The principal of and interest on this Bond are payable at the office or agency of the Company in the City of Chicago, State of Illinois, or, at the option of the registered holder hereof, at the office or agency of the Company in the Borough of Manhattan, City and State of New York.

This Bond is one of the First Mortgage Bonds of the Company (herein referred to as the "Bonds"), not limited in aggregate principal amount except as provided in the Mortgage, issued and to be issued under, and all equally and ratably secured by, a mortgage and deed of trust dated as of January 1, 1948 (herein referred to as the "Mortgage"), duly executed and delivered by the Company to The First National Bank of Chicago and Joseph C. Williams, as Trustees, and their successors in trust (which Trustees and their successors in trust are hereinafter referred to as the "Trustees"), to which Mortgage and all indentures supplemental thereto reference is hereby made for a description of the property mortgaged and pledged, the nature and extent of the security, the rights of and restrictions upon the Company and the holders of the Bonds and coupons in respect of such security, the rights, duties and immunities of the Trustees and the terms and conditions under which the Bonds are, and may be, issued and secured. By the terms of the Mortgage, the Bonds may be for various principal sums and are issuable in series, and the Bonds of any series may differ from the Bonds of any other series as to denomination, date, maturity, interest rate, redemption, sinking fund provisions and otherwise, all as in the Mortgage provided. Bonds of Series B, of which this is one, are designated as the "First Mortgage 3¼% Bonds, Series B, due January 1, 1955," and the aggregate principal amount thereof is limited to $25,760,000.

If an event of default as defined in the Mortgage shall occur, the principal of this Bond may be declared or may become due and payable prior to the stated date of maturity hereof in the manner, with the effect and subject to the conditions provided in the Mortgage.

The Mortgage contains provisions permitting the Company and the Trustees at any time or times, with the consent of the holders of not less than 66⅔% in aggregate principal amount of the Bonds then outstanding and to be directly affected thereby, evidenced as in the Mortgage provided, and with the

approval of the Interstate Commerce Commission or other public regulatory body having jurisdiction in the premises, to modify or alter in any manner any of the provisions of the Mortgage or of any indenture supplemental thereto or the rights of the holders of the Bonds and coupons to be directly affected thereby or the rights and obligations of the Company; provided, however, that without the consent of the holder of this Bond, as evidenced by an appropriate legend endorsed hereon (such consent to be conclusive and binding upon such holder and upon all future holders of this Bond), no such modification or alteration shall (i) permit the creation by the Company of any mortgage or other lien in the nature of a mortgage ranking prior to or on a parity with the lien of the Mortgage or of any indenture supplemental thereto, with respect to any property covered thereby, otherwise than as permitted by the Mortgage, or (ii) effect a reduction of the percentage required for any action authorized to be taken by the holders of the Bonds, or (iii) alter or impair the obligation of the Company to pay the principal amount or the interest specified in this Bond at the places and in the manner specified in this Bond, or (iv) alter or impair the obligation of the Company to pay the principal or the interest specified in this Bond at the time specified in this Bond, unless the holders of at least 75% in aggregate principal amount of all of the Bonds at the time outstanding, evidenced as in the Mortgage provided, and with the approval of the Interstate Commerce Commission or other public regulatory body having jurisdiction in the premises, shall have consented to extend to any fixed or determinable date the time or times of payment of the principal of, or the time or times of payment of any interest on, all of the Bonds of Series B then outstanding for a period of not exceeding 25 years beyond the original date of maturity of the principal amount hereof.

The Bonds of Series B are subject to redemption in whole at any time or in part from time to time, on any date prior to maturity at the option of the Company, or through the operation of the Contingent Sinking Fund provided for by the Mortgage, in each case upon publication of notice of such redemption once each week for four successive weeks in a newspaper printed in the English language and customarily published on each business day and of general circulation in the City of Chicago, State of Illinois, and in a like newspaper