

deprive the holder hereof of the benefit of a lien on the mortgaged property, affect the sinking fund provisions with respect to Bonds of the 1977 Series, or reduce the percentage of the holders of the Bonds required for any modification or alteration of the Indenture.

In case an event of default, as defined in the Indenture, shall occur, the principal of all the Bonds at any such time outstanding under the Indenture may be declared and become due and payable, upon the conditions, in the manner and with the effect provided in the Indenture. The Indenture provides that such declaration may in certain events be rescinded by the holders of a majority in principal amount of the Bonds outstanding.

This Bond is transferable by delivery except while registered as to principal. This Bond may, from time to time, be registered as to principal in the name of the holder at the agency of the Company maintained for that purpose in the Borough of Manhattan, The City of New York, on books of the Company to be kept for that purpose at said agency, and such registration shall be noted hereon, after which no transfer hereof shall be valid unless made on said books by the registered owner hereof in person or by duly authorized attorney and similarly noted hereon, but this Bond may be discharged from registration by being in like manner transferred to bearer, and thereupon transferability by delivery shall be restored; provided that this Bond may again, from time to time, be registered or discharged from registration in the same manner. Such registration, however, shall not affect the negotiability of the coupons hereto appertaining, which shall always be payable to bearer and transferable by delivery, and payment to the bearer thereof shall fully discharge the Company in respect of the interest therein mentioned, whether or not this Bond at the time be registered.

The Company, the Trustees, any paying agent, and any registrar may deem and treat the bearer of this Bond, or, if this Bond is registered as to principal as herein authorized, the person in whose name this Bond is registered, and the bearer of any interest coupon appurtenant hereto whether or not this Bond shall be registered as to principal, as the absolute owner of this Bond or such coupon, as the case may be (whether or not this Bond or such coupon shall be overdue), for the purpose of receiving payment thereof or on account thereof and for all other purposes, and neither the Company, the Trustees, any paying agent nor any registrar shall be affected by any notice to the contrary.