

This bond is transferable as prescribed in the Mortgage by the registered owner hereof in person, or by his duly authorized attorney, at said principal office of the Corporate Trustee, upon surrender of this bond for cancellation, and upon payment, if the Company shall so require, of the charges provided for in the Mortgage, and thereupon a new registered bond or bonds of the 3% Series due 1966 of like aggregate principal amount in authorized denominations will be issued to the transferee in exchange herefor as provided in the Mortgage, or the registered owner of this bond at his option may surrender the same for cancellation at said office and receive in exchange herefor the same aggregate principal amount of coupon bonds of the 3% Series due 1966 of the denomination of \$1,000, or the same aggregate principal amount of registered bonds of said series without coupons of other authorized denominations, upon payment in either case, if the Company shall so require, of the charges provided for in the Mortgage.

In case an event of default as defined in the Mortgage shall occur, the principal of this bond may become or be declared due and payable before maturity in the manner and with the effect provided in the Mortgage. Any such declaration may in certain cases be annulled, and certain defaults and their consequences may be waived, as provided in the Mortgage.

The Mortgage contains provisions permitting the Company and the Trustees, with the consent of the holders of not less than two-thirds in principal amount of the bonds at the time outstanding, including, if more than one series of bonds shall be at the time outstanding, not less than two-thirds in principal amount of each series affected, to effect, by an indenture supplemental to the Mortgage, modifications or alterations of the Mortgage and of the rights and obligations of the Company and of the holders of the bonds and coupons; provided, however, that no such modification or alteration shall be made without the written approval or consent of the registered owner hereof which will (a) extend the maturity of this bond or reduce the rate or extend the time of payment of interest hereon or reduce the amount of the principal hereof or reduce any premium payable on the redemption hereof, or (b) permit the creation of any lien, not otherwise permitted, prior to or on a parity with the lien of the Mortgage, or (c) reduce the percentage of the principal amount of the bonds upon the approval or consent of the holders of which modifications or alterations may be made as aforesaid.

No recourse shall be had for the payment of the principal of or premium, if any, or interest on this bond, or for any claim based