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Borough of Manhattan, The City of New York, or at the principal office of the Trustee.

The Series B Bonds may be redeemed at the option of the Companies, as a whole or from time to time in part, on any date prior to maturity, upon mailing a notice of such redemption not less than 30 nor more than 60 days prior to the date fixed for redemption to the holders of Series B Bonds at their last registered addresses, all as provided in the Indenture, at the following optional redemption prices (expressed in percentages of the principal amount to be redeemed) together in each case with accrued interest to the date fixed for redemption:

If redeemed during the twelve month period beginning October 15,

| <u>Year</u> | <u>Percentage</u> | <u>Year</u> | <u>Percentage</u> |
|-------------|-------------------|-------------|-------------------|
| 1976.....   | 108.25            | 1989.....   | 102.75            |
| 1977.....   | 107.75            | 1990.....   | 102.50            |
| 1978.....   | 107.25            | 1991.....   | 102.25            |
| 1979.....   | 106.75            | 1992.....   | 102.00            |
| 1980.....   | 106.25            | 1993.....   | 101.75            |
| 1981.....   | 105.75            | 1994.....   | 101.50            |
| 1982.....   | 105.25            | 1995.....   | 101.25            |
| 1983.....   | 104.75            | 1996.....   | 101.00            |
| 1984.....   | 104.25            | 1997.....   | 100.75            |
| 1985.....   | 103.75            | 1998.....   | 100.50            |
| 1986.....   | 103.50            | 1999.....   | 100.25            |
| 1987.....   | 103.25            | 2000.....   | 100.00            |
| 1988.....   | 103.00            |             |                   |

provided, however, that no such redemption may be effected prior to October 15, 1986 directly or indirectly from or in anticipation of moneys borrowed by or for the account of the Companies at an interest cost (calculated in accordance with generally accepted financial practice) of less than 8.52% per annum.

The Series B Bonds are also subject to redemption in part, through the operation of the sinking fund provided for in the Indenture, in the aggregate principal amount of \$3,750,000 on each October 15 commencing on October 15, 1982 and continuing to and including October 15, 2000, on notice as set forth above and at 100% of the principal amount thereof (the sinking fund redemption price), together with accrued interest to the date fixed for

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