

for redemption in part only may be made directly by mail to the holder thereof without presentation or surrender thereof if there shall be delivered to the Principal Trustee an agreement (which may be a composite with other such agreements) between the Company and such holder (or other person acting as agent for such holder or for whom such holder is a nominee) that payment shall be so made, that prior to any sale, transfer or other disposition of any such Bond, it will be presented to the Principal Trustee for appropriate notation thereon of the portion of the principal amount thereof which has been redeemed or will be surrendered in exchange for a new Bond or Bonds for the unredeemed balance of the principal amount thereof, and that so long as such payments of any such Bond are to be made pursuant to the terms of this Section 2, such Bond shall have a legend of substantially the following tenor imprinted, stamped or otherwise reproduced thereon:

"This Bond is subject to a payment agreement pursuant to which certain payments of principal may be made without presentation for reduction or for exchange for any unredeemed portion of this Bond. Upon request the Principal Trustee will certify the principal amount hereof outstanding as of any given time."

The Principal Trustee shall not be liable or responsible to any such holder or to the Company or to any other person for any act or omission to act on the part of the Company or any such holder in connection with any such agreement. The Company will indemnify and save the Principal Trustee harmless against any liability resulting from any such act or omission and against any liability resulting from any action taken by the Principal Trustee in accordance with the provisions of any such agreement.

Section 3. The Indenture is in all respects ratified and confirmed, and the Original Indenture, this Supplemental Indenture and all other indentures supplemental to the Original Indenture shall be read, taken and construed as one and the same instrument. Neither the execution of this Supplemental Indenture nor anything herein contained shall be construed to impair the lien of the Indenture on any of the property subject thereto, and such lien shall remain in full force and effect as security for all bonds now outstanding or hereafter issued under the Indenture. All covenants and provisions of the Indenture shall continue in full force and effect, and this Supplemental Indenture shall form part of the Indenture. All terms defined in Article 1 of the

Original Indenture shall, for all purposes of this Supplemental Indenture, have the meanings in said Article 1 specified, unless the context otherwise requires.

Section 4. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Supplemental Indenture, shall be a legal holiday or a day on which banking institutions in The City of New York are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are authorized by law to remain closed, with the same force and effect as if done on the nominal date provided in this Supplemental Indenture, and no interest shall accrue for the period after such nominal date.

Section 5. The Company is carrying on the business of a public utility.

Section 6. This Supplemental Indenture may be executed in any number of counterparts, and all said counterparts executed and delivered, each as an original, shall constitute but one and the same instrument.

In WITNESS WHEREOF, The Gas Service Company, party hereto of the first part, has caused this Supplemental Indenture to be signed in its corporate name by its President or a Vice President, and its corporate seal to be hereunto affixed and attested by its Secretary or an Assistant Secretary, and The Chase Manhattan Bank (National Association), party hereto of the second part, in evidence of its acceptance of the trust hereby created, has caused this Supplemental Indenture to be signed in its corporate name by one of its Vice Presidents and its corporate seal to be hereunto affixed and attested by its Secretary or an Assistant Secretary, and Commerce Trust Company, also party hereto of the second part, in evidence of its acceptance of the trust hereby created, has caused this Supplemental Indenture to be