100.35% |
| 1970 | 103.62% | 1980 | 101.86% | 1990 | 100.18% |
| 1971 | 103.45% | 1981 | 101.73% | 1991 | 100.00% |

in each case, together with accrued interest to the date fixed for redemption, provided that no bond of the Eighth Series shall be redeemable at the general redemption prices prior to November 1, 1966, with borrowed funds, or in anticipation of funds to be borrowed, having an interest cost (calculated in accordance with acceptable financial practice) of less than four and one-half per centum (4 1/2%) per annum.

(II) Bonds of the Eighth Series shall also be redeemable in whole at any time, or in part from time to time, prior to maturity, upon the notice, by the application (either at the option of the Company or pursuant to the requirements of the Mortgage) of cash deposited with the Corporate Trustee pursuant to any of the provisions of Section 38, Section 39 or Section 64 of the Mortgage or of Section 3 hereof or with the Proceeds of Released Property, provided, however, that in the case of application of cash deposited with the Corporate Trustee pursuant to the provisions of Section 39 of the Mortgage or of Section 3 hereof, if the date fixed for such redemption shall be prior to January 1 of the calendar year in which such deposit of cash shall become due under the provisions of said Section 39 or said Section 3, they shall be redeemable at the general redemption prices set forth in subdivision (I) of this Section together with accrued interest to the date fixed for redemption, and provided further, that

(1) in the case of application of cash deposited with the Corporate Trustee pursuant to the provisions of said Section 39 or said Section 3, if the date fixed for such redemptions shall be on or after