

STATE OF NEW YORK
DEPARTMENT OF STATE

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.



WITNESS my hand and official seal of the
Department of State, at the City of Albany, on
July 23, 2007.

Paul LaPointe

Paul LaPointe
Special Deputy Secretary of State

F910408000072

CERTIFICATE OF MERGER

of

COLUMBIA GAS OF NEW YORK, INC.

into

NEW YORK STATE ELECTRIC & GAS CORPORATION

Under Section 905 of the
Business Corporation Law

We, J. A. Carrigg, the Chairman, President and Chief Executive Officer, and D. W. Farley, the Secretary, of NEW YORK STATE ELECTRIC & GAS CORPORATION, do hereby certify as follows:

1. The name of the subsidiary corporation to be merged is Columbia Gas of New York, Inc. The name under which said corporation was originally incorporated was BINGHAMTON GAS WORKS, the Certificate of Incorporation of which was filed on May 7, 1898.

2. The date when the Certificate of Consolidation of Columbia Gas of New York, Inc. was filed by the Department of State was April 1, 1957.

3. The name of the surviving corporation is New York State Electric & Gas Corporation. The name under which said corporation was originally incorporated was the Ithaca Gas Light Company, the Certificate of Incorporation of which was filed on October 28, 1852.

4. The date when the Restated Certificate of Incorporation of New York State Electric & Gas Corporation was filed by the Department of State was October 25, 1988.

5. The designation and number of outstanding shares of each class of the subsidiary corporation to be merged is 328,000 shares of common stock of the par value of \$25.00 per share, all of which are owned by the surviving corporation.

6. The effective date of the merger shall be the date of filing of this certificate of merger by the Department of State.

7. The surviving corporation owns all of the shares of the subsidiary corporation to be merged.

8. The plan of merger to be effected by the filing of this certificate has been adopted by the vote of a majority of directors of New York State Electric & Gas Corporation present at a meeting of the Board of said corporation at which a quorum was present.

1

IN WITNESS WHEREOF, we have made and subscribed this
Certificate this 5th day of April, 1991.

James A. Carrigg

James A. Carrigg
Chairman, President and
Chief Executive Officer,
New York State Electric
& Gas Corporation

Daniel W. Farley

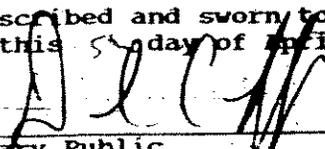
Daniel W. Farley
Secretary,
New York State Electric
& Gas Corporation

STATE OF NEW YORK)
) ss.:
COUNTY OF TOMPKINS)

D. W. FARLEY, being duly sworn, deposes and says: that he is the Secretary of NEW YORK STATE ELECTRIC & GAS CORPORATION; that the foregoing Certificate has been executed by authority of ~~a resolution of the Board of Directors adopted at a Directors' meeting~~ duly called and held on the 8th day of March, 1991; that he has read and signed the foregoing Certificate and that the statements contained therein are true.


D. W. FARLEY
Secretary

Subscribed and sworn to before me this 5th day of April, 1991


Notary Public

DAVID A. RUFFO
Notary Public, State of New York
Qualified in Tompkins County
No. 4794414
Commission Expires April 28, 1991

1991

3

APPROVAL OF CERTIFICATE OF MERGER

BY

SECRETARY OF PUBLIC SERVICE COMMISSION

I, JOHN J. KELLIHER, Secretary of the Public Service Commission of the State of New York, do hereby approve the foregoing Certificate of Merger of COLUMBIA GAS OF NEW YORK, INC. into NEW YORK STATE ELECTRIC & GAS CORPORATION, and consent that the same be filed.

DATED: April 5, 1991

PUBLIC SERVICE COMMISSION


JOHN J. KELLIHER

F910408000072

APR 8 1991

Certificate of Merger
of

Columbia Gas of New York, Inc
into

New York State Electric & Gas Corporation



cc

STATE OF NEW YORK
DEPARTMENT OF STATE

FILED APR 8 1991

TAX \$

BY: Edw
Tomp.

Received
Apr 5 4:00 pm '91

Filed

by Tolin & Dempf
100 State St
Albany N.Y. 12207

5

910408000100

NEW YORK STATE ELECTRIC & GAS CORPORATION
CERTIFICATE OF AMENDMENT OF THE CERTIFICATE OF INCORPORATION
OF NEW YORK STATE ELECTRIC & GAS CORPORATION PURSUANT
TO SECTION 805 OF THE BUSINESS CORPORATION LAW

We, S. J. RAFFERTY and D. W. FARLEY, a Vice President and the Secretary, respectively, of NEW YORK STATE ELECTRIC & GAS CORPORATION, do hereby certify as follows:

1. The name of the Corporation is New York State Electric & Gas Corporation. The name under which it was originally incorporated was the Ithaca Gas Light Company.

2. The date of filing of the Certificate of Incorporation in the office of the Secretary of State of the State of New York was the 28th day of October, 1852.

3. The Certificate of Incorporation of the Corporation is amended to add a provision as authorized by subparagraph 12 of Section 801 of the Business Corporation Law stating the designations, preferences, privileges and voting powers of the shares of a series of the Serial Preferred Stock of the Corporation and the restrictions or qualifications thereof.

4. The provisions of the Certificate of Incorporation which contain the designations, preferences, privileges, voting powers, restrictions and qualifications of the Serial Preferred Stock of the Corporation are hereby amended to include the following:

(P) The Board of Directors has designated Four Million (4,000,000) shares of Serial Preferred Stock as 8.95% Serial Preferred Stock (Cumulative, \$25 Par Value) (hereinafter referred to as the 8.95% Series), and has fixed:

(1) The annual dividend rate for the shares of the 8.95% Series at 8.95% of the par value thereof per annum and dividends thereon shall be cumulative from the date of original issue.

(2) The redemption price, except as provided in subparagraphs (4) and (5) below, for the shares of the 8.95% Series at the following prices per share, applicable to the redemption periods during which such redemptions occur:

<u>12-Month Period Ended December 31</u>	<u>Redemption Price Per Share</u>	<u>12-Month Period Ended December 31</u>	<u>Redemption Price Per Share</u>
1991	\$27.24	1999	\$26.04
1992	27.09	2000	25.90
1993	26.94	2001	25.75
1994	26.79	2002	25.60
1995	26.64	2003	25.45
1996	26.49	2004	25.30
1997	26.34	2005	25.15
1998	26.19		

and at \$25 per share if redeemed thereafter, together in each case with all dividends accrued and in arrears thereon to the date fixed for such redemption; provided, however, that the Corporation will not, prior to January 1, 1996, redeem any shares of the 8.95% Series if such redemption is a part, or in anticipation, of any refunding operation involving the application, directly or indirectly, of borrowed funds or the proceeds of an issue of any stock ranking superior to or on a parity with the 8.95% Series if such borrowed funds have an interest rate or cost to the Corporation, or such stock has a dividend rate or cost to the Corporation (calculated in each case in accordance with generally accepted financial practice), less than 8.95% per annum.

(3) The amount payable to the holders of the shares of the 8.95% Series in the event of any voluntary liquidation, dissolution or winding-up of the Corporation at amounts equal to the respective redemption prices per share specified in subparagraph (2) above, and the amount per share payable to the holders thereof in the event of any involuntary liquidation, dissolution or winding-up of the Corporation at \$25, together in each case

with all dividends accrued and in arrears thereon to the date of such liquidation, dissolution or winding-up.

(4) A sinking fund for the benefit of the shares of the 8.95% Series. So long as there shall remain outstanding any shares of the 8.95% Series, the Corporation, after full cumulative dividends upon the outstanding Serial Preferred Stock of all series shall have been paid, or deemed paid as heretofore provided, for all past quarter-yearly dividend periods, and after making payment of or provision for payment of full dividends on the outstanding Serial Preferred Stock of all series for the current quarter-yearly dividend period, shall, on or before December 31 in each year commencing with the year 1996 to and including 2015, set aside out of funds legally available therefor as the sinking fund requirement for each such year an amount in cash equal to the amount required to redeem, at the Sinking Fund Redemption Price provided below, 200,000 shares of the 8.95% Series (or if less than 200,000 shares are then outstanding, such lesser number of shares), plus, in each such year, the amount of all sinking fund arrearages, if any, with respect to the 8.95% Series; provided, however, that against the amount so required to be set aside in any year the Corporation may credit an amount equal to the Sinking Fund Redemption Price provided below in respect of any shares of the 8.95% Series which it may have purchased or redeemed otherwise than through the sinking fund and not theretofore credited against any sinking fund requirement for the shares of the 8.95% Series. Unless the sinking fund requirement for the shares of the 8.95% Series for all past sinking fund periods shall have been set aside and are available for application in accordance with this subparagraph, no dividends shall be paid or declared and no other distribution shall be made on the stock ranking junior to the Serial Preferred Stock and no stock ranking junior to the Serial Preferred Stock shall be redeemed, purchased or otherwise acquired for value by the Corporation. Commencing on January 1, 1997, and on each January 1 thereafter, the Corporation will apply the cash set aside as the sinking fund requirement for the shares of the 8.95% Series to the redemption, at the Sinking Fund Redemption Price of \$25 per share, together with all dividends accrued and in arrears thereon to such date, of shares of the 8.95% Series. All amounts set aside for the sinking fund for the 8.95% Series shall be credited first against the sinking fund arrearages, if any, with respect to the 8.95% Series. If, at any time when there shall exist sinking fund arrearages with respect to more than one series of the Serial Preferred Stock, the Corporation shall set aside any funds (or apply any funds to purchase or redemption) to satisfy in whole or in part any such arrearage, all amounts so set aside or applied shall be applied *pro rata* as between such series having sinking fund arrearages in proportion to the amounts of such respective arrearages.

(5) A non-cumulative option. The Corporation shall have the non-cumulative option, on any required January 1 sinking fund redemption date as provided in subparagraph (4) above; to redeem, at the Sinking Fund Redemption Price provided in subparagraph (4) above, up to 200,000 additional shares of the 8.95% Series.

(6) The procedure for selection of shares of the 8.95% Series in the case of partial redemption. In every case of redemption of less than all of the outstanding shares of the 8.95% Series, the shares to be redeemed shall be selected *pro rata* as among the holders of record of shares of the 8.95% Series, in the same proportions, as nearly as possible, as the total number of shares of the 8.95% Series held by such holders, respectively, bears to all of the shares of the 8.95% Series then outstanding.

(7) The treatment of shares of the 8.95% Series purchased or redeemed by the Corporation. All shares of the 8.95% Series purchased or redeemed by the Corporation shall be cancelled, shall not be reissued as shares of the 8.95% Series, and shall constitute authorized but unissued shares of the Serial Preferred Stock with a par value of Twenty-Five Dollars (\$25) per share of the Corporation.

5. The amendment of the Certificate of Incorporation as set forth herein was authorized by the Board of Directors of the Corporation in accordance with Section 502(d) of the Business Corporation Law.

IN WITNESS WHEREOF, we have subscribed and D.W. Farley has verified this Certificate this 4th day of February, 1991.

SHERWOOD J. RAFFERTY
Vice President

D.W. FARLEY
Secretary

STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.:

D.W. FARLEY, being duly sworn, deposes and says, that he is Secretary of New York State Electric & Gas Corporation, the Corporation named in and described in the foregoing Certificate, that he has read and signed the foregoing Certificate and the statements contained therein are true.

D.W. FARLEY

Subscribed and sworn to before me this
4th day of February, 1991.

LEONARD BLUM
Notary Public, State of New York
No. 30-0328750
Qualified in Nassau County
Commission Expires March 30, 1991

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

Albany, NY, February 5, 1991

CASE 90-M-0804—Petition of New York State Electric & Gas Corporation for authority to issue and sell not to exceed 1,000,000 shares of Serial Preferred Stock (Cumulative, \$100 Par Value), or not to exceed 4,000,000 shares of Serial Preferred Stock (Cumulative, \$25 Par Value) and for an endorsement, pursuant to Section 108 of the Public Service Law, of an amendment to its Certificate of Incorporation.

• • • •

The Public Service Commission hereby consents to and approves this Certificate of Amendment of the Certificate of Incorporation of New York State Electric & Gas Corporation Pursuant to Section 805 of the Business Corporation Law, executed February 4, 1991, in accordance with the order of the Public Service Commission dated January 10, 1991.

By the Commission

JOHN J. KELLIHER
Secretary

CERTIFICATE OF AMENDMENT OF THE CERTIFICATE OF INCORPORATION
OF NEW YORK STATE ELECTRIC & GAS CORPORATION PURSUANT
TO SECTION 805 OF THE BUSINESS CORPORATION LAW

STATE OF NEW YORK
DEPARTMENT OF STATE

FILED FEBRUARY 6, 1991

TAX \$ NONE

FILING FEE \$60.00

NEW YORK STATE ELECTRIC & GAS CORPORATION

CERTIFICATE OF AMENDMENT OF THE CERTIFICATE OF INCORPORATION
OF NEW YORK STATE ELECTRIC & GAS CORPORATION PURSUANT
TO SECTION 805 OF THE BUSINESS CORPORATION LAW .

We, R. P. FAGAN and D. W. FARLEY, a Senior Vice President and the Secretary, respectively, of NEW YORK STATE ELECTRIC & GAS CORPORATION, do hereby certify as follows:

1. The name of the Corporation is New York State Electric & Gas Corporation. The name under which it was originally incorporated was the Ithaca Gas Light Company.

2. The date of filing of the Certificate of Incorporation of the Corporation in the office of the Secretary of State of the State of New York was the 28th day of October, 1852.

3. The provisions of the Certificate of Incorporation of the Corporation, relating to the total number of authorized shares, as contained in ARTICLE 4 of the Restated Certificate of Incorporation of the Corporation filed September 14, 1977, are amended to read as follows:

4. The total number of shares which the Corporation may henceforth have is Ninety-Four Million Three Hundred Seventy-Three Thousand Five Hundred (94,373,500) of which Two Million Five Hundred Seventy-Three Thousand Five Hundred (2,573,500) shares are to have a par value of One Hundred Dollars (\$100) per share and shall be Serial Preferred Stock, Ten Million Eight Hundred Thousand (10,800,000) shares are to have a par value of Twenty-Five Dollars (\$25) per share and shall be Serial Preferred Stock (\$25 Par Value), One Million (1,000,000) shares are to have a par value of One Hundred Dollars (\$100) per share and shall be Preference Stock and Eighty Million (80,000,000) shares are to have a par value of Six Dollars Sixty-Six and Two-Thirds Cents (\$6.66 $\frac{2}{3}$) per share and shall be Common Stock.

4. This Amendment to the Certificate of Incorporation of the Corporation, which is being filed to make a change specified in paragraph (b) (7) of Section 801 of the Business Corporation Law, reduces in accordance with the provisions of paragraph (e) of Section 515 of the Business Corporation Law, the number of authorized shares of the Corporation as a result of the Corporation's purchase and cancellation in connection with the applicable sinking fund requirement, of Sixteen Thousand Five Hundred (16,500) shares of previously authorized and issued 9.00% Serial Preferred Stock of the Serial Preferred Stock of the Corporation, with a par value of One Hundred Dollars (\$100) per share.

The Certificate of Incorporation of the Corporation prohibits the reissue of said shares.

5. The above amendment of the Certificate of Incorporation was authorized by vote of a majority of directors present at a meeting of the Board of Directors at which a quorum was present.

IN WITNESS WHEREOF, we have subscribed and D. W. FARLEY has verified this Certificate this 30th day of October, 1990.

D. W. FARLEY
Secretary

R. P. FAGAN
Senior Vice President

* * * * *

STATE OF NEW YORK)
) ss.:
COUNTY OF TOMPKINS)

D. W. FARLEY, being duly sworn, deposes and says: That he is the Secretary of New York State Electric & Gas Corporation; that he has read and signed the foregoing Certificate and the statements contained therein are true.

D. W. FARLEY

Subscribed and sworn to before me
this 30th day of October, 1990.

Leland C. Beach
Notary Public, State of New York
Qualified in Tompkins County
Commission Expires April 30, 1991

* * * * *

NEW YORK STATE ELECTRIC & GAS CORPORATION

CERTIFICATE OF AMENDMENT OF
THE CERTIFICATE OF INCORPORATION OF
NEW YORK STATE ELECTRIC & GAS CORPORATION
PURSUANT TO SECTION 805 OF THE BUSINESS CORPORATION LAW

STATE OF NEW YORK
DEPARTMENT OF STATE
TAX \$ NONE
FILING FEE \$60
FILED OCTOBER 31, 1990.

NEW YORK STATE ELECTRIC & GAS CORPORATION

CERTIFICATE OF AMENDMENT OF THE CERTIFICATE OF INCORPORATION
OF NEW YORK STATE ELECTRIC & GAS CORPORATION PURSUANT
TO SECTION 805 OF THE BUSINESS CORPORATION LAW

We, R. A. JACOBSON and D. W. FARLEY, the Executive Vice President and the Secretary, respectively, of NEW YORK STATE ELECTRIC & GAS CORPORATION, do hereby certify as follows:

1. The name of the Corporation is New York State Electric & Gas Corporation. The name under which it was originally incorporated was the Ithaca Gas Light Company.

2. The date of filing of the Certificate of Incorporation of the Corporation in the office of the Secretary of State of the State of New York was the 28th day of October, 1852.

3. The Certificate of Incorporation of the Corporation is amended to increase the aggregate number of shares which the Corporation is authorized to issue by authorizing 10,000,000 additional shares of Common Stock with a par value of Six Dollars Sixty-Six and Two-Thirds Cents (\$6.66 $\frac{2}{3}$) per share.

4. The provisions of the Certificate of Incorporation of the Corporation, relating to the total number of authorized shares, as contained in ARTICLE 4 of the Restated Certificate of Incorporation of the Corporation filed October 25, 1988, are amended to read as follows:

4. The total number of shares which the Corporation may henceforth have is Ninety-Four Million Three Hundred Ninety Thousand (94,390,000) of which Two Million Five Hundred Ninety Thousand (2,590,000) shares are to have a par value of One Hundred Dollars (\$100) per share and shall be Serial Preferred Stock, Ten Million Eight Hundred Thousand (10,800,000) shares are to have a par value of Twenty-Five Dollars (\$25) per share and shall be Serial Preferred Stock (\$25 Par Value), One Million (1,000,000) shares are to have a par value of One Hundred Dollars (\$100) per share and shall be Preference Stock and Eighty Million (80,000,000) shares are to have a par value of Six Dollars Sixty-Six and Two-Thirds Cents (\$6.66 $\frac{2}{3}$) per share and shall be Common Stock.

5. This Amendment to the Certificate of Incorporation to increase the aggregate number of shares which the Corporation is authorized to issue, was authorized at a meeting of the Board of Directors at which a quorum was present and at a subsequent meeting of shareholders by the vote of the holders of a majority of the outstanding shares of Common Stock entitled to vote thereon.

IN WITNESS WHEREOF, we have subscribed and D. W. FARLEY has verified this Certificate this 15th day of May, 1990.

D. W. FARLEY
Secretary

R. A. JACOBSON
Executive Vice President

* * * * *

STATE OF NEW YORK)
) ss.:
COUNTY OF TOMPKINS)

D. W. FARLEY, being duly sworn, deposes and says: That he is the Secretary of New York State Electric & Gas Corporation; that he has read and signed the foregoing Certificate and the statements contained therein are true.

D. W. FARLEY

Subscribed and sworn to before me
this 15th day of May, 1990.

Leland C. Beach
Notary Public, State of New York
Qualified in Tompkins County
Commission Expires April 30, 1991

NEW YORK STATE ELECTRIC & GAS CORPORATION

CERTIFICATE OF AMENDMENT OF
THE CERTIFICATE OF INCORPORATION OF
NEW YORK STATE ELECTRIC & GAS CORPORATION
PURSUANT TO SECTION 805 OF THE BUSINESS CORPORATION LAW

STATE OF NEW YORK
DEPARTMENT OF STATE
TAX \$33,333.50
FILING FEE \$60
FILED MAY 22, 1990

NEW YORK STATE ELECTRIC & GAS CORPORATION

CERTIFICATE OF AMENDMENT OF THE CERTIFICATE OF INCORPORATION
OF NEW YORK STATE ELECTRIC & GAS CORPORATION PURSUANT
TO SECTION 805 OF THE BUSINESS CORPORATION LAW

We, R. A. JACOBSON and D. W. FARLEY, the Executive Vice President and the Secretary, respectively, of NEW YORK STATE ELECTRIC & GAS CORPORATION, do hereby certify as follows:

1. The name of the Corporation is New York State Electric & Gas Corporation. The name under which it was originally incorporated was The Ithaca Gas Light Company.

2. The date of filing of the Certificate of Incorporation of the Corporation in the office of the Secretary of State of the State of New York was the 28th day of October, 1852.

3. The provisions of the Certificate of Incorporation of the Corporation, relating to the total number of authorized shares, as contained in ARTICLE 4 of the Restated Certificate of Incorporation of the Corporation filed October 25, 1988, are amended to read as follows:

4. The total number of shares which the Corporation may henceforth have is Eighty-Four Million Three Hundred Ninety Thousand (84,390,000) of which Two Million Five Hundred Ninety Thousand (2,590,000) shares are to have a par value of One Hundred Dollars (\$100) per share and shall be Serial Preferred Stock, Ten Million Eight Hundred Thousand (10,800,000) shares are to have a par value of Twenty-Five Dollars (\$25) per share and shall be Serial Preferred Stock (\$25 Par Value), One Million (1,000,000) shares are to have a par value of One Hundred Dollars (\$100) per share and shall be Preference Stock and Seventy Million (70,000,000) shares are to have a par value of Six Dollars Sixty-Six and Two-Thirds Cents (\$6.66 $\frac{2}{3}$) per share and shall be Common Stock.

4. This Amendment to the Certificate of Incorporation of the Corporation, which is being filed to make a change specified in paragraph (b) (7) of Section 801 of the Business Corporation Law, reduces in accordance with the provisions of paragraph (e) of Section 515 of the Business Corporation Law, the number of authorized shares of the Corporation as a result of the Corporation's:

(a) redemption and cancellation in connection with the applicable sinking fund requirement, of One Hundred Twenty Thousand (120,000) shares of previously authorized and issued 9.10% Serial Preferred Stock of the Serial Preferred Stock of the Corporation, with a par value of Twenty-Five Dollars (\$25) per share, and

- (b) purchase and cancellation in connection with the applicable sinking fund requirement, of Sixteen Thousand Five Hundred (16,500) shares of previously authorized and issued 9.00% Serial Preferred Stock of the Serial Preferred Stock of the Corporation, with a par value of One Hundred Dollars (\$100) per share.

The Certificate of Incorporation of the Corporation prohibits the reissue of said shares.

5. The above amendment of the Certificate of Incorporation was authorized by vote of a majority of directors present at meetings of the Board of Directors at which quorums were present.

IN WITNESS WHEREOF, we have subscribed and D. W. FARLEY has verified this Certificate this 11th day of October, 1989.

D. W. FARLEY
Secretary

R. A. JACOBSON
Executive Vice President

* * * * *

STATE OF NEW YORK)
) ss.:
COUNTY OF TOMPKINS)

D. W. FARLEY, being duly sworn, deposes and says: That he is the Secretary of New York State Electric & Gas Corporation; that he has read and signed the foregoing Certificate and the statements contained therein are true.

D. W. FARLEY

Subscribed and sworn to before me
this 11th day of October, 1989.

Leland C. Beach
Notary Public, State of New York
Qualified in Tompkins County
Commission Expires April 30, 1991

NEW YORK STATE ELECTRIC & GAS CORPORATION

RESTATED CERTIFICATE OF INCORPORATION OF
NEW YORK STATE ELECTRIC & GAS CORPORATION
PURSUANT TO SECTION 807 OF THE BUSINESS
CORPORATION LAW

We, R. A. Jacobson and D. W. Farley, an Executive Vice-President and the Secretary, respectively, of New York State Electric & Gas Corporation, do hereby certify, pursuant to Section 807 of the Business Corporation Law, that the name under which such Corporation was originally incorporated was the Ithaca Gas Light Company, the Certificate of Incorporation of which was filed in the office of the Secretary of State of the State of New York on the 28th day of October, 1852. The Certificate of Incorporation of the Corporation, as amended heretofore, is hereby amended to reflect the change in the Corporation's zip code in Article 13 to "14851." The text of the Certificate of Incorporation of the Corporation, as amended heretofore and as amended hereby, is hereby restated without further amendment or change to read as herein set forth in full:

1. The name of the Corporation is New York State Electric & Gas Corporation.

2. (A) The objects of the Corporation are to be:

(1) Manufacturing and using electricity for producing light, heat and power, and in lighting streets, avenues, public parks and places and public and private buildings, of the cities, towns and villages in the counties of Albany, Allegany, Bronx, Broome, Cattaraugus, Cayuga, Chautauqua, Chemung, Chenango, Clinton, Columbia, Cortland, Delaware, Dutchess, Erie, Essex, Franklin, Fulton, Genesee, Greene, Hamilton, Herkimer, Jefferson, Kings, Lewis, Livingston, Madison, Monroe, Montgomery, Nassau, New York, Niagara, Oneida, Onondaga, Ontario, Orange, Orleans, Oswego, Otsego, Putnam, Queens, Rensselaer, Richmond, Rockland, St. Lawrence, Saratoga, Schenectady, Schoharie, Schuylers, Seneca, Steuben, Suffolk, Sullivan, Tioga, Tompkins, Ulster, Warren, Washington, Wayne, Westchester, Wyoming, and Yates, within the State of New York.

(2) Manufacturing and supplying gas for lighting the streets and public and private buildings of the cities, towns and villages in the counties of Albany, Allegany, Bronx, Broome, Cattaraugus, Cayuga, Chautauqua, Chemung, Chenango, Clinton, Columbia, Cortland, Delaware, Dutchess, Erie, Essex, Franklin, Fulton, Genesee, Greene, Hamilton, Herkimer, Jefferson, Kings, Lewis, Livingston, Madison, Monroe, Montgomery, Nassau, New York, Niagara, Oneida, Onondaga, Ontario, Orange, Orleans, Oswego, Otsego, Putnam, Queens, Rensselaer, Richmond, Rockland, St. Lawrence, Saratoga, Schenectady, Schoharie, Schuyler, Seneca, Steuben, Suffolk, Sullivan, Tioga, Tompkins, Ulster, Warren, Washington, Wayne, Westchester, Wyoming, and Yates, within the State of New York.

The counties in which the operations of the Corporation are to be carried on are those hereinbefore named.

(B) The Corporation shall also have the following powers and authority:

(1) To purchase, acquire by subscription or otherwise, and to own, hold for investment or otherwise, and to use, sell, assign, transfer, mortgage, pledge, exchange, or otherwise dispose of, any shares of stock and other certificates of interest, bonds, debentures, notes, certificates or other evidences of indebtedness, and other obligations and securities of any other corporation, association, firm or individual of this or any other State, or of any territory or dependency of the United States or of any other country; to issue in exchange therefor stocks, bonds or other obligations of this Corporation, to aid in any manner permitted by law any corporation or association in whose shares of stock certificates of interest, bonds, debentures, notes or other obligations or securities this Corporation may be interested, and to do any other act or thing permitted by law for the preservation, protection, improvement or enhancement of the value of such shares of stock and other certificates of interest, bonds, debentures, notes, certificates, or other evidences of indebtedness, and other obligations and securities, and the property represented thereby or securing the same, and while the owner thereof, to pos-

sess and exercise in respect thereof all the rights, powers and privileges of individual owners or holders, including the right to vote thereon, and the right to transfer the same to one or more persons, firms or corporations, subject to voting trusts or other agreements, placing in them the voting power thereof.

(2) To acquire all or any part of the good will, rights, property, and business of any person, firm, association, or corporation heretofore, now or hereafter engaged in any business similar to or the same as any business which this Corporation has or may have the power to conduct; to pay for the same in cash or in stock, bonds, notes or other obligations of this Corporation, or otherwise; to hold, utilize and in any manner dispose of the whole or any part of the good will, rights, property and business so acquired; to assume in connection therewith the whole or any part of the liabilities and obligations of any such person, firm, association, or corporation; and to conduct, in any lawful manner the whole or any part of the business thus acquired.

(3) To borrow or raise money for any of the purposes of this Corporation, and, from time to time, without limit as to amount, draw, make, accept, endorse, execute and issue bonds, debentures, notes, drafts, bills of exchange, warrants and other negotiable or non-negotiable instruments and evidences of indebtedness; and to secure the payment thereof and of the interest thereon by mortgage upon or pledge of, or by conveyance, or assignment in trust of, the whole or any part of the property and franchises of this Corporation, real, personal and mixed, tangible or intangible, and wheresoever situate, whether at the time owned or thereafter acquired; and to issue, sell, negotiate, pledge or otherwise dispose of such bonds or other obligations of this Corporation for its corporate purposes. Nothing herein, however, shall be deemed to empower this Corporation to transact business which under the laws of the State of New York may not be transacted by a corporation organized under the Transportation Corporations Law of the State of New York.

(4) To guarantee the payment of dividends upon any shares of the capital stock of, or the performance of any contract or obligation by, any other corporation or association in which this Corporation shall have an interest through ownership of stock or other securities or whenever otherwise to the interest of this Corporation so to do, and to endorse or otherwise guarantee the payment of the principal and interest, or either, of any bonds, debentures, notes, securities or other evidences of indebtedness created or issued by any such other corporation or association, subject to such restrictions as may be imposed by the laws of the State of New York.

(5) To buy, hold, cancel, sell, re-issue, transfer and otherwise acquire and dispose of, shares of its own capital stock of all classes, and its bonds, debentures, notes and other obligations and securities, from time to time, to such extent in such manner and upon such terms, as its Board of Directors may determine, subject to such restrictions as may be imposed by the laws of the State of New York.

(6) To purchase or otherwise acquire real and personal property of every class and description, wherever situated, necessary or proper for the transaction of the business of this Corporation, the carrying out of its purposes and objects, or the exercise of its corporate powers, and to hold, own, mortgage, sell, convey, or otherwise dispose thereof or of any part thereof.

(7) To make, sell, or lease, all machines, instruments, apparatus and other equipments for lighting by electricity or using electricity for heat or power or generating and supplying electricity, and all such other machines, instruments, apparatus, equipment and articles as may from time to time be permitted by the laws of the State of New York.

(8) To enter into, make and perform any lawful contracts of every kind and description with any person, firm, association, corporation, municipality, body politic, county, state or government, necessary or proper for, or incidental to, the business which this Corporation is authorized to transact,

or the carrying out of its purposes or objects, or the exercise of its corporate powers.

(9) To have one or more offices within the State of New York and one or more offices outside the State of New York, and to conduct its business in all its branches in the State of New York, and, to the extent permitted by the laws of the State of New York, in other states and in territories and dependencies of the United States.

(10) In general to have and to exercise all the powers conferred, and which may from time to time be conferred, by the laws of the State of New York upon corporations formed under Article 2 of the Transportation Corporations Law of the State of New York; it being hereby expressly provided that the foregoing enumeration of specific powers shall in no way limit or restrict in any manner the powers of this Corporation as the same may now or hereafter be conferred by law.

(C) Except as may be otherwise provided in, and subject to the provisions of, Article 5 hereof, it is further provided for the regulation of the business and the conduct of the affairs of the Corporation as follows:

(1) Unless the by-laws of the Corporation or the Certificate of Incorporation, as amended, shall at the time otherwise expressly provide, the Board of Directors shall have power:

(a) To fix and determine, and from time to time to vary the amount to be reserved as working capital; to determine whether any, and if any, what part of any, accumulated surplus net profits shall be declared and paid as dividends; to determine the date or dates for the declaration and payment of dividends, and to direct and determine the use and disposition of any surplus net profits;

(b) To make, alter, amend, suspend and repeal the by-laws of the Corporation;

(c) To determine whether and to what extent, and at what time and places and under what conditions and regulations, the accounts and books of the Corporation (other than the books required by statute to be open to the inspection of stockholders), or any of them, shall be open to the inspection of the stockholders, and no stockholder shall have any right to inspect any account or book or document of the Corporation except as such right may be conferred by the Statutes of the State of New York or by resolution of the directors or of the stockholders;

(d) To designate two or more of their number to constitute an Executive Committee, which Committee, to such extent as may be provided by resolution of the directors or by the by-laws of the Corporation, shall have, and may exercise any or all of the powers of the Board of Directors in the management of the business and affairs of the Corporation which may be lawfully delegated, including the power to authorize its seal to be affixed to all papers which may require it.

(2) Any officer elected or appointed by the stockholders or by the Board of Directors or by any Committee, may be removed (except from the office of director) at any time, with or without cause, in such manner as may be provided by the by-laws. Any director elected or appointed by the stockholders or by the Board of Directors may be removed at any time, with or without cause, by the affirmative vote or written consent of the holders of a majority of the outstanding shares of stock at the time having full voting power. Any other officer or employee of the Corporation other than a director may be removed at any time by the Board of Directors in such manner as may be provided in the by-laws or by any Committee or superior officer upon whom such power of removal may be conferred by the by-laws or by resolution of the Board of Directors.

(3) A director or officer of this Corporation shall not be disqualified by his office from dealing or contracting with the Corporation either as a vendor, purchaser, or otherwise, nor shall any transaction or contract of this Corporation be void or voidable by reason of the fact that any director or officer or any firm of which any director or officer is a member or employee, or any corporation of which any director or officer is a shareholder, director, officer or employee, is in any way interested in such transaction or contract, provided that such transaction or contract is or shall be authorized, ratified or approved either (1) by vote of a majority of a quorum of the Board of Directors or of the Executive Committee without counting in such majority or quorum any director so interested or member or employee of a firm so interested or a shareholder, director, officer, or employee of a corporation so interested; or (2) by vote at a stockholders' meeting of the holders of record of a majority of all the outstanding shares of capital stock of the Corporation having full voting power or by writing or writings signed by a majority of such holders; nor shall any director or officer be liable to account to the Corporation for any profits realized by and from or through any such transaction, or contract of this Corporation authorized, ratified or approved as aforesaid by reason of the fact that he or any firm of which he is a member or employee, or any corporation of which he is a shareholder, director, officer or employee was interested in such transaction or contract.

(4) The Corporation may in its by-laws confer upon its directors in addition to the foregoing, and in addition to the powers and authorities expressly conferred upon them by statute, such powers as are not required by the laws of the State of New York to be exercised by the stockholders.

3. The capital of the Corporation shall be at least equal to the sum of the aggregate par value of all issued shares having par value, plus the aggregate amount of consideration received by the Corporation for the issuance of shares without par value, plus such amounts as, from time to time, by resolution of the Board of Directors, may be transferred thereto.

The Corporation may issue and may sell its authorized shares without par value from time to time, for such consideration as, from time to time, may be fixed by the Board of Directors.

4. The total number of shares which the Corporation may henceforth have is Eighty-Four Million Five Hundred Twenty-Six Thousand Five Hundred (84,526,500) of which Two Million Six Hundred Six Thousand Five Hundred (2,606,500) shares are to have a par value of One Hundred Dollars (\$100) per share and shall be Serial Preferred Stock, Ten Million Nine Hundred Twenty Thousand (10,920,000) shares are to have a par value of Twenty-Five Dollars (\$25) per share and shall be Serial Preferred Stock (\$25 Par Value), One Million (1,000,000) shares are to have a par value of One Hundred Dollars (\$100) per share and shall be Preference Stock and Seventy Million (70,000,000) shares are to have a par value of Six Dollars Sixty-Six and Two-Thirds Cents (\$6.66 $\frac{2}{3}$) per share and shall be Common Stock.

5. The designations, preferences, privileges and voting powers of the shares of Serial Preferred Stock and Common Stock, and the restrictions or qualifications thereof, are as follows and as hereinafter set forth in paragraphs (A) to (M), inclusive, of this Article 5. For the purposes of this Article 5, (a) the term "a stock ranking superior to, or on a parity with, the Serial Preferred Stock" shall be deemed to mean a stock having preferences ranking in any respect superior to, or on a parity with, the preferences of the Serial Preferred Stock; and the term "a stock ranking junior to the Serial Preferred Stock" shall be deemed to mean the Common Stock and stock of any other class having no preferences or having preferences ranking in all respects junior to the preferences of the Serial Preferred Stock; and (b) the term "dividends accrued and in arrears", when used with reference to any share of any series of Serial Preferred Stock, shall mean, whether or not in any period or periods there shall be earnings or surplus available for the payment of dividends, (i) an amount in dollars equal to the annual dividend rate on such share, multiplied by the number of years (including any fraction of a full year) from the date of cumulation (as hereinafter defined) for the shares of such series to the date as of which the computation of dividends accrued and in arrears is made, less (ii) the aggregate of all dividends theretofore paid, or deemed paid as hereinafter provided, on such share.

(A) The Serial Preferred Stock may be issued from time to time in one or more series as follows:

(1) As shares of a series designated as "3.75% Cumulative Preferred Stock" (hereinafter referred to as the "3.75% Series"), with a par value of \$100 per share. The annual dividend rate for the shares of the 3.75% Series shall be 3.75% of the par value thereof per annum. The date of cumulation (as hereinafter defined) for the shares of the 3.75% Series shall be January 1, 1947. The redemption price for the shares of the 3.75% Series shall be 105% of the par value thereof if redeemed prior to January 1, 1950, and 104% of the par value thereof if redeemed on or after January 1, 1950, together in each case with all dividends accrued and in arrears thereon to the date fixed for such redemption. The amount per share payable to the holders of the shares of the 3.75% Series in the event of any voluntary liquidation, dissolution or winding-up of the Corporation shall be 105% of the par value thereof if the date of such liquidation, dissolution or winding-up shall be prior to January 1, 1950, and 104% of the par value thereof if such date shall be January 1, 1950, or thereafter, and the amount per share payable to the holders thereof in the event of any involuntary liquidation, dissolution or winding-up of the Corporation shall be the par value thereof, together in each case with all dividends accrued and in arrears thereon to the date of such liquidation, dissolution or winding-up.

(2) As shares of one or more other series of Serial Preferred Stock, with a par value of either \$100 per share or \$25 per share, and with such distinctive designations as shall be stated and expressed in the resolution or resolutions providing for the issue of such stock from time to time adopted by the Board of Directors; and in such resolution or resolutions providing for the issue of shares of each particular series, other than the 3.75% Series, the Board of Directors is expressly authorized to fix:

(i) The annual dividend rate for the particular series and the date of cumulation (as hereinafter defined) for the shares of such series; and

(ii) The redemption price or prices for the particular series and the procedure or procedures for redemption of shares of such series; and

(iii) The amount or amounts per share (not less than the par value thereof, plus all dividends accrued and in arrears thereon) payable thereon in the event of any voluntary or involuntary liquidation, dissolution or winding-up; and

(iv) The rights, if any, of the holders of shares of such series to convert such shares into shares of stock of the Corporation of any class, with any provisions for the subsequent adjustment of such conversion rights; and

(v) The obligation, if any, of the Corporation to acquire shares of such series for retirement, as a sinking fund.

Except as hereinabove provided, each series of Serial Preferred Stock shall be identical with each other series of Serial Preferred Stock. Each share of the Serial Preferred Stock of any particular series shall be identical in all respects with every other share of Serial Preferred Stock of the same series.

(B) In case the stated dividends and amounts payable on liquidation are not paid in full, the shares of all series of the Serial Preferred Stock shall share ratably in the payment of dividends, including accumulations, if any, in accordance with the sums which would be payable on said shares if all dividends were declared and paid in full, and, in any distribution of assets other than by way of dividends, in accordance with the sums which would be payable on such distribution if all sums payable were discharged in full.

(C) The holders of the Serial Preferred Stock at the time outstanding shall be entitled to receive, but only when and if declared, out of surplus legally available for the payment of dividends, cumulative preferential dividends in cash, in the case of the 3.75% Series at the annual dividend rate hereinbefore specified with respect thereto, or in the case of Serial Preferred Stock of any other series at

the annual dividend rate for the particular series fixed by the Board of Directors as hereinabove provided, payable quarter-yearly on the first days of January, April, July and October in each year, to holders of record on the respective dates, not exceeding forty days preceding such dividend dates, fixed for the purpose by the Board of Directors in advance of the payment of the respective dividends. The dividends on all shares of the Serial Preferred Stock shall be cumulative, from January 1, 1947, in the case of the 3.75% Series, and, in the case of each other series, from such date as shall be fixed therefor by the Board of Directors as hereinbefore provided (which dates are herein referred to as the "dates of cumulation" of the respective series), so that unless dividends on all outstanding shares of each particular series of the Serial Preferred Stock, at the annual dividend rates fixed as hereinabove provided, shall have been paid, or deemed paid as hereinafter provided, for all past quarter-yearly dividend periods and the full dividend thereon at said rates for the quarter-yearly dividend period current at the time shall have been paid or declared and funds set apart for payment, but without interest on cumulative dividends, no dividends shall be paid or declared, and no other distribution shall be made, on any stock ranking junior to the Serial Preferred Stock, and no stock ranking junior to the Serial Preferred Stock shall be purchased, retired or otherwise acquired by the Corporation. In the event of the issuance of additional shares of any series subsequent to the date of the first issuance of shares of such series, all dividends paid on the shares of such series prior to the issuance of such additional shares and all dividends declared payable to holders of record of shares of such series as of a date prior to such issuance shall be deemed to have been paid in respect of the additional shares so issued. The holders of the Serial Preferred Stock shall not be entitled to receive any dividends thereon other than the dividends referred to in this paragraph.

After full cumulative dividends as aforesaid upon the outstanding Serial Preferred Stock of all series shall have been paid, or deemed paid as hereinabove provided, for all past quarter-yearly dividend periods, and after making payment of or provision for payment of full dividends on the outstanding Serial Preferred Stock of all series for the current quarter-yearly dividend period, and after making such provision for the purchase or redemption of Serial Preferred Stock of any series as may be required by the resolution or resolutions of the Board of Direc-

tors providing for the issue thereof or as the Board of Directors may deem advisable, then, and not otherwise, and subject always to the provisions of paragraph (K) of this Article 5 and of paragraph (C) of Article 7 hereof, the holders of the Common Stock at the time outstanding shall be entitled to receive, but only if and when declared, out of any remaining surplus legally available for the payment of dividends, such dividends as may from time to time be declared by the Board of Directors.

(D) The Corporation may redeem the whole or any part of the Serial Preferred Stock at any time outstanding, or the whole or any part of any series thereof, at any time or from time to time by paying in cash to the holders thereof, in the case of the 3.75% Series the redemption price hereinbefore specified with respect thereto, or, in the case of the Serial Preferred Stock of any other series, the redemption price for the particular series fixed by the Board of Directors as hereinbefore provided (together, in the case of each share of each series so to be redeemed, with all dividends accrued and in arrears thereon to the date fixed for such redemption). Notice of every such redemption shall be given by publication at least once in each of two separate calendar weeks in a daily newspaper (which term shall mean and include a newspaper published in morning editions or evening editions, or both, and whether or not it shall be published in Sunday editions or on holidays) printed in the English language and published and of general circulation in the Borough of Manhattan, the City of New York, the first publication to be at least thirty days and not more than ninety days prior to the date fixed for such redemption. At least thirty days' and not more than ninety days' previous notice of every such redemption shall also be mailed to the holders of record of the Serial Preferred Stock so to be redeemed, at their respective addresses as the same shall appear on the books of the Corporation; but no failure to mail such notice nor any defect therein or in the mailing thereof shall affect the validity of the proceedings for the redemption of any shares of the Serial Preferred Stock so to be redeemed. In case of the redemption of a part only of any series of the Serial Preferred Stock at the time outstanding, the shares so to be redeemed shall be selected (a) in accordance with any applicable procedure fixed by the Board of Directors in the resolution or resolutions providing for the issue of shares of such series, or (b) if no such procedure shall have been so fixed, by lot, by a bank or

trust company, in such manner as the Board of Directors may determine. The Board of Directors shall have full power and authority, subject to the limitations and provisions herein contained, to prescribe the manner in which and the terms and conditions upon which the Serial Preferred Stock shall be redeemed from time to time. If such notice of redemption shall have been duly given by publication, and if on or before the redemption date specified in such notice all funds necessary for such redemption shall have been deposited by the Corporation with a bank or trust company of the character hereinafter in this paragraph described, in trust for the account of the holders of the Serial Preferred Stock to be redeemed, so as to be and continue to be available therefor, then, from and after the date of redemption so fixed, notwithstanding that any certificate for shares of the Serial Preferred Stock so called for redemption shall not have been surrendered for cancellation, the shares represented thereby shall no longer be deemed outstanding, the right to receive dividends thereon shall cease to accrue, and all rights with respect to such shares of the Serial Preferred Stock so called for redemption shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable upon redemption thereof, without interest; provided, however, that the Corporation may, after giving notice by publication of any such redemption as hereinbefore provided or at the time of or after giving to the bank or trust company referred to below irrevocable authorization to give or complete such notice by publication, and prior to the redemption date specified in such notice, deposit in trust, for the account of the holders of the Serial Preferred Stock to be redeemed, funds necessary for such redemption with a bank or trust company in good standing, organized under the laws of the United States of America or of the State of New York, doing business in the Borough of Manhattan, the City of New York, having capital, surplus and undivided profits aggregating at least \$5,000,000 designated in such notice of redemption, and thereupon all shares of the Serial Preferred Stock with respect to which such deposit shall have been made shall be deemed to be no longer outstanding, and all rights with respect to such shares of Serial Preferred Stock shall forthwith upon such deposit in trust cease and terminate, except only the right of the holders thereof to receive the amount payable upon the redemption thereof, without interest, and except such conversion right up to the date of redemption, if any, as may be fixed for the shares of such series in the resolution or resolutions of the Board of Directors providing for the issue thereof.

Nothing herein contained shall limit any right of the Corporation to purchase or otherwise acquire shares of the Serial Preferred Stock provided that if, at any time, the Corporation has failed to pay dividends in full on any outstanding shares of Serial Preferred Stock, thereafter and until dividends in full on all such shares of Serial Preferred Stock have been paid, or declared and set apart for payment, for all past quarter-yearly dividend periods, the Corporation shall not redeem any Serial Preferred Stock unless all the shares of Serial Preferred Stock outstanding are redeemed, and shall not purchase or otherwise acquire for value any shares of Serial Preferred Stock except in accordance with an offer (which may vary with respect to shares of different series) made to all holders of shares of Serial Preferred Stock.

(E) Before any amount shall be paid to, or any assets distributed among, the holders of stock ranking junior to the Serial Preferred Stock, upon any liquidation, dissolution or winding-up of the Corporation, the holders of the Serial Preferred Stock at the time outstanding shall be entitled to be paid in cash, in the case of the 3.75% Series, the amount hereinbefore specified with respect thereto, and, in the case of Serial Preferred Stock of any other series, the amount for the particular series fixed by the Board of Directors as hereinbefore provided; but no payments on account of such distributive amounts shall be made to the holders of the Serial Preferred Stock of any series unless there shall likewise be paid at the same time to the holders of the Serial Preferred Stock of each other series at the time outstanding like proportionate distributive amounts per share, ratably, in proportion to the full distributive amounts to which they are respectively entitled as herein provided.

Subject to the provisions of paragraph (E) of Article 7 hereof, the holders of the Common Stock shall be entitled, to the exclusion of the holders of the Serial Preferred Stock, to share ratably according to the number of shares held by each in all the assets of the Corporation remaining after such distribution to the holders of the Serial Preferred Stock.

(F) Unless and until dividends payable on the Serial Preferred Stock of any series are in default in an amount equivalent to four full quarter-yearly dividends,

the holders of the Serial Preferred Stock shall not be entitled to elect any of the members of the Board of Directors as at the time constituted and, subject to the provisions of paragraph (F) of Article 7 hereof, the holders of the Common Stock, voting separately as a class, shall be entitled to elect all the directors of the Corporation.

The shares of Common Stock shall entitle each holder to one vote for each share of such Common Stock held by him, except that at all elections of directors by the holders of the Common Stock, each holder of Common Stock shall be entitled to as many votes as shall equal the number of votes which (except for this provision as to cumulative voting) he would be entitled to cast for the election of directors with respect to his shares of Common Stock multiplied by the number of directors to be elected, and he may cast all of such votes for a single director or may distribute them among the number of directors to be voted for, or any two or more of them, as he may see fit.

(G) If and whenever dividends payable on the Serial Preferred Stock of any series are in default in an amount equivalent to four full quarter-yearly dividends, and until such default shall have been remedied as hereinafter provided, the holders of the Serial Preferred Stock, voting separately as a class and without regard to series, shall be entitled to elect the smallest number of directors necessary to constitute a majority of the full Board of Directors and, subject to the provisions of paragraph (F) of Article 7 hereof, the holders of the Common Stock, voting separately as a class, shall be entitled to elect the remaining directors of the Corporation. Upon the accrual of such special right of the Serial Preferred Stock, a meeting of the holders of the Serial Preferred Stock and Common Stock for the election of directors shall be held upon notice promptly given by the President or the Secretary of the Corporation. If within fifteen days after the accrual of such special right of the Serial Preferred Stock, the President and Secretary of the Corporation shall fail to call such meeting, then such meeting shall be held upon notice, given by any holder of record of the Serial Preferred Stock then outstanding after filing with the Corporation of notice of his intention to do so. Except for any directors elected by holders of the Preference Stock pursuant to paragraph (F) of Article 7 hereof, the terms of office of all persons who may be directors of the

Corporation at the time shall terminate upon the election of a majority of the Board of Directors by the holders of the Serial Preferred Stock, whether or not the holders of the Common Stock shall at the time of such termination have elected the remaining directors of the Corporation; and thereafter and during the continuance of such special right of the Serial Preferred Stock the directors so elected by the holders of the Serial Preferred Stock shall continue in office until the next annual meeting of stockholders and until their respective successors have been duly elected by the holders of the Serial Preferred Stock, and the directors so elected by the holders of the Common Stock shall continue in office until the next annual meeting of stockholders and until their respective successors have been duly elected by the holders of the Common Stock.

However, if and when all dividends then in default on all the Serial Preferred Stock shall thereafter be paid, or set aside in trust for payment (and such dividends shall be declared and paid out-of-surplus legally available therefor as soon as reasonably practicable), the Serial Preferred Stock shall thereupon be divested of such special right herein provided for to elect a majority of the Board of Directors, but subject always to the same provisions for the vesting of such special right in the Serial Preferred Stock in the case of any similar future default or defaults. Subject to the provisions of paragraph (F) of Article 7 hereof, whenever the Serial Preferred Stock shall be so divested of such special right, the right of the holders of the Common Stock to elect all the directors shall be restored, and the terms of office of all persons who may have been elected directors of the Corporation by vote of the holders of the shares of the Serial Preferred Stock, as a class, pursuant to such special right, shall forthwith terminate, and the resulting vacancies shall be filled by the vote of a majority of the remaining directors, or at the next succeeding annual meeting, or a special meeting, of the holders of the Common Stock.

Notice of any meeting of stockholders of the Corporation, or of any class or series of stock, required or authorized by the provisions of this paragraph (G) or paragraph (I), setting forth the purpose or purposes of such meeting, shall be mailed, not less than ten (10) nor more than fifty (50) days prior to such meeting to all stockholders (at their respective addresses appearing on the books of the

Corporation) entitled to vote thereat, of record as of a date fixed by the Board of Directors of the Corporation, not exceeding fifty (50) days in advance of such meeting, for the purpose of determining the stockholders entitled to notice of and to vote at such meeting, unless and except to the extent that such notice shall have been waived in writing, either before or after the holding of such meeting, by stockholders entitled to notice thereof and to vote thereat. Except where some mandatory provision of law shall be controlling, no other, longer or additional notice need be given of any such meeting and all holders of shares of stock of the Corporation consent to the holding of any such meeting upon notice given as hereinbefore provided and waive, to the full extent permitted by law, any right to require the giving of or to receive any such other, longer or additional notice.

Whenever the holders of Serial Preferred Stock shall be entitled, as a class, to vote, consent or otherwise act, they shall be entitled to cast one-quarter of one vote for each share of Serial Preferred Stock (\$25 Par Value) with a par value of Twenty-Five Dollars (\$25) per share, and one vote for each share of Serial Preferred Stock with a par value of One Hundred Dollars (\$100) per share, held by them respectively.

(H) At any meeting for the election of directors by the Common stockholders, the presence in person or by proxy of the holders of record of a majority of the outstanding shares of Common Stock shall be necessary to constitute a quorum for the election of such directors.

At any meeting for the election of directors after any accrual and during the continuance of the special right of the holders of the Serial Preferred Stock to elect a majority of the Board of Directors, as provided in paragraph (G), the presence in person or by proxy of the holders of record of shares representing a majority of the votes entitled to be cast by the holders of the outstanding shares of Serial Preferred Stock, without regard to series, shall be necessary to constitute a quorum for the election of the directors which the holders of the Serial Preferred Stock shall be entitled to elect, and the presence in person or by proxy of the holders of record of a majority of the outstanding shares of Common Stock shall be necessary to constitute a quorum for the election of the directors which the

holders of the Common Stock shall be entitled to elect. If, at any such meeting, there shall not be such a quorum of the holders of the Serial Preferred Stock, the holders of a majority of the votes entitled to be cast by the holders of Serial Preferred Stock present in person or by proxy at such meeting may, if they so desire, adjourn from time to time the election of the directors to be elected by the holders of the Serial Preferred Stock, without notice other than announcement at the meeting, until the requisite quorum of Serial Preferred stockholders shall have been obtained; and the absence of a quorum of the Serial Preferred stockholders shall prevent the election of any directors by the Common stockholders, until a quorum of the Serial Preferred stockholders shall be obtained. At any such meeting the absence of a quorum of the Common stockholders shall not prevent or invalidate the election by the Serial Preferred stockholders of the directors which the Serial Preferred stockholders are entitled to elect, if the necessary quorum of Serial Preferred stockholders is present in person or by proxy at any such meeting or any adjournment thereof; but, in the absence of a quorum of the Common stockholders, the holders of a majority of the shares of Common Stock present in person or by proxy at such meeting may, if they so desire, adjourn from time to time the election of directors to be elected by the Common stockholders, without notice other than announcement at the meeting, until the requisite quorum of Common stockholders shall be obtained.

If at any time a vacancy in the office of any director shall occur, during the term of his office, by reason of death, resignation, removal or disability, or for any other cause, such vacancy shall be filled in the manner provided in the by-laws of the Corporation; provided that if such vacancy shall occur after any accrual and during the continuance of the special right of the holders of the Serial Preferred Stock to elect a majority of the Board of Directors, as provided in paragraph (C), the right to fill such vacancy shall be vested in the holders of the class of stock, or in a majority of the remaining directors theretofore elected by the class of stock, which elected the director in whose office the vacancy shall have occurred.

(I) A. So long as any shares of Serial Preferred Stock are outstanding, the Corporation shall not, without the affirmative vote (given at a meeting called for

that purpose in accordance with the provisions of paragraph (G) of this Article 5) or written consent of at least two-thirds of the votes entitled to be cast by the holders of the aggregate number of shares of Serial Preferred Stock then outstanding:

(1) Make any change or alteration in the designations, preferences, privileges or voting powers of the Serial Preferred Stock, or the restrictions or qualifications thereof, including any reduction in the rate of dividend payable on any series thereof; or

(2) Authorize any other class of stock ranking superior to the Serial Preferred Stock; or

(3) Change, or classify or reclassify, wholly or partially, shares of stock of any class ranking junior to the Serial Preferred Stock, or having preferences junior in any respect to the preferences of the Serial Preferred Stock, into shares of stock of a class or classes ranking superior to, or on a parity with, the Serial Preferred Stock; or

(4) Reduce the capital allocable to the outstanding Serial Preferred Stock; or reduce below \$22,000,000 the capital allocable to all stock ranking junior to the Serial Preferred Stock except in a case where a State or Federal regulatory body having jurisdiction in the premises has required or permitted the Corporation to reduce the book value of its assets and in connection therewith the capital allocable to stock of any class ranking junior to the Serial Preferred Stock is to be reduced in an amount equal to or less than such reduction; or

(5) Issue, sell or otherwise dispose of any shares of Serial Preferred Stock if the aggregate par value of shares at any one time outstanding, exceeds \$15,000,000, or any shares of any class of stock ranking superior to, or on a parity with, the Serial Preferred Stock, (A) unless the net earnings of the Corporation (as hereinafter defined) for a period of twelve consecutive calendar months within the fifteen calendar months next preceding the

first day of the calendar month in which such additional shares shall be issued, sold or otherwise disposed of shall have been at least one and one-half times the sum of (a) the interest charges for one year on all indebtedness which shall then be outstanding (including any indebtedness proposed to be created in connection with the issue, sale or other disposition of such shares, but not including any indebtedness proposed to be retired in connection with such issue, sale or other disposition or indebtedness held by or for the account of the Corporation), and (b) an amount equal to the dividend requirements for one year on all outstanding shares of the Serial Preferred Stock and on all outstanding shares of all classes of Stock ranking superior to, or on a parity with, the Serial Preferred Stock (including the shares to be issued, sold or otherwise disposed of, but not including any such shares proposed to be retired in connection with such issue, sale or other disposition), and (B) unless the net earnings of the Corporation (as hereinafter defined) less an amount equal to the interest charges for one year on all indebtedness which shall then be outstanding (including any indebtedness proposed to be created in connection with the issue, sale or other disposition of such shares, but not including any indebtedness proposed to be retired in connection with such issue, sale or other disposition or indebtedness held by or for the account of the Corporation), for a period of twelve consecutive calendar months within the fifteen calendar months next preceding the first day of the calendar month in which such additional shares shall be issued, sold or otherwise disposed of shall have been at least two times the annual dividend requirements on all the shares of the Serial Preferred Stock to be outstanding immediately after the proposed issue, sale or other disposition of such additional shares of Serial Preferred Stock (including the shares to be issued, sold or otherwise disposed of, but not including any shares proposed to be retired in connection with such issue, sale or other disposition).

B. So long as any shares of Serial Preferred Stock are outstanding, the Corporation shall not, without the affirmative vote (given at a meeting called for that purpose in accordance with the provisions of paragraph (G) of this Article 5) or written consent of the holders of at least a majority of the votes entitled to be

cast by the holders of the aggregate number of shares of Serial Preferred Stock then outstanding:

(1) Increase the authorized number of shares of Serial Preferred Stock if the aggregate par value thereof exceeds \$22,500,000; or

(2) Consolidate with or into any other corporation or corporations, or sell all or substantially all its property or assets, unless such consolidation or sale, or the issuance or assumption of all securities to be issued or assumed in connection with such consolidation or sale, shall have been ordered, approved or permitted by the Federal Securities and Exchange Commission under the provisions of the Public Utility Holding Company Act of 1935 or by any successor Commission of the United States of America, having jurisdiction in the premises; provided that the provisions of this clause (2) shall not apply to the purchase or other acquisition by the Corporation of the franchises or assets of another corporation, or otherwise apply to any transaction which does not involve a consolidation or sale under the laws of the State of New York; or

(3) Issue or assume any unsecured notes, debentures or other securities representing unsecured indebtedness, other than for the refunding of outstanding debt securities theretofore issued or assumed by the Corporation or for the redemption or retirement of all the shares of Serial Preferred Stock outstanding, if, immediately after such issue or assumption, the total principal amount of all unsecured notes, debentures or other securities representing unsecured indebtedness then outstanding would exceed 10% of the sum of (a) the total principal amount of all bonds or other securities representing secured indebtedness issued or assumed by the Corporation and then to be outstanding, and (b) the capital and surplus of the Corporation as then stated on its books.

(J) Except as hereinabove provided, the Serial Preferred Stock shall be non-voting and the holders of the Serial Preferred Stock shall not be entitled to vote in any election or proceeding. Without limitation of the generality of the forego-

ing, the holders of the Serial Preferred Stock are hereby specifically excluded (except as hereinabove provided) from all voice and vote in the election of directors, in any proceeding for the issuance of stock to employees pursuant to Section Fourteen, for mortgaging the property and franchises of the Corporation pursuant to Section Sixteen, for conferring on the holder of any debt or obligation the right to convert the principal thereof into stock pursuant to said Section Sixteen, for authorizing any guaranty pursuant to Section Nineteen, for sale of its franchises and property pursuant to Section Twenty, for change of purposes, powers or provisions, number of directors or location of office pursuant to Section Thirty-five, for establishing priorities or creating preferences among its several classes of stock pursuant to Section Thirty-six, or for any other proceeding pursuant to said Section Thirty-six, for consolidation pursuant to Section Eighty-six, or for voluntary dissolution pursuant to Section One Hundred Five, of the Stock Corporation Law, or pursuant to any amendment or amendments to said sections or any of them or to any section or sections substituted therefor or to any other provision of law now or hereafter in force, or for change of name pursuant to the General Corporation Law or any other law, or (except as hereinabove provided) in any other proceeding or upon or in respect of any other matter or question requiring the vote or consent of stockholders, now or hereafter provided by law, the Serial Preferred Stock being specifically excluded (except as hereinabove provided) from the right to vote in any such proceeding or upon or in respect of any such matter or question as fully and with the same force and effect as if such proceeding, matter or question were expressly named herein, all such voice and vote being hereby expressly vested exclusively in, and reserved to and for the holders of, the Common Stock.

(K) A. So long as any shares of Serial Preferred Stock shall remain outstanding, the Corporation will not declare or pay any dividends (other than dividends payable in shares of stock of any class ranking junior to the Serial Preferred Stock), or make any other distribution in cash or property, on shares of stock ranking junior to the Serial Preferred Stock, or purchase or permit any subsidiary to purchase any shares of such stock (except in an amount not in excess of the consideration, if any, received by the Corporation in respect of the issue after December 31, 1946, other than to a subsidiary, of any shares of stock rank-

ing junior to the Serial Preferred Stock, such consideration to be deemed to be the net amount of cash or the net value of property received after deducting therefrom all commissions and expenses paid by the Corporation for any underwriting of, or otherwise in connection with, such issue), other than out of the earned surplus of the Corporation accumulated subsequent to December 31, 1946. For the purposes hereof, the transfer heretofore effected of \$705,544.88 from surplus of the Corporation existing at December 31, 1946 to capital applicable to Common Stock shall not be deemed to be a dividend or distribution on any shares of stock ranking junior to the Serial Preferred Stock. For the purposes of this paragraph (K), in determining at any time or from time to time the amount of earned surplus accumulated subsequent to December 31, 1946, a deduction shall be made of an amount equal to all dividends, if any, paid or accrued subsequent to December 31, 1946, in respect of all classes of capital stock of the Corporation other than stock ranking junior to the Serial Preferred Stock; and no deduction or addition shall be made for any or all of the following direct charges or credits to earned surplus:

(1) surplus adjustments (other than deductions or additions arising in connection with deficient or excessive accruals to income for taxes) applicable to a period or periods prior to January 1, 1947;

(2) surplus adjustments for the write-off of unamortized debt discount and expense applicable to the First Mortgage Bonds, 3 3/4% Series due 1964 and the capital stock expense and premium applicable to the 5.10% Cumulative Preferred Stock of the Corporation, or for any premiums and expense incurred in connection with the redemption of said bonds or stock; and

(3) surplus adjustments covering gain or loss on sale or abandonment of property owned on December 31, 1946 and surplus adjustments for the write-down or write-off of the excess of the book value of properties of the Corporation over such amount as any regulatory body having competent jurisdiction shall, by any rule, regulation or order, require the Corporation to enter on its books with respect to such properties.

B. So long as any shares of the Serial Preferred Stock shall remain outstanding:

(1) if and so long as the Common Stock Equity, as hereinafter defined, at the end of the calendar month immediately preceding the date on which a dividend on Common Stock is proposed to be declared is, or as a result of such dividend would become, less than twenty per centum (20%) of Total Capitalization as hereinafter defined, the Corporation shall not declare dividends on the Common Stock in an amount which, together with all other dividends on Common Stock declared within the year ending with (and including) the date of such dividend declaration, exceeds fifty per centum (50%) of the Net Income of the Corporation Available for Dividends on the Common Stock, as hereinafter defined, for the twelve full calendar months immediately preceding the month in which such dividend is declared; and

(2) if and so long as the Common Stock Equity at the end of the calendar month immediately preceding the date on which a dividend on Common Stock is proposed to be declared is, or as a result of such dividend would become, less than twenty-five per centum (25%) but not less than twenty per centum (20%) of Total Capitalization, the Corporation shall not declare dividends on the Common Stock in an amount which, together with all other dividends on Common Stock declared within the year ending with (and including) the date of such dividend declaration, exceeds seventy-five per centum (75%) of Net Income of the Corporation Available for Dividends on the Common Stock for the twelve full calendar months immediately preceding the month in which such dividend is declared; and

(3) at any time when the Common Stock Equity at the end of the calendar month immediately preceding the date on which a dividend on Common Stock is declared is twenty-five per centum (25%) or more of Total Capitalization, the Corporation shall not declare dividends on the Common Stock in an amount which would reduce the Common Stock Equity below 25% of Total Capitalization unless the dividends so declared shall meet the requirements set forth in paragraphs (1) and (2) above, whichever may be applicable.

For the purpose of this provision,

(a) The words "dividend" and "dividends" when used with reference to the Common Stock shall include dividends or other distributions on or the purchase or other acquisition for value of shares of Common Stock, but shall not include any portion of dividends payable in shares of the Common Stock;

(b) the term "Common Stock Equity" shall mean the sum of the par or stated value of the issued and outstanding shares of Common Stock and the surplus (including capital or paid-in surplus and surplus of any kind however designated) and premium on Common Stock of the Corporation less the amount known, or estimated if not known, to represent the excess, if any, of recorded cost over original cost of used and useful utility plant and other property and less the amount of any items set forth on the asset side of the balance sheet as a result of accounting convention such as unamortized debt discount and expense, capital stock discount and expense, and the excess, if any, of the aggregate amount payable on involuntary dissolution, liquidation or winding-up of the Corporation upon all outstanding shares of the Preferred Stock of all series over the aggregate par or stated value of such shares; provided, however, that in the determination of the Common Stock Equity no deduction shall be required to be made for any such amounts being amortized or depreciated, or which are provided for, or are being provided for, by reserves;

(c) the term "Total Capitalization" shall mean the aggregate of the par value or stated value of the issued and outstanding shares of stock of all classes of the Corporation and the surplus (including capital or paid-in surplus and surplus of any kind however designated) and premium on capital stock of the Corporation, plus the principal amount of all outstanding debt maturing more than twelve months from the date of the determination of Total Capitalization;

(d) the term "Net Income of the Corporation Available for Dividends on the Common Stock" shall mean for any twelve months' period an amount equal to the sum of the operating revenues and income from investments and other miscellaneous income for such period, less all deductions (including accruals) for operating expenses for such period, including maintenance and provision for reserves for retirements, renewals, replacements, and for any depreciation (which, with reference to any period of time shall mean an amount equal to the provisions for depreciation as recorded on the books of the Corporation, but not less than an amount equal to (i) fifteen per centum (15%) of the gross operating revenues of the Corporation during such period after deducting from such revenues an amount equal to the aggregate cost of electric energy and manufactured or natural gas or steam purchased during such period for the purpose of resale in connection with the operation of the Corporation's property, less (ii) an amount equal to the aggregate of the charges to operating expense during such period for current repairs and maintenance of the property of the Corporation) and depletion, income and excess profits and other taxes, interest charges, other amortization charges and other income deductions, all as shall be determined in accordance with sound accounting practice, and less also current and accrued dividends on all outstanding shares of stock of the Corporation ranking prior to the Common Stock as to dividends or assets;

(e) If, at the time when any calculation of Common Stock Equity, Total Capitalization or Net Income of the Corporation Available for Dividends on the Common Stock is required to be made, the Corporation shall have one or more subsidiaries whose accounts may, in accordance with sound accounting practice, properly be consolidated with the accounts of the Corporation, such calculation shall, in accordance with sound accounting practice, be made for the Corporation with such subsidiaries on a consolidated basis.

(L) The "net earnings" of the Corporation shall be determined from the books of the Corporation as follows: from the total revenues of the Corporation (not including interest on any indebtedness or dividends on any stock of the Corporation held by or for the account of the Corporation) there shall be deducted all operating and non-operating expenses (including therein expenditures and accruals for maintenance and repairs, any provision out of revenues for the period in question for reserves for retirements, renewals, replacements, and for any depreciation and depletion, and provision for estimated income, profits, and all other taxes, but not including therein any interest charges of the Corporation or provision for amortization of debt discount and expense or amortization, if any, of any property of the Corporation), and the balance shall constitute the net earnings of the Corporation.

For the purpose of the paragraph immediately preceding "reserves for retirements, renewals, replacements, and for any depreciation and depletion" shall be at least an amount equal to (a) fifteen per centum (15%) of the total revenues of the Corporation (not including interest on any indebtedness or dividends on any stock of the Corporation held by or for the account of the Corporation) after deducting from such revenues an amount equal to the aggregate cost of electric energy and manufactured or natural gas or steam purchased for the purpose of resale, less (b) an amount equal to the aggregate of the charges to operating expense for current repairs and maintenance.

In all computations of "net earnings", proper allowances and/or deductions shall be made, in accordance with recognized accounting methods employed to ascertain the net income of a corporation, so as to eliminate (1) profits realized or losses sustained from the sale or other disposition of capital assets and (2) profits or losses, as the case may be, derived or resulting from the appreciation or depreciation in value of capital assets and increases or decreases in book value resulting from reappraisal at higher or lower figures.

In case the Corporation shall have acquired any property within or after the period of computation, the Corporation in computing its net earnings shall include, to the extent that the same may not have been otherwise included, the net earn-

ings or net losses of such property arising during said period of computation. The net earnings of any such property for the period preceding acquisition shall be ascertained and computed, as if such property had been owned by the Corporation during such period.

(M) The holders of the Serial Preferred Stock shall not, as such, be entitled to any preferential or other right of subscription to any shares of stock of the Corporation of any class issued or to be issued or sold, now or hereafter authorized, or to any obligations convertible into stock of the Corporation of any class, other than such rights, if any, as the Board of Directors in its discretion, from time to time, may determine. No holder of any share of stock of the Corporation of any class shall, as such, be entitled to any preferential or other right of subscription to any share of Serial Preferred Stock or to any obligations convertible into shares of Serial Preferred Stock. No holder of the Common Stock of the Corporation shall have any preemptive right to purchase or subscribe for any part of the unissued stock of the Corporation or of any stock of the Corporation to be issued by reason of any increase of the authorized capital stock of the Corporation, or any bonds, certificates of indebtedness, debentures or other securities convertible into or carrying options or warrants to purchase stock or other securities of the Corporation, or any stock of the Corporation purchased by the Corporation or by its nominee or nominees, nor shall any holder of the Common Stock have any other preemptive rights as now or hereafter defined by the laws of the State of New York.

6. Pursuant to the provisions of Paragraph (A)(2) of Article 5 hereof:

(A) The Board of Directors of the Corporation has designated thirty-five thousand (35,000) shares of Serial Preferred Stock as "4.50% Cumulative Preferred Stock" (hereinafter referred to as the "4.50% Series"), with a Par Value of \$100 Per Share and in its resolutions providing for the issue of such shares provided:

(1) The annual dividend rate for the shares of the 4.50% Series shall be 4.50% of the par value thereof per annum and the date from which dividends thereon shall be cumulative shall be April 1, 1948.

(2) The redemption price for the shares of the 4.50% Series shall be 106.25% of the par value thereof if redeemed prior to April 1, 1951, and 105.25% of the par value thereof if redeemed on or after April 1, 1951, provided, however, that the redemption price for the shares redeemed through the sinking fund herein provided for such Series shall be 103.25% of the par value thereof (hereinafter referred to as the "sinking fund redemption price"), together in each case with all dividends accrued and in arrears thereon to the date fixed for such redemption.

(3) The amount per share payable to the holders of the shares of the 4.50% Series in the event of any voluntary liquidation, dissolution or winding-up of the Corporation shall be 106.25% of the par value thereof if the date of liquidation, dissolution or winding-up shall be prior to April 1, 1951, and 105.25% of the par value thereof if such date shall be April 1, 1951, or thereafter, and the amount per share payable to the holders thereof in the event of any involuntary liquidation, dissolution or winding-up of the Corporation shall be the par value thereof, together in each case with all dividends accrued and in arrears thereon to the date of such liquidation, dissolution or winding-up.

(4) A sinking fund shall be established for the benefit of the shares of the 4.50% Series. So long as there shall remain outstanding any shares of such Series, the Corporation, after full cumulative dividends upon the outstanding Serial Preferred Stock of all Series shall have been paid, or deemed paid as heretofore provided, for all past quarter-yearly dividend periods, and after making payment of or provision for payment of full dividends on the outstanding Serial Preferred Stock of all Series for the current quarter-yearly dividend period, shall, on or before March 31, in each year commencing with the year 1949, set aside out of funds legally available therefor as the sinking fund requirement for such year an amount in cash equal to the sum of (a) the amount required to redeem, at the sinking fund redemption price provided in (2) above, two and one-half percent (2 1/2%) of the maximum number of shares of the 4.50% Series which shall theretofore have been issued and outstanding at any one time, plus (b) the amount of all sinking

fund arrearages, if any, with respect to such Series; provided, however, that against the amount so required to be set aside in any year the Corporation may credit an amount equal to the sinking fund redemption price in respect of any shares of such Series which it may have purchased or redeemed otherwise than through the sinking fund and not theretofore credited against any sinking fund requirement. Unless the sinking fund requirement for such Series for all past sinking fund periods shall have been set aside, no dividends shall be paid or declared and no other distribution shall be made on the common stock, and no common stock shall be purchased or otherwise acquired for value by the Corporation. The Corporation may apply any cash set aside for sinking fund purposes to the purchase at not in excess of the sinking fund redemption price, or to the redemption, of shares of such Series, any accrued dividends payable with respect to any shares so redeemed to be paid out of other funds of the Corporation. Any balance of cash so set aside remaining after ninety days from March 31 of each year shall be applied promptly to the redemption of shares of such Series. All shares of such Series purchased or redeemed through operation of the sinking fund, or for which credit is taken against the sinking fund requirement, shall be cancelled and retired and shall not be reissued.

(B) The Board of Directors of the Corporation has designated forty thousand (40,000) shares of Serial Preferred Stock as "4 1/2% Cumulative Preferred Stock (Series 1949)" (hereinafter referred to as the "4 1/2% Series 1949"), with a Par Value of \$100 Per Share and in its resolutions providing for the issue of such shares provided:

(1) The annual dividend rate for the shares of the 4 1/2% Series 1949 shall be 4 1/2% of the par value thereof per annum and the date from which dividends thereon shall be cumulative shall be April 1, 1949.

(2) The redemption price for the shares of the 4 1/2% Series 1949 shall be 104.75% of the par value thereof if redeemed prior to April 1, 1952, and 103.75% of the par value thereof if redeemed on or after April 1, 1952, together in each case with all dividends accrued and in arrears thereon to the date fixed for such redemption.

(3) The amount per share payable to the holders of the shares of the 4 1/2% Series 1949 in the event of any voluntary liquidation, dissolution or winding-up of the Corporation shall be 104.75% of the par value thereof if the date of liquidation, dissolution or winding-up shall be prior to April 1, 1952, and 103.75% of the par value thereof if such date shall be April 1, 1952, or thereafter, and the amount per share payable to the holders thereof in the event of any involuntary liquidation, dissolution or winding-up of the Corporation shall be the par value thereof together in each case with all dividends accrued and in arrears thereon to the date of such liquidation, dissolution or winding-up.

(C) The Board of Directors has designated forty thousand (40,000) shares of Serial Preferred Stock as "4.15% Cumulative Preferred Stock" (hereinafter referred to as the "4.15% Series"), with a Par Value of \$100 Per Share and has fixed:

(1) The annual dividend rate for the shares of the 4.15% Series at 4.15% of the par value thereof per annum and the date from which dividends thereon shall be cumulative as October 1, 1950.

(2) The redemption price for the shares of the 4.15% Series at 103% of the par value thereof if redeemed prior to October 1, 1955, at 102% of the par value thereof if redeemed on or after October 1, 1955 and prior to October 1, 1960, and at 101% of the par value thereof if redeemed on or after October 1, 1960, together in each case with all dividends accrued and in arrears thereon to the date fixed for such redemption.

(3) The amount per share payable to the holders of the shares of the 4.15% Series in the event of any voluntary liquidation, dissolution or winding-up of the Corporation at 103% of the par value thereof if the date of liquidation, dissolution or winding-up shall be prior to October 1, 1955, at 102% of the par value thereof if such date shall be on or after October 1, 1955 and prior to October 1, 1960, and at 101% of the par value thereof if such date shall be October 1, 1960, or thereafter, and the amount per share

payable to the holders thereof in the event of any involuntary liquidation, dissolution or winding-up of the Corporation at the par value thereof, together in each case with all dividends accrued and in arrears thereon to the date of such liquidation, dissolution or winding-up.

(D) The Board of Directors has designated seventy-five thousand (75,000) shares of Serial Preferred Stock as "4.40% Cumulative Preferred Stock" (hereinafter referred to as the "4.40% Series"), with a Par Value of \$100 Per Share and has fixed:

(1) The annual dividend rate for the shares of the 4.40% Series at 4.40% of the par value thereof per annum and the date from which dividends thereon shall be cumulative as January 1, 1953.

(2) The redemption price for the shares of the 4.40% Series at 103% of the par value thereof if redeemed prior to January 1, 1963, and at 102% of the par value thereof if redeemed on or after January 1, 1963, together in each case with all dividends accrued and in arrears thereon to the date fixed for such redemption.

(3) The amount per share payable to the holders of the shares of the 4.40% Series in the event of any voluntary liquidation, dissolution or winding-up of the Corporation at 103% of the par value thereof if the date of liquidation, dissolution or winding-up shall be prior to January 1, 1963, and at 102% of the par value thereof if such date shall be January 1, 1963, or thereafter, and the amount per share payable to the holders thereof in the event of any involuntary liquidation, dissolution or winding-up of the Corporation at the par value thereof, together in each case with all dividends accrued and in arrears thereon to the date of such liquidation, dissolution or winding-up.

(E) The Board of Directors has designated fifty thousand (50,000) shares of Serial Preferred Stock as "4.15% Cumulative Preferred Stock (Series 1954)", hereinafter referred to as the "4.15% Series 1954", with a Par Value of \$100 Per Share and has fixed:

(1) The annual dividend rate for the shares of the 4.15% Series 1954 at 4.15% of the par value thereof per annum and the date from which dividends thereon shall be cumulative as April 1, 1954.

(2) The redemption price for the shares of the 4.15% Series 1954 at 104.15% of the par value thereof if redeemed prior to April 1, 1959; at 103.15% of the par value thereof if redeemed on or after April 1, 1959 and prior to April 1, 1964; and at 102% of the par value thereof if redeemed on or after April 1, 1964, together in each case with all dividends accrued and in arrears thereon to the date fixed for such redemption.

(3) The amount per share payable to the holders of the shares of the 4.15% Series 1954 in the event of any voluntary liquidation, dissolution or winding-up of the Corporation at 104.15% of the par value thereof if the date of liquidation, dissolution or winding-up shall be prior to April 1, 1959; at 103.15% of the par value thereof if such date shall be on or after April 1, 1959 and prior to April 1, 1964; and at 102% of the par value thereof if such date shall be April 1, 1964, or thereafter, and the amount per share payable to the holders thereof in the event of any involuntary liquidation, dissolution or winding-up of the Corporation at the par value thereof, together in each case with all dividends accrued and in arrears thereon to the date of such liquidation, dissolution or winding-up.

(F) The Board of Directors has designated Three Hundred Thousand (300,000) shares of Serial Preferred Stock as 6.48% Serial Preferred Stock (Cumulative, \$100 Par Value) (hereinafter referred to as the 6.48% Series), and has fixed:

(1) The annual dividend rate for the shares of the 6.48% Series at 6.48% of the par value thereof per annum and dividends thereon shall be cumulative from the date of original issue.

(2) The redemption price for the shares of the 6.48% Series at 106.50% of the par value thereof if redeemed prior to February 1, 1975; at 104.50% of the par value thereof if redeemed on or after February 1, 1975 and prior

to February 1, 1978; at 103% of the par value thereof if redeemed on or after February 1, 1978 and prior to February 1, 1983; and at 102% of the par value thereof if redeemed on or after February 1, 1983 together in each case with all dividends accrued and in arrears thereon to the date fixed for such redemption. Provided, however, that the Company will not, prior to February 1, 1975, redeem any shares of the 6.48% Series if such redemption is a part, or in anticipation, of any refunding operation involving the application, directly or indirectly, of borrowed funds or the proceeds of an issue of any stock ranking prior to or on a parity with the 6.48% Series if such borrowed funds have an interest rate or cost to the Company, or such stock has a dividend rate or cost to the Company (calculated in each case in accordance with generally accepted financial practice), less than the dividend rate per annum of the 6.48% Series.

(3) The amount per share payable to the holders of the shares of the 6.48% Series in the event of any voluntary liquidation, dissolution or winding-up of the Company at 106.50% of the par value thereof if the date of liquidation, dissolution or winding-up shall be prior to February 1, 1975; at 104.50% of the par value thereof if such date shall be on or after February 1, 1975 and prior to February 1, 1978; at 103% of the par value thereof if such date be on or after February 1, 1978 and prior to February 1, 1983; and at 102% of the par value thereof if such date shall be February 1, 1983, or thereafter, and the amount per share payable to the holders thereof in the event of any involuntary liquidation, dissolution or winding-up of the Company at the par value thereof, together in each case with all dividends accrued and in arrears thereon to the date of such liquidation, dissolution or winding-up.

(G) The Board of Directors has designated Two Hundred Fifty Thousand (250,000) shares of Serial Preferred Stock as 8.80% Serial Preferred Stock (Cumulative, \$100 Par Value) (hereinafter referred to as the 8.80% Series), and has fixed:

(1) The annual dividend rate for the shares of the 8.80% Series at 8.80% of the par value thereof per annum and dividends thereon shall be cumulative from the date of original issue.

(2) The redemption price for the shares of the 8.80% Series at 110.54% of the par value thereof if redeemed prior to March 1, 1976; at 108.34% of the par value thereof if redeemed on or after March 1, 1976 and prior to March 1, 1981; at 106.14% of the par value thereof if redeemed on or after March 1, 1981 and prior to March 1, 1986; at 103.94% of the par value thereof if redeemed on or after March 1, 1986 and prior to March 1, 1991; and at 102% of the par value thereof if redeemed on or after March 1, 1991, together in each case with all dividends accrued and in arrears thereon to the date fixed for such redemption. Provided, however, that the Company will not, prior to March 1, 1976 redeem any shares of the 8.80% Series if such redemption is a part, or in anticipation, of any refunding operation involving the application, directly or indirectly, of borrowed funds or the proceeds of an issue of any stock ranking prior to or on a parity with the 8.80% Series if such borrowed funds have an interest rate or cost to the Company, or such stock has a dividend rate or cost to the Company (calculated in each case in accordance with generally accepted financial practice), less than the dividend rate per annum of the 8.80% Series.

(3) The amount per share payable to the holders of the shares of the 8.80% Series in the event of any voluntary liquidation, dissolution or winding-up of the Company at 110.54% of the par value thereof if the date of liquidation, dissolution or winding-up shall be prior to March 1, 1976; at 108.34% of the par value thereof if such date shall be on or after March 1, 1976 and prior to March 1, 1981; at 106.14% of the par value thereof if such date shall be on or after March 1, 1981 and prior to March 1, 1986; at 103.94% of the par value thereof if such date shall be on or after March 1, 1986 and prior to March 1, 1991; and at 102% of the par value thereof if such date shall be March 1, 1991, or thereafter, and the amount per share payable to the holders thereof in the event of any involuntary liquidation, dissolution or winding-up of the Company at the par value thereof, together

in each case with all dividends accrued and in arrears thereon to the date of such liquidation, dissolution or winding-up.

(H) The Board of Directors has designated One Million (1,000,000) shares of Serial Preferred Stock as 8.48% Serial Preferred Stock (Cumulative, \$25 Par Value) (hereinafter referred to as the 8.48% Series), and has fixed:

(1) The annual dividend rate for the shares of the 8.48% Series at 8.48% of the par value thereof per annum and dividends thereon shall be cumulative from the date of original issue.

(2) The redemption price for the shares of the 8.48% Series at \$27.82 per share if redeemed prior to February 1, 1979; at \$27.29 per share if redeemed on or after February 1, 1979 and prior to February 1, 1984; at \$26.76 per share if redeemed on or after February 1, 1984 and prior to February 1, 1989; at \$26.23 per share if redeemed on or after February 1, 1989 and prior to February 1, 1994; and at \$25.70 per share if redeemed on or after February 1, 1994 together in each case with all dividends accrued and in arrears thereon to the date fixed for such redemption. Provided, however, that the Company will not, prior to February 1, 1979, redeem any shares of the 8.48% Series if such redemption is a part, or in anticipation, of any refunding operation involving the application, directly or indirectly, of borrowed funds or the proceeds of an issue of any stock ranking prior to or on a parity with the 8.48% Series if such borrowed funds have an interest rate or cost to the Company, or such stock has a dividend rate or cost to the Company (calculated in each case in accordance with generally accepted financial practice), less than the dividend rate per annum of the 8.48% Series.

(3) The amount payable to the holders of the shares of the 8.48% Series in the event of any voluntary liquidation, dissolution or winding-up of the Company at \$27.82 per share if the date of liquidation, dissolution or winding-up shall be prior to February 1, 1979; at \$27.29 per share if such date shall be on or after February 1, 1979 and prior to February 1, 1984; at

\$26.76 per share if such date shall be on or after February 1, 1984 and prior to February 1, 1989; at \$26.23 per share if such date shall be on or after February 1, 1989 and prior to February 1, 1994; and at \$25.70 per share if such date shall be February 1, 1994, or thereafter, and the amount per share payable to the holders thereof in the event of any involuntary liquidation, dissolution or winding-up of the Company at the par value thereof, together in each case with all dividends accrued and in arrears thereon to the date of such liquidation, dissolution or winding-up.

(I) The Board of Directors has designated Six Hundred Thousand (600,000) shares of the Serial Preferred Stock as 8.50% Serial Preferred Stock (Cumulative, \$25 Par Value) (hereinafter referred to as the 8.50% Series), and has fixed:

(1) The annual dividend rate for the shares of the 8.50% Series at 8.50% of the par value thereof per annum (computed on the basis of a 360-day year of twelve 30-day months) and dividends thereon shall be cumulative from the date of original issue.

(2) The redemption price for the shares of the 8.50% Series at \$27.13 per share if redeemed prior to July 1, 1977 and at the following prices per share, applicable to the redemption periods during which such redemptions occur, if redeemed thereafter:

<u>12-Month Period</u> <u>Ended June 30</u>	<u>Redemption Price</u> <u>Per Share</u>
1978	\$26.21
1979	25.91
1980	25.60
1981	25.31

and at \$25.00 per share if redeemed thereafter, *provided*, however, that the redemption price for the shares redeemed through the sinking fund herein provided for such Series shall be \$25 per share (hereinafter referred to as

the "Sinking Fund Redemption Price"), together in each case with all dividends accrued and in arrears thereon to the date fixed for such redemption; *provided further*, however, that the Corporation will not, prior to July 1, 1977, redeem any shares of the 8.50% Series if such redemption is a part, or in anticipation, of any refunding operation involving the application, directly or indirectly, of the proceeds of an issue of any shares of capital stock ranking junior to the 8.50% Series or of borrowed funds or the proceeds of an issue of any stock ranking superior to or on a parity with the 8.50% Series if such borrowed funds have an interest rate or cost to the Corporation, or such stock ranking superior to or on a parity with the 8.50% Series, has a dividend rate or cost to the Corporation (calculated in each case in accordance with generally accepted financial practice), more than 8.50% per annum.

(3) The manner of redemption. In every case of redemption of less than all of the outstanding shares of the 8.50% Series, including, without limitation, redemption of such shares for the sinking fund pursuant to subparagraph (5), the shares to be redeemed shall be selected by lot in the following manner:

(a) the Corporation shall first divide the holders of record of shares of the 8.50% Series into seven separate groups as follows: (i) holders of record of 50% or more of shares of the 8.50% Series then outstanding; (ii) holders of record of 40% or more, but less than 50%, of shares of the 8.50% Series then outstanding; (iii) holders of record of 30% or more, but less than 40%, of shares of the 8.50% Series then outstanding; (iv) holders of record of 20% or more, but less than 30%, of shares of the 8.50% Series then outstanding; (v) holders of record of 10% or more, but less than 20%, of shares of the 8.50% Series then outstanding; (vi) holders of record of 5% or more, but less than 10%, of shares of the 8.50% Series then outstanding; and (vii) holders of record of less than 5% of shares of the 8.50% Series then outstanding;

(b) the Corporation shall then determine the proportion which the outstanding shares of the 8.50% Series held by all of the holders within each such group bears to all of the shares of the 8.50% Series then outstanding (with respect to any such group, the "group's proportion");

(c) the Corporation shall then redeem from the holders of each such group, by lot, an aggregate number of the shares to be redeemed equal, as nearly as possible, to the product of the total number of shares to be redeemed multiplied by such group's proportion.

(4) The amount payable to the holders of the shares of the 8.50% Series in the event of any voluntary liquidation, dissolution or winding-up of the Corporation at amounts equal to the respective redemption prices per share specified in subparagraph (2) above, and the amount per share payable to the holders thereof in the event of any involuntary liquidation, dissolution or winding-up of the Corporation at \$25, together in each case with all dividends accrued and in arrears thereon to the date of such liquidation, dissolution or winding-up.

(5) A sinking fund for the benefit of the shares of the 8.50% Series. So long as there shall remain outstanding any shares of such Series, the Corporation, after full cumulative dividends upon the outstanding Serial Preferred Stock of all series shall have been paid, or deemed paid as heretofore provided, for all past quarter-yearly dividend periods, and after making payment of or provision for payment of full dividends on the outstanding Serial Preferred Stock of all series for the current quarter-yearly dividend period, shall, on or before July 1, in each of the years 1980 and 1981, set aside out of funds legally available therefor as the sinking fund requirement for each such year an amount in cash equal to the amount required to redeem, at the Sinking Fund Redemption Price, 120,000 shares of the 8.50% Series, and on or before July 1, 1982, set aside out of funds legally available therefor as the sinking fund requirement for such year an amount in cash equal to the amount required to redeem, at the Sinking Fund Redemption Price, the balance of the shares of the 8.50% Series outstanding, plus

in each of the years 1981 and 1982 the amount of all sinking fund arrearages, if any, with respect to such Series. The Corporation may not credit against the amount so required to be set aside as aforesaid any amounts in respect of any shares of such Series which it may have purchased or redeemed otherwise than through the sinking fund. Unless the sinking fund requirement for such Series for all past sinking fund periods shall have been set aside and are available for application in accordance with this subparagraph, no dividends shall be paid or declared and no other distribution shall be made on the stock ranking junior to the Serial Preferred Stock and no stock ranking junior to the Serial Preferred Stock shall be purchased or otherwise acquired for value by the Corporation. The Corporation will apply any cash set aside for sinking fund purposes only to the redemption, at the Sinking Fund Redemption Price, of shares of such Series within ninety days from July 1 of the aforementioned years. Any accrued dividends payable with respect to any shares so redeemed will be paid out of other funds of the Corporation. All amounts set aside for such sinking fund shall be credited first against the sinking fund arrearages, if any, with respect to such Series. If, at any time when there shall exist sinking fund arrearages with respect to more than one series of the Serial Preferred Stock, the Corporation shall set aside any funds (or apply any funds to redemption) to satisfy in whole or in part any such arrearage, all amounts so set aside or applied shall be applied *pro rata* as between such series having sinking fund arrearages in proportion to the amounts of such respective arrearages.

(6) All shares of such Series redeemed through operation of the sinking fund, or otherwise, shall be cancelled and retired and shall not be reissued.

(J) The Board of Directors has designated Six Hundred Thousand (600,000) shares of Serial Preferred Stock as 9.10% Serial Preferred Stock (Cumulative, \$25 Par Value) (hereinafter referred to as the 9.10% Series), and has fixed:

(1) The annual dividend rate for the shares of the 9.10% Series at 9.10% of the par value thereof per annum (computed on the basis of a 360-day year of twelve 30-day months) and dividends thereon shall be cumulative from the date of original issue.

(2) The redemption price for the shares of the 9.10% Series at \$28.75 per share if redeemed prior to July 1, 1984 and at the following prices per share, applicable to the redemption periods during which such redemptions occur, if redeemed thereafter:

<u>12-Month Period</u> <u>Ended June 30</u>	<u>Redemption Price</u> <u>Per Share</u>
1985	\$25.65
1986	25.49
1987	25.33
1988	25.17

and at \$25.00 per share if redeemed thereafter; *provided*, however, that the redemption price for the shares redeemed through the sinking fund herein provided for such Series shall be \$25 per share (hereinafter referred to as the "Sinking Fund Redemption Price"), together in each case with all dividends accrued and in arrears thereon to the date fixed for such redemption; *provided further*, however, that the Corporation will not, prior to July 1, 1984, redeem any shares of the 9.10% Series if such redemption is a part, or in anticipation, of any refunding operation involving the application, directly or indirectly, of the proceeds of an issue of any shares of capital stock ranking junior to the 9.10% Series or of borrowed funds or the proceeds of an issue of any stock ranking superior to or on a parity with the 9.10% Series if such borrowed funds have an interest rate or cost to the Corporation, or such stock ranking superior to or on a parity with the 9.10% Series, has a dividend rate or cost to the Corporation (calculated in each case in accordance with generally accepted financial practice), less than 9.10% per annum.

(3) The manner of redemption. In every case of redemption of less than all of the outstanding shares of the 9.10% Series, including, without limitation, redemption of such shares for the sinking fund pursuant to subparagraph (5), the shares to be redeemed shall be selected by lot in the following manner:

(a) the Corporation shall first divide the holders of record of shares of the 9.10% Series into seven separate groups as follows: (i) holders of record of 50% or more of shares of the 9.10% Series then outstanding; (ii) holders of record of 40% or more, but less than 50%, of shares of the 9.10% Series then outstanding; (iii) holders of record of 30% or more, but less than 40%, of shares of the 9.10% Series then outstanding; (iv) holders of record of 20% or more, but less than 30%, of shares of the 9.10% Series then outstanding; (v) holders of record of 10% or more, but less than 20%, of shares of the 9.10% Series then outstanding; (vi) holders of record of 5% or more, but less than 10%, of shares of the 9.10% Series then outstanding; and (vii) holders of record of less than 5% of shares of the 9.10% Series then outstanding;

(b) the Corporation shall then determine the proportion which the outstanding shares of the 9.10% Series held by all of the holders within each such group bears to all of the shares of the 9.10% Series then outstanding (with respect to any such group, the "group's proportion");

(c) the Corporation shall then redeem from the holders of each such group, by lot, an aggregate number of the shares to be redeemed equal, as nearly as possible, to the product of the total number of shares to be redeemed multiplied by such group's proportion.

(4) The amount payable to the holders of the shares of the 9.10% Series in the event of any voluntary liquidation, dissolution or winding-up of the Corporation at amounts equal to the respective redemption prices per share specified in subparagraph (2) above, and the amount per share pay-

able to the holders thereof in the event of any involuntary liquidation, dissolution or winding-up of the Corporation at \$25, together in each case with all dividends accrued and in arrears thereon to the date of such liquidation, dissolution or winding-up.

(5) A sinking fund for the benefit of the shares of the 9.10% Series. So long as there shall remain outstanding any shares of such Series, the Corporation, after full cumulative dividends upon the outstanding Serial Preferred Stock of all series shall have been paid, or deemed paid as heretofore provided, for all past quarter-yearly dividend periods, and after making payment of or provision for payment of full dividends on the outstanding Serial Preferred Stock of all series for the current quarter-yearly dividend period, shall, on or before July 1, in each of the years 1985, 1986, 1987, 1988 and 1989, set aside out of funds legally available therefor as the sinking fund requirement for each such year an amount in cash equal to the amount required to redeem, at the Sinking Fund Redemption Price, 120,000 shares of the 9.10% Series, plus the amount of all sinking fund arrearages, if any, with respect to such Series. The Corporation may not credit against the amount so required to be set aside as aforesaid any amounts in respect of any shares of such Series which it may have purchased or redeemed otherwise than through the sinking fund. Unless the sinking fund requirement for such Series for all past sinking fund periods shall have been set aside and are available for application in accordance with this subparagraph, no dividends shall be paid or declared and no other distribution shall be made on the stock ranking junior to the Serial Preferred Stock and no stock ranking junior to the Serial Preferred Stock shall be purchased or otherwise acquired for value by the Corporation. The Corporation will apply any cash set aside for sinking fund purposes only to the redemption, at the Sinking Fund Redemption Price, of shares of such Series within ninety days from July 1 of the aforementioned years. Any accrued dividends payable with respect to any shares so redeemed will be paid out of other funds of the Corporation. All amounts set aside for such sinking fund shall be credited first against the sinking fund arrearages, if any, with respect to such Series. If, at any time when there shall exist sinking fund arrearages with respect

to more than one series of the Serial Preferred Stock, the Corporation shall set aside any funds (or apply any funds to redemption) to satisfy in whole or in part any such arrearage, all amounts so set aside or applied shall be applied *pro rata* as between such series having sinking fund arrearages in proportion to the amounts of such respective arrearages.

(6) All shares of such Series redeemed through operation of the sinking fund, or otherwise, shall be cancelled and retired and shall not be reissued.

(K) The Board of Directors has designated Three Hundred Thousand (300,000) shares of Serial Preferred Stock as 9.00% Serial Preferred Stock (Cumulative, \$100 Par Value) (hereinafter referred to as the 9.00% Series), and has fixed:

(1) The annual dividend rate for the shares of the 9.00% Series at 9.00% of the par value thereof per annum (computed on the basis of a 360-day year of twelve 30-day months) and dividends thereon shall be cumulative from the date of original issue.

(2) The redemption price for the shares of the 9.00% Series at the following prices per share, applicable to the redemption periods during which such redemptions occur:

12-Month Period Ended	Redemption Price	12-Month Period Ended	Redemption Price
<u>September 30</u>	<u>Per Share</u>	<u>September 30</u>	<u>Per Share</u>
1977	\$109.00	1986	\$104.50
1978	108.50	1987	104.00
1979	108.00	1988	103.50
1980	107.50	1989	103.00
1981	107.00	1990	102.50
1982	106.50	1991	102.00
1983	106.00	1992	101.50
1984	105.50	1993	101.00
1985	105.00	1994	100.50

and at \$100.00 per share if redeemed thereafter, together in each case with all dividends accrued and in arrears thereon to the date fixed for such redemption; *provided, however*, that the Corporation will not, prior to October 1, 1986, redeem any shares of the 9.00% Series if such redemption is a part, or in anticipation, of any refunding operation involving the application, directly or indirectly, of borrowed funds or the proceeds of an issue of any stock ranking superior to or on a parity with the 9.00% Series if such borrowed funds have an interest rate or cost to the Corporation, or such stock ranking superior to or on a parity with the 9.00% Series, has a dividend rate or cost to the Corporation (calculated in each case in accordance with generally accepted financial practice), less than 9.00% per annum; *provided further, however*, that the Corporation will not redeem any shares of the 9.00% Series as aforesaid, except *pro rata* as among the holders of record of shares of the 9.00% Series, in the same proportions, as nearly as possible, as the total number of shares of the 9.00% Series held by such holders, respectively, bears to all of the shares of the 9.00% Series then outstanding.

(3) The amount payable to the holders of the shares of the 9.00% Series in the event of any voluntary liquidation, dissolution or winding-up of the Corporation at amounts equal to the respective redemption prices per share specified in subparagraph (2) above, and the amount per share payable to the holders thereof in the event of any involuntary liquidation, dissolution or winding-up of the Corporation at \$100, together in each case with all dividends accrued and in arrears thereon to the date of such liquidation, dissolution or winding-up.

(4)(a) A sinking fund for the benefit of the shares of the 9.00% Series. So long as there shall remain outstanding any shares of the 9.00% Series, the Corporation, after full cumulative dividends upon the outstanding Serial Preferred Stock of all series shall have been paid, or deemed paid as heretofore provided, for all past quarter-yearly dividend periods, and after making payment of or provision for payment of full dividends on the outstanding Serial Preferred Stock of all series for the current quarter-yearly divi-

dend period, shall, on or before September 30 in each year commencing with the year 1980 to and including 1995, set aside out of funds legally available therefor as the sinking fund requirement for each such year an amount in cash equal to the amount required to purchase, at the Sinking Fund Retirement Price provided below, 16,500 shares of the 9.00% Series, and in the year 1996, the balance of the shares of the 9.00% Series outstanding, plus, in each such year, the amount of all sinking fund arrearages, if any, with respect to the 9.00% Series. If the Corporation shall have purchased any shares of the 9.00% Series in a manner other than *pro rata* from each holder of record of shares of the 9.00% Series, the amount required to be set aside as the sinking fund requirement for any year shall be reduced to an amount which would be sufficient to purchase, at such Sinking Fund Retirement Price, *pro rata* from each holder of record of shares of the 9.00% Series, the same number of shares of the 9.00% Series as would have been purchased from each such holder if all such purchased shares had remained outstanding in the hands of the Corporation as a separate holder. Commencing on October 1, 1980, and on each October 1 thereafter, the Corporation shall purchase, at the office or agency of the Corporation in the Borough of Manhattan, the City of New York, at the Sinking Fund Retirement Price of \$100 per share, together with all dividends accrued and in arrears thereon to such date, the number of shares of the 9.00% Series provided under the terms of the sinking fund herein, *pro rata* from each holder of record of shares of the 9.00% Series in the same proportion, as nearly as possible, as the total number of shares of the 9.00% Series held by such holder bears to all of the shares of the 9.00% Series outstanding as of the close of business on the August 15 next preceding such October 1. The Corporation shall give at least 30 days prior written notice to each holder of record of the number of shares to be purchased from such holder for the sinking fund herein and of the said office or agency of the Corporation where shares are to be delivered for purchase by the Corporation. The Corporation may not credit against the amount required to be set aside as aforesaid, any amounts in respect of any shares of the 9.00% Series which the Corporation may have redeemed pursuant to subparagraph (2) above or (6) below, or purchased pursuant to subparagraph (5) below, or which the Corporation shall have otherwise purchased *pro rata* from each holder of record of shares of the 9.00% Series.

(b) Any accrued dividends payable with respect to any shares of the 9.00% Series purchased pursuant to the sinking fund provided above will be paid out of other funds of the Corporation. Unless the sinking fund requirement for the 9.00% Series for all past sinking fund periods shall have been set aside and are available for application in accordance with subparagraph (4)(a) above, no dividends shall be paid or declared and no other distribution shall be made on the stock ranking junior to the Serial Preferred Stock and no stock ranking junior to the Serial Preferred Stock shall be redeemed, purchased or otherwise acquired for value by the Corporation. All amounts set aside for the sinking fund for the 9.00% Series shall be credited first against the sinking fund arrearages, if any, with respect to the 9.00% Series. If, at any time when there shall exist sinking fund arrearages with respect to more than one series of the Serial Preferred Stock, the Corporation shall set aside any funds (or apply any funds to purchase or redemption) to satisfy in whole or in part any such arrearage, all amounts so set aside or applied shall be applied *pro rata* as between such series having sinking fund arrearages in proportion to the amounts of such respective arrearages.

(5) An optional purchase without premium. The Corporation shall have the non-cumulative option, on any required October 1 sinking fund purchase date as provided in subparagraph (4)(a) above, to purchase, at the Sinking Fund Retirement Price provided in subparagraph (4)(a) above, in the manner and upon the notice provided in subparagraph (4)(a) above, an additional 16,500 shares of the 9.00% Series, or if a number of shares of the 9.00% Series less than 16,500 is required to be purchased pursuant to subparagraph (4)(a) above, then such lesser number of shares of the 9.00% Series.

(6) A redemption remedy under certain circumstances. Subject to the provisions of paragraph (D) of Article 5 hereof, the Corporation shall have the option, in the event that any holder of record of shares of the 9.00% Series shall have failed to deliver any shares of the 9.00% Series required to be delivered for purchase by the Corporation for the sinking fund as provided in subparagraph (4)(a) above, or pursuant to the optional purchase option provided in subparagraph (5) above, to redeem, at a redemption price of \$100 per share, together with all dividends accrued and in arrears thereon

to the date fixed for such redemption, a number of shares of the 9.00% Series held by such holder equal to the number of shares of the 9.00% Series which shall not have been so delivered. Such option shall be in addition to any other legal rights to which the Corporation may be entitled.

(7) All shares of the 9.00% Series purchased through operation of the sinking fund, or otherwise purchased or redeemed by the Corporation, shall be cancelled and retired and shall not be reissued. Any shares of the 9.00% Series required to be delivered for purchase by the Corporation as aforesaid and not so delivered, shall be excluded from any determination made hereunder of the number of shares of the 9.00% Series outstanding for the purpose of any *pro rata* purchase or redemption of shares of the 9.00% Series.

(L) The Board of Directors has designated Two Hundred Thousand (200,000) shares of Serial Preferred Stock as 8.25% Serial Preferred Stock (Cumulative, \$100 Par Value) (hereinafter referred to as the 8.25% Series), and has fixed:

(1) The annual dividend rate for the shares of the 8.25% Series at 8.25% of the par value thereof per annum (computed on the basis of a 360-day year of twelve 30-day months) and dividends thereon shall be cumulative from the date of original issue.

(2) The redemption price for the shares of the 8.25% Series at the following prices per share, applicable to the redemption periods during which such redemptions occur:

<u>12-Month Period</u> <u>Ended December 31</u>	<u>Redemption Price</u> <u>Per Share</u>
1979	\$112.00
1980	111.00
1981	110.00
1982	109.00
1983	108.00
1984	107.00

and at \$100.00 per share if redeemed thereafter, together in each case with all dividends accrued and in arrears thereon to the date fixed for such redemption; *provided, however*, that the Corporation will not, prior to January 1, 1985, redeem any shares of the 8.25% Series if such redemption is a part, or in anticipation, of any refunding operation involving the application, directly or indirectly, of borrowed funds or the proceeds of an issue of any stock ranking superior to or on a parity with the 8.25% Series if such borrowed funds have an interest rate or cost to the Corporation, or such stock ranking superior to or on a parity with the 8.25% Series, has a dividend rate or cost to the Corporation (calculated in each case in accordance with generally accepted financial practice), less than 8.25% per annum. In every case of redemption of less than all of the outstanding shares of the 8.25% Series, the shares to be redeemed shall be selected *pro rata* as among the holders of record of shares of the 8.25% Series, in the same proportions, as nearly as possible, as the total number of shares of the 8.25% Series held by such holders, respectively, bears to all of the shares of the 8.25% Series then outstanding.

(3) The amount payable to the holders of the shares of the 8.25% Series in the event of any voluntary liquidation, dissolution or winding-up of the Corporation at amounts equal to the respective redemption prices per share specified in subparagraph (2) above, and the amount per share payable to the holders thereof in the event of any involuntary liquidation, dissolution or winding-up of the Corporation at \$100, together in each case with all dividends accrued and in arrears thereon to the date of such liquidation, dissolution or winding-up.

(4) A sinking fund for the benefit of the shares of the 8.25% Series. So long as there shall remain outstanding any shares of the 8.25% Series, the Corporation, after full cumulative dividends upon the outstanding Serial Preferred Stock of all series shall have been paid, or deemed paid as heretofore provided, for all past quarter-yearly dividend periods, and after making payment of or provision for payment of full dividends on the outstanding Serial Preferred Stock of all series for the current quarter-yearly divi-

dend period, shall, on or before March 28, 1985, set aside out of funds legally available therefor as the sinking fund requirement for the shares of the 8.25% Series an amount in cash equal to the amount required to redeem, at the Sinking Fund Redemption Price provided below, all of the shares of the 8.25% Series outstanding. After March 28, 1985, unless the sinking fund requirement for the shares of the 8.25% Series shall have been set aside and is available for application in accordance with this subparagraph, no dividends shall be paid or declared and no other distribution shall be made on the stock ranking junior to the Serial Preferred Stock and no stock ranking junior to the Serial Preferred Stock shall be redeemed, purchased or otherwise acquired for value by the Corporation. On March 29, 1985, the Corporation will apply the cash set aside as the sinking fund requirement for the shares of the 8.25% Series to the redemption of the shares of the 8.25% Series, at the Sinking Fund Redemption Price of \$100 per share, together with all dividends accrued and in arrears thereon to such date. All amounts set aside for the sinking fund for the 8.25% Series shall be credited first against the sinking fund arrearage, if any, with respect to the 8.25% Series. If, at any time when there shall exist sinking fund arrearages with respect to more than one series of the Serial Preferred Stock, the Corporation shall set aside any funds (or apply any funds to purchase or redemption) to satisfy in whole or in part any such arrearage, all amounts so set aside or applied shall be applied *pro rata* as between such series having sinking fund arrearages in proportion to the amounts of such respective arrearages.

(5) All shares of the 8.25% Series purchased or redeemed by the Corporation, shall be cancelled and retired and shall not be reissued.

(M) The Board of Directors has designated Three Hundred Thousand (300,000) shares of Serial Preferred Stock as 15 3/8% Serial Preferred Stock (Cumulative, \$100 Par Value) (hereinafter referred to as the 15 3/8% Series), and has fixed:

(1) The annual dividend rate for the shares of the 15 3/8% Series at 15 3/8% of the par value thereof per annum and dividends thereon shall be cumulative from the date of original issue.

(2) The redemption price, except as provided in subparagraphs (4) and (5) below, for the shares of the 15 3/8% Series at \$115.375 per share if redeemed prior to April 1, 1986; at \$110.00 per share if redeemed on or after April 1, 1986 and prior to April 1, 1991; at \$105.00 per share if redeemed on or after April 1, 1991 and prior to April 1, 1996; and at \$100.00 per share if redeemed on or after April 1, 1996, together in each case with all dividends accrued and in arrears thereon to the date fixed for such redemption; provided, however, that the Corporation will not, prior to April 1, 1986 redeem any shares of the 15 3/8% Series if such redemption is a part, or in anticipation, of any refunding operation involving the application, directly or indirectly, of borrowed funds or the proceeds of an issue of any stock ranking superior to or on a parity with the 15 3/8% Series if such borrowed funds have an interest rate or cost to the Corporation, or such stock has a dividend rate or cost to the Corporation (calculated in each case in accordance with generally accepted financial practice), less than 15 3/8% per annum.

(3) The amount payable to the holders of the shares of the 15 3/8% Series in the event of any voluntary liquidation, dissolution or winding-up of the Corporation at amounts equal to the respective redemption prices per share specified in subparagraph (2) above, and the amount per share payable to the holders thereof in the event of any involuntary liquidation, dissolution or winding-up of the Corporation at \$100, together in each case with all dividends accrued and in arrears thereon to the date of such liquidation, dissolution or winding-up.

(4) A sinking fund for the benefit of the shares of the 15 3/8% Series. So long as there shall remain outstanding any shares of the 15 3/8% Series, the Corporation, after full cumulative dividends upon the outstanding Serial Preferred Stock of all series shall have been paid, or deemed paid as heretofore provided, for all past quarter-yearly dividend periods, and after making payment of or provision for payment of full dividends on the out-

standing Serial Preferred Stock of all series for the current quarter-yearly dividend period, shall, on or before March 31 in each year commencing with the year 1987 to and including 2006, set aside out of funds legally available therefor as the sinking fund requirement for each such year an amount in cash equal to the amount required to redeem, at the Sinking Fund Redemption Price provided below, 15,000 shares of the 15 3/8% Series (or if less than 15,000 shares are then outstanding, such lesser number of shares), plus, in each such year, the amount of all sinking fund arrearages, if any, with respect to the 15 3/8% Series; provided, however, that against the amount so required to be set aside in any year the Corporation may credit an amount equal to the Sinking Fund Redemption Price provided below in respect of any shares of the 15 3/8% Series which it may have purchased or redeemed otherwise than through the sinking fund and not theretofore credited against any sinking fund requirement for the shares of the 15 3/8% Series. Unless the sinking fund requirement for the shares of the 15 3/8% Series for all past sinking fund periods shall have been set aside and are available for application in accordance with this subparagraph, no dividends shall be paid or declared and no other distribution shall be made on the stock ranking junior to the Serial Preferred Stock and no stock ranking junior to the Serial Preferred Stock shall be redeemed, purchased or otherwise acquired for value by the Corporation. Commencing on April 1, 1987, and on each April 1 thereafter, the Corporation will apply the cash set aside as the sinking fund requirement for the shares of the 15 3/8% Series to the redemption, at the Sinking Fund Redemption Price of \$100 per share, together with all dividends accrued and in arrears thereon to such date, of shares of the 15 3/8% Series. All amounts set aside for the sinking fund for the 15 3/8% Series shall be credited first against the sinking fund arrearages, if any, with respect to the 15 3/8% Series. If, at any time when there shall exist sinking fund arrearages with respect to more than one series of the Serial Preferred Stock, the Corporation shall set aside any funds (or apply any funds to purchase or redemption) to satisfy in whole or in part any such arrearage, all amounts so set aside or applied shall be applied *pro rata* as between such series having sinking fund arrearages in proportion to the amounts of such respective arrearages.

(5) A non-cumulative option. The Corporation shall have the non-cumulative option, on any required April 1 sinking fund redemption date as provided in subparagraph (4) above, to redeem, at the Sinking Fund Redemption Price provided in subparagraph (4) above, up to 15,000 additional shares of the 15 3/8% Series.

(6) The treatment of shares of the 15 3/8% Series purchased or redeemed by the Corporation. All shares of the 15 3/8% Series purchased or redeemed by the Corporation shall be cancelled, shall not be reissued as shares of the 15 3/8% Series, and shall constitute authorized but unissued shares of the Serial Preferred Stock with a par value of One Hundred Dollars (\$100) per share of the Corporation.

(N) The Board of Directors has designated One Million Two Hundred Thousand (1,200,000) shares of Serial Preferred Stock as 15% Serial Preferred Stock (Cumulative, \$25 Par Value) (hereinafter referred to as the 15% Series), and has fixed:

(1) The annual dividend rate for the shares of the 15% Series at 15% of the par value thereof per annum and dividends thereon shall be cumulative from the date of original issue.

(2) The redemption price, except as provided in subparagraphs (4) and (5) below, for the shares of the 15% Series at \$28.75 per share if redeemed prior to January 1, 1987; at \$27.50 per share if redeemed on or after January 1, 1987 and prior to January 1, 1992; at \$26.25 per share if redeemed on or after January 1, 1992 and prior to January 1, 1997; and at \$25 per share if redeemed on or after January 1, 1997, together in each case with all dividends accrued and in arrears thereon to the date fixed for such redemption; provided, however, that the Corporation will not, prior to January 1, 1987, redeem any shares of the 15% Series if such redemption is a part, or in anticipation, of any refunding operation involving the application, directly or indirectly, of borrowed funds or the proceeds of an issue of any stock ranking superior to or on a parity with the 15% Series if such

borrowed funds have an interest rate or cost to the Corporation, or such stock has a dividend rate or cost to the Corporation (calculated in each case in accordance with generally accepted financial practice), less than 15% per annum.

(3) The amount payable to the holders of the shares of the 15% Series in the event of any voluntary liquidation, dissolution or winding-up of the Corporation at amounts equal to the respective redemption prices per share specified in subparagraph (2) above, and the amount per share payable to the holders thereof in the event of any involuntary liquidation, dissolution or winding-up of the Corporation at \$25, together in each case with all dividends accrued and in arrears thereon to the date of such liquidation, dissolution or winding-up.

(4) A sinking fund for the benefit of the shares of the 15% Series. So long as there shall remain outstanding any shares of the 15% Series, the Corporation, after full cumulative dividends upon the outstanding Serial Preferred Stock of all series shall have been paid, or deemed paid as heretofore provided, for all past quarter-yearly dividend periods, and after making payment of or provision for payment of full dividends on the outstanding Serial Preferred Stock of all series for the current quarter-yearly dividend period, shall, on or before December 31 in each year commencing with the year 1986 to and including 2010, set aside out of funds legally available therefor as the sinking fund requirement for each such year an amount in cash equal to the amount required to redeem, at the Sinking Fund Redemption Price provided below, 48,000 shares of the 15% Series (or if less than 48,000 shares are then outstanding, such lesser number of shares), plus, in each such year, the amount of all sinking fund arrearages, if any, with respect to the 15% Series; provided, however, that against the amount so required to be set aside in any year the Corporation may credit an amount equal to the Sinking Fund Redemption Price provided below in respect of any shares of the 15% Series which it may have purchased or redeemed otherwise than through the sinking fund and not theretofore credited against any sinking fund requirement for the shares of the 15% Series. Unless the

sinking fund requirement for the shares of the 15% Series for all past sinking fund periods shall have been set aside and are available for application in accordance with this subparagraph, no dividends shall be paid or declared and no other distribution shall be made on the stock ranking junior to the Serial Preferred Stock and no stock ranking junior to the Serial Preferred Stock shall be redeemed, purchased or otherwise acquired for value by the Corporation. Commencing on January 1, 1987, and on each January 1 thereafter, the Corporation will apply the cash set aside as the sinking fund requirement for the shares of the 15% Series to the redemption, at the Sinking Fund Redemption Price of \$25 per share, together with all dividends accrued and in arrears thereon to such date, of shares of the 15% Series. All amounts set aside for the sinking fund for the 15% Series shall be credited first against the sinking fund arrearages, if any, with respect to the 15% Series. If, at any time when there shall exist sinking fund arrearages with respect to more than one series of the Serial Preferred Stock, the Corporation shall set aside any funds ~~(or apply~~ any funds to purchase or redemption) to satisfy in whole or in part any such arrearage, all amounts so set aside or applied shall be applied *pro rata* as between such series having sinking fund arrearages in proportion to the amounts of such respective arrearages.

(5) A non-cumulative option. The Corporation shall have the non-cumulative option, on any required January 1 sinking fund redemption date as provided in subparagraph (4) above, to redeem, at the Sinking Fund Redemption Price provided in subparagraph (4) above, up to 48,000 additional shares of the 15% Series.

(6) The treatment of shares of the 15% Series purchased or redeemed by the Corporation. All shares of the 15% Series purchased or redeemed by the Corporation shall be cancelled, shall not be reissued as shares of the 15% Series, and shall constitute authorized but unissued shares of the Serial Preferred Stock with a par value of Twenty-Five Dollars (\$25) per share of the Corporation.

(O) The Board of Directors has designated One Million Eight Hundred Thousand (1,800,000) shares of Serial Preferred Stock as Adjustable Rate Serial Preferred Stock, Series A (Cumulative, \$25 Par Value) (hereinafter referred to as the Adjustable Rate Series A), and has fixed:

(1) The annual dividend rate for the shares of the Adjustable Rate Series A at 11 1/4% per annum for the first and second dividend periods ending September 30, 1983 and December 31, 1983, respectively, and at .50% below the Applicable Rate (as defined below), from time to time in effect, for each subsequent dividend period. However, the dividend rate for any dividend period shall in no event be less than 7 1/2% per annum or greater than 13 1/2% per annum. Dividends on the Adjustable Rate Series A shall be cumulative from the date of original issue.

Except as provided below in this paragraph, the "Applicable Rate" for any dividend period will be the highest of (i) the Treasury Bill Rate, (ii) the Ten Year Constant Maturity Rate and (iii) the Twenty Year Constant Maturity Rate (each as hereinafter defined) for such dividend period. In the event that the Corporation determines in good faith that for any reason one or more of such rates cannot be determined for any dividend period, then the Applicable Rate for such dividend period shall be the higher of whichever of such rates can be determined. In the event that the Corporation determines in good faith that none of such rates can be determined for any dividend period, then the Applicable Rate for such dividend period shall be the Applicable Rate in effect for the preceding dividend period.

Except as provided below in this paragraph, the "Treasury Bill Rate" for each dividend period will be the arithmetic average of the two most recent weekly per annum market discount rates (or the one weekly per annum market discount rate, if only one such rate shall be published during the relevant Calendar Period (as defined below)) for three-month U.S. Treasury bills, as published weekly by the Federal Reserve Board during the Calendar Period immediately prior to the ten calendar days immediately preceding the last day of March, June, September or December, as the case may be, prior to the dividend period for which the dividend rate on the

Adjustable Rate Series A is being determined. In the event that the Federal Reserve Board does not publish a weekly per annum market discount rate during any such Calendar Period, then the Treasury Bill Rate for the related dividend period shall be the arithmetic average of the two most recent weekly per annum market discount rates (or the one weekly per annum market discount rate, if only one such rate shall be published during the relevant Calendar Period) for three-month U.S. Treasury bills, as published weekly during such Calendar Period by any Federal Reserve Bank or by any U.S. Government department or agency selected by the Corporation. In the event that a per annum market discount rate for three-month U.S. Treasury bills shall not be published by the Federal Reserve Board or by any Federal Reserve Bank or by any U.S. Government department or agency during such Calendar Period, then the Treasury Bill Rate for such dividend period shall be the arithmetic average of the two most recent weekly per annum market discount rates (or the one weekly per annum market discount rate, if only one such rate shall be published during the relevant Calendar Period) for all of the U.S. Treasury bills then having maturities of not less than 80 or more than 100 days, as published during such Calendar Period by the Federal Reserve Board or, if the Federal Reserve Board shall not publish such rates, by any Federal Reserve Bank or by any U.S. Government department or agency selected by the Corporation. In the event that the Corporation determines in good faith that for any reason no such U.S. Treasury bill rates are published as provided above during such Calendar Period, then the Treasury Bill Rate for such dividend period shall be the arithmetic average of the per annum market discount rates based upon the closing bids during such Calendar Period for each of the issues of marketable non-interest bearing U.S. Treasury securities with a maturity of not less than 80 or more than 100 days from the date of each such quotation, as quoted daily for each business day in New York City (or less frequently if daily quotations shall not be generally available) to the Corporation by at least three recognized U.S. Government securities dealers selected by the Corporation. In the event that the Corporation determines in good faith that for any reason the Corporation cannot determine the Treasury Bill Rate for any dividend period as provided above in this paragraph, the Treasury

Bill Rate for such dividend period shall be the arithmetic average of the per annum market discount rates based upon the closing bids during the related Calendar Period for each of the issues of marketable interest-bearing U.S. Treasury securities with a maturity of not less than 80 or more than 100 days from the date of each such quotation, as quoted daily for each business day in New York City (or less frequently if daily quotations shall not be generally available) to the Corporation by at least three recognized U.S. Government securities dealers selected by the Corporation.

Except as provided below in this paragraph, the "Ten Year Constant Maturity Rate" for each dividend period shall be the arithmetic average of the two most recent weekly per annum Ten Year Average Yields (or the one weekly per annum Ten Year Average Yield, if only one such Yield shall be published during the relevant Calendar Period), as published weekly by the Federal Reserve Board during the Calendar Period immediately prior to the ten calendar days immediately preceding the last day of March, June, September or December, as the case may be, prior to the dividend period for which the dividend rate on the Adjustable Rate Series A is being determined. In the event that the Federal Reserve Board does not publish such a weekly per annum Ten Year Average Yield during such Calendar Period, then the Ten Year Constant Maturity Rate for such dividend period shall be the arithmetic average of the two most recent weekly per annum Ten Year Average Yields (or the one weekly per annum Ten Year Average Yield, if only one such Yield shall be published during such Calendar Period), as published weekly during such Calendar Period by any Federal Reserve Bank or by any U.S. Government department or agency selected by the Corporation. In the event that a per annum Ten Year Average Yield shall not be published by the Federal Reserve Board or by any Federal Reserve Bank or by any U.S. Government department or agency during such Calendar Period, then the Ten Year Constant Maturity Rate for such dividend period shall be the arithmetic average of the two most recent weekly per annum average yields to maturity (or the one weekly average yield to maturity, if only one such yield shall be published during such Calendar Period) for all of the actively traded marketable U.S. Treasury fixed interest rate securities

(other than Special Securities (as defined below)) then having maturities of not less than eight or more than twelve years, as published during such Calendar Period by the Federal Reserve Board or, if the Federal Reserve Board shall not publish such yields, by any Federal Reserve Bank or by any U.S. Government department or agency selected by the Corporation. In the event that the Corporation determines in good faith that for any reason the Corporation cannot determine the Ten Year Constant Maturity Rate for any dividend period as provided above in this paragraph, then the Ten Year Constant Maturity Rate for such dividend period shall be the arithmetic average of the per annum average yields to maturity based upon the closing bids during such Calendar Period for each of the issues of actively traded marketable U.S. Treasury fixed interest rate securities (other than Special Securities) with a final maturity date not less than eight or more than twelve years from the date of each such quotation, as quoted daily for each business day in New York City (or less frequently if daily quotations shall not be generally available) to the Corporation by at least three recognized U.S. Government securities dealers selected by the Corporation.

Except as provided below in this paragraph, the "Twenty Year Constant Maturity Rate" for each dividend period shall be the arithmetic average of the two most recent weekly per annum Twenty Year Average Yields (or the one weekly per annum Twenty Year Average Yield, if only one such Yield shall be published during the relevant Calendar Period), as published weekly by the Federal Reserve Board during the Calendar Period immediately prior to the ten calendar days immediately preceding the last day of March, June, September or December, as the case may be, prior to the dividend period for which the dividend rate on the Adjustable Rate Series A is being determined. In the event that the Federal Reserve Board does not publish such a weekly per annum Twenty Year Average Yield during such Calendar Period, then the Twenty Year Constant Maturity Rate for such dividend period shall be the arithmetic average of the two most recent weekly per annum Twenty Year Average Yields (or the one weekly per annum Twenty Year Average Yield, if only one such Yield shall be published during such Calendar Period), as published weekly during such Calendar Period by any

Federal Reserve Bank or by any U.S. Government department or agency selected by the Corporation. In the event that a per annum Twenty Year Average Yield shall not be published by the Federal Reserve Board or by any Federal Reserve Bank or by any U.S. Government department or agency during such Calendar Period, then the Twenty Year Constant Maturity Rate for such dividend period shall be the arithmetic average of the two most recent weekly per annum average yields to maturity (or the one weekly average yield to maturity, if only one such yield shall be published during such Calendar Period) for all of the actively traded marketable U.S. Treasury fixed interest rate securities (other than Special Securities) then having maturities of not less than eighteen or more than twenty-two years, as published during such Calendar Period by the Federal Reserve Board or, if the Federal Reserve Board shall not publish such yields, by any Federal Reserve Bank or by any U.S. Government department or agency selected by the Corporation. In the event that the Corporation determines in good faith that for any reason the Corporation cannot determine the Twenty Year Constant Maturity Rate for any dividend period as provided above in this paragraph, then the Twenty Year Constant Maturity Rate for such dividend period shall be the arithmetic average of the per annum average yields to maturity based upon the closing bids during such Calendar Period for each of the issues of actively traded marketable U.S. Treasury fixed interest rate securities (other than Special Securities) with a final maturity date not less than eighteen or more than twenty-two years from the date of each such quotation, as quoted daily for each business day in New York City (or less frequently if daily quotations shall not be generally available) to the Corporation by at least three recognized U.S. Government securities dealers selected by the Corporation.

The Treasury Bill Rate, the Ten Year Constant Maturity Rate and the Twenty Year Constant Maturity Rate shall each be rounded to the nearest five one-hundredths of a percentage point.

The amount of dividends per share payable for each dividend period shall be computed by dividing the dividend rate for such dividend period

by four and applying such rate against the par value per share of the Adjustable Rate Series A. The amount of dividends payable for the initial dividend period or any period shorter than a full quarterly dividend period shall be computed on the basis of 30-day months and a 360-day year.

The dividend rate with respect to each dividend period will be calculated as promptly as practicable by the Corporation according to the appropriate method described herein. The mathematical accuracy of each such calculation will be confirmed in writing by independent accountants of recognized standing. Except for the dividend rate for the initial dividend period and for the dividend period commencing October 1, 1983, the Corporation will cause each dividend rate to be published in a newspaper of general circulation in New York City prior to the commencement of the new dividend period to which it applies and will cause notice of such dividend rate to be enclosed with the dividend payment checks next mailed to the holders of the Adjustable Rate Series A.

As used herein, the term "Calendar Period" means a period of fourteen calendar days; the term "Special Securities" means securities which can, at the option of the holder, be surrendered at face value in payment of any Federal estate tax or which provide tax benefits to the holder and are priced to reflect such tax benefits or which were originally issued at a deep or substantial discount; the term "Ten Year Average Yield" means the average yield to maturity for actively traded marketable U.S. Treasury fixed interest rate securities (adjusted to constant maturities of ten years); and the term "Twenty Year Average Yield" means the average yield to maturity for actively traded marketable U.S. Treasury fixed interest rate securities (adjusted to constant maturities of twenty years).

(2) The redemption price for the shares of the Adjustable Rate Series A at \$27.81 per share if redeemed prior to October 1, 1988; at \$25.75 per share if redeemed on or after October 1, 1988 and prior to October 1, 1993; and at \$25 per share if redeemed on or after October 1, 1993, together in each case with all dividends accrued and in arrears thereon to the date fixed

for such redemption; provided, however, that the Corporation will not, prior to October 1, 1988, redeem any shares of the Adjustable Rate Series A if such redemption is a part, or in anticipation, of any refunding operation involving the application, directly or indirectly, of borrowed funds or the proceeds of an issue of any stock ranking superior to or on a parity with the Adjustable Rate Series A if such borrowed funds have an interest rate or cost to the Corporation, or such stock has a dividend rate or cost to the Corporation (calculated in each case in accordance with generally accepted financial practice), less than 11 1/4% per annum.

(3) The amount payable to the holders of the shares of the Adjustable Rate Series A in the event of any voluntary liquidation, dissolution or winding-up of the Corporation at amounts equal to the respective redemption prices per share specified in subparagraph (2) above, and the amount per share payable to the holders thereof in the event of any involuntary liquidation, dissolution or winding-up of the Corporation at \$25, together in each case with all dividends accrued and in arrears thereon to the date of such liquidation, dissolution or winding-up.

(4) The treatment of shares of the Adjustable Rate Series A purchased or redeemed by the Corporation. All shares of the Adjustable Rate Series A purchased or redeemed by the Corporation shall be cancelled, shall not be reissued as shares of the Adjustable Rate Series A, and shall constitute authorized but unissued shares of the Serial Preferred Stock with a par value of Twenty-Five Dollars (\$25) per share of the Corporation.

(5) The meaning of the term "dividends accrued and in arrears" when used with reference to any share of the Adjustable Rate Series A. The term "dividends accrued and in arrears", when used with reference to any share of the Adjustable Rate Series A, shall mean, whether or not in any period or periods there shall be earnings or surplus available for the payment of dividends, (i) an amount in dollars equal to the sum of the dividends payable for each dividend period on such share from the date of cumulation (as heretofore defined) for the shares of such series to the date as of which

the computation of dividends accrued and in arrears is made, less (ii) the aggregate of all dividends theretofore paid, or deemed paid as heretofore provided, on such share.

7. The designations, relative rights, preferences and limitations of the shares of Preference Stock are as follows and as hereinafter set forth in paragraphs (A) to (J), inclusive, of this Article 7. So long as shares of Serial Preferred Stock remain outstanding, the designations, relative rights, preferences and limitations of the Preference Stock shall have no effect whatsoever on the designations, preferences, privileges or voting powers of the Serial Preferred Stock, or the restrictions or qualifications thereof. For the purpose of this Article 7, the term "dividends accrued and in arrears", when used with reference to any share of any series of Preference Stock, shall mean, whether or not in any period or periods there shall be earnings or surplus available for the payment of dividends, (i) an amount in dollars equal to the annual dividend rate on such share, multiplied by the number of years (including any fraction of a full year) from the date of cumulation (as hereinafter defined) for the shares of such series to the date as of which the computation of dividends accrued and in arrears is made, less (ii) the aggregate of all dividends theretofore paid, or deemed paid as hereinafter provided, on such share.

(A) The Preference Stock may be issued from time to time as shares of one or more series of Preference Stock, with such distinctive designations as shall be stated and expressed in the resolution or resolutions providing for the issue of such stock from time to time adopted by the Board of Directors; and in such resolution or resolutions providing for the issue of shares of each particular series, the Board of Directors is expressly authorized to fix:

(i) The annual dividend rate for the particular series and the date of cumulation (as hereinafter defined) for the shares of such series; and

(ii) The redemption price or prices for the particular series and the procedure or procedures for redemption of shares of such series; and

(iii) The amount or amounts per share (not less than the par value thereof, plus all dividends accrued and in arrears thereon) payable thereon in the event of any voluntary or involuntary liquidation, dissolution or winding-up; and

(iv) The rights, if any, of the holders of shares of such series to convert such shares into shares of Common Stock or stock ranking junior to the Preference Stock, with any provisions for the subsequent adjustment of such conversion rights; and

(v) The obligation, if any, of the Corporation to acquire shares of such series for retirement, as a sinking fund.

Except as hereinabove provided, each series of Preference Stock shall be identical with each other series of Preference Stock.—Each share of the Preference Stock of any particular series shall be identical in all respects with every other share of Preference Stock of the same series.

(B) In case the stated dividends and amounts payable on liquidation are not paid in full, the shares of all series of the Preference Stock shall share ratably in the payment of dividends, including accumulations, if any, in accordance with the sums which would be payable on said shares if all dividends were declared and paid in full, and, in any distribution of assets other than by way of dividends, in accordance with the sums which would be payable on such distribution if all sums payable were discharged in full.

(C) After payment of dividends on outstanding Serial Preferred Stock of all series, the holders of the Preference Stock at the time outstanding shall be entitled to receive, but only when and if declared, out of surplus legally available for the payment of dividends, cumulative preferential dividends in cash, at the annual dividend rate for the particular series fixed by the Board of Directors as hereinabove provided, payable quarter-yearly on such dates as shall be fixed by the Board of Directors in advance of the payment of the respective dividends. The dividends on all shares of the Preference Stock shall be cumulative, in the case of each series, from such date as shall be fixed therefor by the Board of Directors as

hereinbefore provided (which dates are herein referred to as the "dates of cumulation" of the respective series), so that unless dividends on all outstanding shares of each particular series of the Preference Stock, at the annual dividend rates fixed as hereinabove provided, shall have been paid, or deemed paid as hereinafter provided, for all past quarter-yearly dividend periods and the full dividend thereon at said rates for the quarter-yearly dividend period current at the time shall have been paid or declared and funds set apart for payment, but without interest on cumulative dividends, no dividends shall be paid or declared, and no other distribution shall be made, on any Common Stock or stock ranking junior to the Preference Stock, and no Common Stock or stock ranking junior to the Preference Stock shall be purchased, retired or otherwise acquired by the Corporation. In the event of the issuance of additional shares of any series subsequent to the date of the first issuance of shares of such series, all dividends paid on the shares of such series prior to the issuance of such additional shares and all dividends declared payable to holders of record of shares of such series as of a date prior to such issuance shall be deemed to have been paid in respect of the additional shares so issued. The holders of the Preference Stock shall not be entitled to receive any dividends thereon other than the dividends referred to in this paragraph.

Full cumulative dividends as aforesaid upon the outstanding Preference Stock of all series shall be paid, or deemed paid as hereinabove provided, for all past quarter-yearly dividend periods, and payment of or provision for payment of full dividends on the outstanding Preference Stock of all series for the current quarter-yearly dividend period shall be made, and such provision for the purchase or redemption of Preference Stock of any series as may be required by the resolution or resolutions of the Board of Directors providing for the issue thereof or as the Board of Directors may deem advisable shall be made before holders of Common Stock or stock ranking junior to the Preference Stock shall be entitled to receive such dividends as may from time to time be declared by the Board of Directors.

(D) The Corporation may redeem the whole or any part of the Preference Stock at any time outstanding, or the whole or any part of any series thereof, at any time or from time to time by paying in cash to the holders thereof the redemption price for the particular series fixed by the Board of Directors as hereinbefore provided (together, in the case of each share of each series so to be re-

deemed, with all dividends accrued and in arrears thereon to the date fixed for such redemption). Notice of every such redemption shall be given by publication at least once in each of two separate calendar weeks in a daily newspaper (which term shall mean and include a newspaper published in morning editions or evening editions, or both, and whether or not it shall be published in Sunday editions or on holidays) printed in the English language and published and of general circulation in the Borough of Manhattan, the City of New York, the first publication to be at least thirty days and not more than ninety days prior to the date fixed for such redemption. Such notice and the notice referred to in the following sentence shall include a statement to the effect that privileges of conversion, if any, not theretofore expiring, will expire at the close of business on the third full business day next preceding the date fixed for redemption. At least thirty days' and not more than ninety days' previous notice of every such redemption shall also be mailed to the holders of record of the Preference Stock so to be redeemed, at their respective addresses as the same shall appear on the books of the Corporation; but no failure to mail such notice nor any defect therein or in the mailing thereof shall affect the validity of the proceedings for the redemption of any shares of the Preference Stock so to be redeemed. In case of the redemption of a part only of any series of the Preference Stock at the time outstanding, the shares so to be redeemed shall be selected (a) in accordance with any applicable procedure fixed by the Board of Directors in the resolution or resolutions providing for the issue of shares of such series, or (b) if no such procedure shall have been so fixed, by lot, by a bank or trust company, in such manner as the Board of Directors may determine. The Board of Directors shall have full power and authority, subject to the limitations and provisions herein contained, to prescribe the manner in which and the terms and conditions upon which the Preference Stock shall be redeemed from time to time. If such notice of redemption shall have been duly given by publication, and if on or before the redemption date specified in such notice all funds necessary for such redemption shall have been deposited by the Corporation with a bank or trust company of the character hereinafter in this paragraph described, in trust for the account of the holders of the Preference Stock to be redeemed, so as to be and continue to be available therefor, then, from and after the date of redemption so fixed, notwithstanding that any certificate for shares of the Preference Stock so called for redemption shall not have been surrendered

for cancellation, the shares represented thereby shall no longer be deemed outstanding, the right to receive dividends thereon shall cease to accrue, and all rights with respect to such shares of the Preference Stock so called for redemption shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable upon redemption thereof, without interest, and except such conversion right, if any, up to the third full business day preceding the date of redemption as may be fixed for the shares of such series in the resolution or resolutions of the Board of Directors providing for the issue thereof; provided, however, that the Corporation may, after giving notice by publication of any such redemption as hereinbefore provided or at the time of or after giving to the bank or trust company referred to below irrevocable authorization to give or complete such notice by publication, and prior to the redemption date specified in such notice, deposit in trust, for the account of the holders of the Preference Stock to be redeemed, funds necessary for such redemption with a bank or trust company in good standing, organized under the laws of the United States of America or of the State of New York, doing business in the Borough of Manhattan, the City of New York, having capital, surplus and undivided profits aggregating at least \$5,000,000 designated in such notice of redemption, and thereupon all shares of the Preference Stock with respect to which such deposit shall have been made shall be deemed to be no longer outstanding, and all rights with respect to such shares of Preference Stock shall forthwith upon such deposit in trust cease and terminate, except only the right of the holders thereof to receive the amount payable upon the redemption thereof, without interest, and except such conversion right, if any, up to the third full business day preceding the date of redemption as may be fixed for the shares of such series in the resolution or resolutions of the Board of Directors providing for the issue thereof.

Nothing herein contained shall limit any right of the Corporation to purchase or otherwise acquire shares of the Preference Stock provided that if, at any time, the Corporation has failed to pay dividends in full on any outstanding shares of Preference Stock, thereafter and until dividends in full on all such shares of Preference Stock have been paid, or declared and set apart for payment, for all past quarter-yearly dividend periods, the Corporation shall not redeem any Preference Stock unless all the shares of Preference Stock outstanding are redeemed;

and shall not purchase or otherwise acquire for value any shares of Preference Stock except in accordance with an offer (which may vary with respect to shares of different series) made to all holders of shares of Preference Stock.

(E) Before any amount shall be paid to, or any assets distributed among, the holders of Common Stock or stock ranking junior to the Preference Stock, upon any liquidation, dissolution or winding-up of the Corporation, the holders of the Preference Stock at the time outstanding shall be entitled, subject to the rights of the Serial Preferred Stock, to be paid in cash the amount for the particular series fixed by the Board of Directors as hereinbefore provided; but no payments on account of such distributive amounts shall be made to the holders of the Preference Stock of any series unless there shall likewise be paid at the same time to the holders of the Preference Stock of each other series at the time outstanding like proportionate distributive amounts per share, ratably, in proportion to the full distributive amounts to which they are respectively entitled as herein provided.

The holders of the Preference Stock shall not be entitled to share in assets of the Corporation remaining after such distribution to the holders of the Preference Stock.

(F) If and whenever dividends payable on the Preference Stock of any series are in default in an amount equivalent to four full quarter-yearly dividends, and until such default shall have been remedied as hereinafter provided, the holders of the Preference Stock, voting separately as a class and without regard to series, shall be entitled to elect two directors. Upon the accrual of such special right of the Preference Stock, a meeting of the holders of the Preference Stock for the election of directors shall be held upon notice promptly given by the President or the Secretary of the Corporation. If within fifteen days after the accrual of such special right of the Preference Stock, the President or the Secretary of the Corporation shall fail to call such meeting, then such meeting shall be held upon notice, given by any holder of record of the Preference Stock then outstanding after filing with the Corporation of notice of his intention to do so. Except for any directors elected by the holders of the Serial Preferred Stock, the terms of office of all persons who may be directors of the Corporation at the time shall

terminate upon the election of directors by the holders of the Preference Stock, whether or not at the time of such termination the remaining directors of the Corporation shall have been elected; and thereafter and during the continuance of such special right of the Preference Stock the directors so elected by the holders of the Preference Stock shall continue in office until the next annual meeting of stockholders and until their respective successors have been duly elected by the holders of the Preference Stock.

However, if and when all dividends then in default on all the Preference Stock shall thereafter be paid, or set aside in trust for payment (and such dividends shall be declared and paid out of surplus legally available therefor as soon as reasonably practicable), the Preference Stock shall thereupon be divested of such special right herein provided for to elect directors, but subject always to the same provisions for the vesting of such special right in the Preference Stock in the case of any similar future default or defaults. Whenever the Preference Stock shall be so divested of such special right, the right of the holders of the Common Stock to elect all the directors shall be restored, and the terms of office of all persons who may have been elected directors of the Corporation by vote of the holders of the shares of the Preference Stock, as a class, pursuant to such special right, shall forthwith terminate, and the resulting vacancies shall be filled by the vote of a majority of the remaining directors, or at the next succeeding annual meeting, or a special meeting, of the holders of the Common Stock.

Notice of any meeting of stockholders of the Corporation, or of any class or series of stock, required or authorized by the provisions of this paragraph (F) or paragraph (H), setting forth the purpose or purposes of such meeting, shall be mailed, not less than ten (10) nor more than forty (40) days prior to such meeting to all stockholders (at their respective addresses appearing on the books of the Corporation) entitled to vote thereat, of record as of a date fixed by the Board of Directors of the Corporation, not exceeding forty (40) days in advance of such meeting, for the purpose of determining the stockholders entitled to notice of and to vote at such meeting, unless and except to the extent that such notice shall have been waived in writing, either before or after the holding of such meeting, by stockholders entitled to notice thereof and to vote thereat. Except where some

mandatory provision of law shall be controlling, no other, longer or additional notice need be given of any such meeting and all holders of shares of stock of the Corporation consent to the holding of any such meeting upon notice given as hereinbefore provided and waive, to the full extent permitted by law, any right to require the giving of or to receive any such other, longer or additional notice.

(G) At any meeting for the election of directors after any accrual and during the continuance of the special right of the holders of the Preference Stock to elect two directors as provided in paragraph (F), the presence in person or by proxy of the holders of record of a majority of the outstanding shares of Preference Stock, without regard to series, shall be necessary to constitute a quorum for the election of the directors which the holders of the Preference Stock shall be entitled to elect. If, at any such meeting, there shall not be such a quorum of the holders of the Preference Stock, the holders of a majority of the shares of Preference Stock present in person or by proxy at such meeting may, if they so desire, adjourn from time to time the election of the directors to be elected by the holders of the Preference Stock, without notice other than announcement at the meeting, until the requisite quorum of Preference stockholders shall have been obtained.

If at any time a vacancy in the office of any director shall occur, during the term of his office, by reason of death, resignation, removal or disability, or for any other cause, such vacancy shall be filled in the manner provided in the by-laws of the Corporation; provided that if such vacancy shall occur after any accrual and during the continuance of the special right of the holders of the Preference Stock to elect two directors, as provided in paragraph (F), the right to fill such vacancy shall be vested in the holders of the class of stock, or in a majority of the remaining directors theretofore elected by the class of stock, which elected the director in whose office the vacancy shall have occurred.

(H) A. So long as any shares of Preference Stock are outstanding, the Corporation shall not, without the affirmative vote (given at a meeting called for that purpose in accordance with the provisions of paragraph (F) of this Article 7) or written consent of the holders of at least two-thirds of the aggregate number of shares of Preference Stock then outstanding:

(1) Make any change or alteration in the designation, relative rights, preferences and limitations of the Preference Stock, or the restrictions or qualifications thereof, including any reduction in the rate of dividend payable on any series thereof, so as to affect the holders of such shares adversely; provided that if any change or alteration would adversely affect the rights of the holders of shares of only one or more series of the Preference Stock, but not the entire class, then only the vote or consent of the holders of such series adversely affected shall be required; or

(2) Authorize any other class of stock ranking superior to the Preference Stock as to assets or dividends, other than additional shares of Serial Preferred Stock; or

(3) Change, or classify or reclassify, wholly or partially, shares of stock of any class ranking junior to the Preference Stock, or having preferences junior in any respect to the preferences of the Preference Stock, into shares of stock of a class or classes ranking superior to, or on a parity with, the Preference Stock.

B. So long as any shares of Preference Stock are outstanding, the Corporation shall not, without the affirmative vote (given at a meeting called for that purpose in accordance with the provisions of paragraph (F) of this Article 7) or written consent of the holders of at least a majority of the aggregate number of shares of Preference Stock then outstanding:

(1) Increase the authorized number of shares of Preference Stock beyond 1,000,000 shares; or

(2) Merge or consolidate with or into any other corporation or corporations, or sell all or substantially all the Corporation's property or assets, unless such merger, consolidation or sale, or the issuance or assumption of all securities to be issued or assumed in connection with such merger, consolidation or sale, shall have been ordered, approved or permitted by the Public Service Commission of the State of New York or such other regulatory commission of the State of New York or the United States, having jurisdiction in the premises; provided that the provisions of this clause (2)

shall not apply to the purchase or other acquisition by the Corporation of the franchises or assets of another corporation, or otherwise apply to any transaction which does not involve a merger, consolidation or sale under the laws of the State of New York.

(I) Except as hereinabove provided, the Preference Stock shall be non-voting and the holders of the Preference Stock shall not be entitled to vote in any election or proceeding or upon or in respect of any other matter or question requiring the vote or consent of stockholders, now or hereafter provided by law, the Preference Stock being specifically excluded (except as hereinabove provided) from the right to vote in any such proceeding or upon or in respect of any such matter or question.

(J) Except for any rights of the holders of shares of a series of Preference Stock to convert such shares into Common Stock as expressly set forth in the resolution or resolutions providing for the issue of such series of Preference Stock adopted by the Board of Directors, no holder of the Preference Stock of the Corporation shall have any preemptive right to purchase or subscribe for:

(1) any part of the unissued stock of the Corporation or of any stock of the Corporation to be issued by reason of any increase of the authorized capital stock of the Corporation;

(2) any bonds, certificates of indebtedness, debentures or other securities convertible into or carrying options or warrants to purchase stock or other securities of the Corporation; or

(3) any stock of the Corporation purchased by the Corporation or by its nominee or nominees;

nor shall any holder of the Preference Stock have any other preemptive rights as now or hereafter defined by the laws of the State of New York.

8. To the fullest extent that New York law from time to time permits the elimination or limitation of the personal liability of directors, no director of the Corporation shall be personally liable to the Corporation or its stockholders for damages for any breach of duty as a director. No amendment or repeal of this Article 8 shall adversely affect any right or protection of a director of the Corporation existing at the time of such amendment or repeal.

9. The duration of the Corporation shall be perpetual.

10. The number of directors shall be not less than nine nor more than fifteen.

11. The town and county within the state in which the office of the Corporation is located is the Town of Dryden and County of Tompkins.

12. The Secretary of State of the State of New York is hereby designated as the agent of this Corporation upon whom process against the Corporation may be served.

13. The post office address to which the Secretary of State shall mail a copy of any process against the Corporation served upon him is Post Office Box 287, Ithaca, New York 14851.

The above amendment and restatement of the Certificate of Incorporation was authorized by the Board of Directors at a meeting held on October 14, 1988 at which a quorum was present.

IN WITNESS WHEREOF, we have subscribed and D. W. Farley has verified this Certificate this 21st day of October, 1988.

R. A. JACOBSON
Executive Vice-President

D. W. FARLEY
Secretary

STATE OF NEW YORK } ss:
COUNTY OF TOMPKINS }

D. W. FARLEY, being duly sworn, deposes and says: that he is Secretary of New York State Electric & Gas Corporation; that the foregoing Certificate has been executed by authority of a resolution of the Board of Directors adopted at a Directors' meeting duly called and held on the 14th day of October, 1988; that he has read and signed the foregoing Certificate and that the statements contained therein are true.

Subscribed and sworn to before me
this 21st day of October, 1988.

D. W. FARLEY
Secretary

LELAND C. BEACH
Notary Public, State of New York
Qualified in Tompkins County
Commission expires April 30, 1989

NEW YORK STATE ELECTRIC & GAS CORPORATION

RESTATED CERTIFICATE OF INCORPORATION OF
NEW YORK STATE ELECTRIC & GAS CORPORATION
PURSUANT TO SECTION 807 OF THE BUSINESS
CORPORATION LAW

STATE OF NEW YORK

DEPARTMENT OF STATE

TAX \$ NONE
FILING FEE \$60.
FILED OCTOBER 25, 1988