

January 1 of the calendar year in which such deposit shall become due under the provisions of said Section 39, or said Section 3, or

(2) in case of the application of cash deposited with the Corporate Trustee pursuant to the provisions of Section 38 or Section 64 of the Mortgage or with Proceeds of Released Property,

they shall be redeemable 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 October 31,	
1962	100.50%
1963	100.49%
1964	100.48%
1965	100.47%
1966	100.46%
1967	100.45%
1968	100.44%
1969	100.43%
1970	100.42%
1971	100.41%
1972	100.40%
1973	100.39%
1974	100.37%
1975	100.36%
1976	100.34%
1977	100.33%
1978	100.31%
1979	100.30%
1980	100.28%
1981	100.26%
1982	100.24%
1983	100.22%
1984	100.20%
1985	100.18%
1986	100.16%
1987	100.14%
1988	100.11%
1989	100.09%
1990	100.06%
1991	100.00%

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 Eighth Series upon surrender thereof with all unattached coupons pertaining 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 authorized 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 Eighth 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 unattached 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 Eighth 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 Eighth 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 pertaining 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 Eighth Series shall also be transferable at said office or agency of the Company.

ARTICLE II

Dividend Covenant

SECTION 2. The Company covenants and agrees that, so long as any of the bonds of the Eighth 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 retained at by adding

(a) the aggregate amount of all such Restricted Payments (other than the dividend of fifty cents (\$ .50) per share declared on Decem-