

interest date for Bonds of 1977 Series to which interest has previously been paid or made available for payment on outstanding Bonds of 1977 Series). All Bonds of 1977 Series shall bear interest at the rate of four and one-half per centum (4½%) per annum from their respective dates until their maturity, payable semi-annually on the first day of January and the first day of July, beginning with July 1, 1957. Bonds of 1977 Series shall be payable as to principal and interest in any coin or currency of the United States or of America which at the time of payment shall be legal tender for public and private debt, and both principal and interest thereof shall be payable at the office or agency of the Company in the Borough of Manhattan, The City of New York.

§ 3. The Bonds of 1977 Series shall be coupon Bonds negotiable as to principal, of the denomination of \$1,000, and registered Bonds without coupons of the denominations of \$1,000 and any multiple of \$1,000, and of any other denominations authorized by a Resolution of the Board delivered to the New York Trustee, and of such respective amounts of each of said kinds and denominations as may be executed by the Company and delivered to the New York Trustee for authentication and delivery.

The definitive Bonds of 1977 Series may be issued in the first instance in the form of Bonds printed on steel engraved borders; the Company will cause engraved coupon Bonds to be prepared with all convenient speed at any time upon and after demand of any holder of Bonds of 1977 Series printed on steel engraved borders; and after preparation of engraved coupon Bonds as aforesaid and upon surrender for exchange of any such Bond printed on steel engraved border, the Company shall execute and the New York Trustee shall authenticate and deliver in exchange therefor an engraved coupon Bond or Bonds of said series and for the same aggregate principal amount as the Bonds so surrendered, all without charge to the holder. For the purpose of this paragraph, "engraved coupon Bonds" shall mean at the option of the Company either fully engraved coupon Bonds or, to the extent permitted by the listing requirements of the New York Stock Exchange, coupon Bonds engraved in part and printed in part on steel engraved borders. Subject to the foregoing provisions of this

paragraph and to the provisions of Section 13 of the Original Indenture, all definitive Bonds of said series shall be fully interchangeable for other Bonds of said series, and, upon surrender to the New York Trustee at its principal office, shall be exchangeable for other Bonds of said series of a different kind and/or denomination or denominations, as requested by the holder surrendering the same. The Company will execute and the New York Trustee shall authenticate and deliver, as coupon Bonds and/or registered Bonds without coupons, whenever the same shall be required for any such exchange.

§ 4. Bonds of 1977 Series for the aggregate principal amount of Thirty-five Million Dollars (\$35,000,000) may forthwith upon the execution and delivery of this Supplemental Indenture, or from time to time thereafter, be executed by the Company and delivered to the New York Trustee, and, upon compliance with the provisions of the Original Indenture as amended, shall thereupon be authenticated and delivered by the New York Trustee upon the Written Order of the Company, without awaiting the recording, registration or filing of this Supplemental Indenture.

§ 5. The definitive Bonds of 1977 Series and the coupons attached thereto, the definitive registered Bonds of 1977 Series without coupons, and the certificate of authentication of the New York Trustee to be executed thereon shall be substantially in the following forms respectively:

No. [Front or coupon bond] \$1,000.00

#### CITIES SERVICE GAS COMPANY

First Mortgage Preferred Bonds

4½% Stated rate 1977

Due January 1, 1977

CITIES SERVICE GAS COMPANY (hereinafter called the "Company"), a corporation of the State of Delaware, for value received, hereby promises to pay to bearer, or, if this Bond be registered, to the registered owner hereof, on the 1st day of January, 1977, at the office or agency of the Company in the Borough of Manhattan, The City of New York, One Thousand Dollars, in any coin or currency of the United States of America which at the time of payment shall be legal tender