

MORTGAGE OF REAL ESTATE

3726 PROVISIONS—JANUARY 1966

Company of New York (herein called the "Trustee", which term shall include a successor Trustee under the Indenture), as Trustee, to which Indenture and all indentures supplemental thereto reference is hereby made for a description of the properties mortgaged and pledged, the nature and extent of the security, the rights, thereunder of the bearers or registered owners of the Bonds and of the Trustee, and the terms and conditions upon which the Bonds are, and are to be, secured. To the extent permitted by, and as provided in, the Indenture, modifications or alterations of the Indenture, or of any indenture supplemental thereto, and of the rights and obligations of the Company and of the holders of the Bonds may be made with the consent of the Company by an affirmative vote, of each series of Bonds then outstanding, of not less than 80% in amount of the Bonds then outstanding of such series, at a meeting of Bondholders called and held as provided in the Indenture; provided, however, that no such modification or alteration shall be made which will affect the terms of payment of the principal, of, or interest on, this Bond, which are unconditional, or which will permit the creation by the Company of any mortgage or lien in the nature of a mortgage ranking prior to or pari passu with the Indenture except as in the Indenture otherwise expressly provided. The Bonds may be issued in series, for various principal sums, may mature at different times, may bear interest at different rates and may otherwise vary as in the Indenture provided. This Bond is one of a series designated as the "First Mortgage Bonds, 3 3/4% Series due 1966" of the Company, limited to the aggregate principal amount of Six million two hundred fifty thousand dollars (\$6,250,000) and issued under, secured by and described in the Indenture.

The Bonds of the 3 3/4% Series due 1966 are subject to redemption (otherwise than for the sinking fund hereinbelow mentioned), at any time or from time to time prior to maturity, at the option of the Company, either as a whole or in part by lot, upon payment of 105% of the principal amount thereof plus accrued interest to the redemption date, upon notice given by publication once in each of three separate calendar weeks in a daily newspaper, printed in the English language and published and of general circulation in the Borough of Manhattan, The City of New York (the first of such publications to be not more than sixty and not less than thirty days before the redemption date), all subject to the conditions and as more fully set forth in the Indenture.

The Bonds of the 3 3/4% Series due 1966 are entitled to the benefit of a sinking fund as provided in the Indenture, and, to the extent provided in the Indenture, are subject to redemption for the sinking fund on December 1, 1947, and on the first day of December in any year thereafter at the principal amount thereof, plus accrued interest to the redemption date. Notice of redemption for the sinking fund shall be given as hereinabove provided in the case of redemption otherwise than for the sinking fund.

If this Bond shall be called for redemption in whole or in part and payment duly provided for as specified in the Indenture, interest shall cease to accrue from and after the date fixed for redemption on such portion of the principal amount hereof as shall have been called for redemption.

In case an event of default, as defined in the Indenture, shall occur, the principal of all the bonds at the time outstanding under the Indenture may be declared or may become due and payable, upon the conditions and in the manner and with the effect provided in the Indenture. The Company hereby promises to pay interest on the principal amount of this Bond after any default shall have been made in the payment of such principal when the same shall become due and payable, whether at the date of maturity expressed herein, by call for redemption, by declaration as aforesaid, or otherwise, and to pay interest on instalments of interest in default, as more specifically provided and subject to the conditions set forth in the Indenture.

This Bond is transferable by the registered owner hereof, in person or by duly authorized attorney, on the books of the Company to be kept for that purpose at the principal office of the