

five and one-half per cent. (5½%) per annum, semi-annually, on the first days of May and November in each year at the office or agency of the Company in the Borough of Manhattan, The City and State of New York, or at the option of the registered owner, at the office of Halsey, Stuart & Co., Inc., or its successor, in the City of Chicago, State of Illinois, in like gold coin, without deduction for any taxes, assessments or governmental charges (other than inheritance and succession taxes) which the Company or its agents or the Trustee may be required or permitted to pay thereon or to deduct or retain therefrom under any present or future law of the United States of America or of any state, county, municipality or other taxing authority therein, except such portion of any Federal income tax with respect to income derived from such interest as shall begin excess of two per cent. per annum of such interest. It is provided in said Indenture that the Company will reimburse to the registered owner hereof, any personal property taxes of the States of Pennsylvania, California and Connecticut, to the extent of four mills per annum in each of said States on each dollar of the taxable value hereof, and any securities tax of the State of Maryland to the extent of four and one-half mills per annum in said State on each dollar of the taxable value hereof, and any income tax of the State of Massachusetts to the extent of 6½% per annum on the income derived from the interest paid hereon, which may be paid by such registered owner who is resident of such respective State and who is subject to the payment thereof, by reason of the ownership hereof or the deriving of income herefrom, if application therefor be made, in the manner and upon the conditions provided in the Indenture hereinafter mentioned, within sixty days after the date of each payment of any such tax, but the Company shall in no event be liable to reimburse such bearer or registered owner for any interest accrued or penalty imposed and paid in addition to the amount of said tax as originally assessed.

This Bond is one of a duly authorized issue of Bonds of the Company, all issued and to be issued in series, under and equally and ratably secured by a Mortgage and Indenture of Trust, dated as of May 1, 1927 (herein called the Indenture), duly executed and delivered by the Company to Central Union Trust Company of New York, and Commerce Trust Company, as Trustees (herein called the Trustees), to which Indenture and all instruments 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 the registered owner hereof with respect thereto, and the terms, restrictions and conditions upon which the Bonds are issued and secured, to all of the terms and provisions of which said Indenture the registered owner hereof consents by acceptance hereof. This Bond is one of a series of said Bonds, such series being limited to an aggregate principal amount of \$25,000,000, and known as the First Mortgage Pipeline 5½% Gold Bonds, Series of 1927, of the Company.

This Series of Bonds is subject to redemption, at any time, upon sixty days' prior notice, in the manner provided in the Indenture, in whole, or in part by lot, at the option of the Company, on or before April 30, 1932, at one hundred three per cent. (103%) of the principal amount thereof and accrued interest to the date of redemption; thereafter and on or before April 30, 1937, at one hundred two per cent. (102%) of the principal amount thereof and accrued interest to the date of redemption; thereafter and on or before April 30, 1941, at one hundred one per cent. (101%) of the principal amount thereof and accrued interest to the date of redemption; and thereafter at the principal amount thereof and accrued interest to the date of redemption.

This Bond is also subject to redemption at any time, on thirty days' prior notice, in the manner provided in the Indenture, through operation of the Sinking Fund or of the Property Replacement Fund, on or before April 30, 1937, at one hundred one per cent. (101%) of the principal amount thereof plus accrued interest to the date of redemption, and thereafter at the principal amount thereof plus accrued interest to the date of redemption. It is provided in the Indenture that the Company will retire in each quarter commencing with the quarter ending November 1, 1927, one hundred fifty-six thousand two hundred fifty dollars (\$156,250) principal amount of the Bonds of this Series by purchase in the market at and including the prevailing Sinking Fund redemption price, or by redemption at such price, including accrued interest to the date of redemption in each case, the Company to have the right to anticipate its Sinking Fund obligation, or to surrender Bonds in satisfaction thereof.

Interest shall cease to accrue on this Bond if it is called for redemption and payment of the redemption price is duly provided by the Company as specified in the Indenture, from and after the date of redemption fixed in the notice thereof.

This Bond is transferable by the registered owner in person or by duly authorized attorney at the office or agency of the Company in the Borough of Manhattan, The City and State of New York upon the surrender and cancellation of this Bond, and thereupon a new registered Bond or Bonds of this Series of like aggregate principal amount, having endorsed thereon the same coupon bond serial numbers as are endorsed hereon, will be issued to the transferee in exchange herefor; or the registered owner of this Bond at his option may surrender the same for cancellation in exchange for a coupon Bond or Bonds of this Series of a like aggregate principal amount, with all unmatured interest coupons attached, which coupon Bond or Bonds may in turn be exchanged for a registered Bond or Bonds; all upon payment of the charges and subject to the terms and conditions set forth in the Indenture.

In case an event of default, as defined in the Indenture, 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 therein.

No recourse shall be had for the payment of any part of this Bond or of the interest thereon or for the satisfaction of any liability arising from, founded upon or existing by reason of the issue, purchase or ownership of this Bond, against any incorporator or any past, present or future, stockholder, officer or director of the Company, as such, either directly or through the Company, or otherwise, by virtue of any contract, constitution, statute or rule of law or by the enforcement of any assessment or otherwise, all such liability of incorporators, stockholders, directors or officers being released by the registered owner hereof, by the acceptance of this Bond and being also waived and released by the terms of the Indenture.

This Bond shall be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until the certificate endorsed hereon shall have been signed by Central Union Trust Company of New York, one of the Trustees, or its successors under the Indenture.

IN WITNESS WHEREOF, CITIERS SERVICE GAS COMPANY has caused this Bond to be signed by its president or a vice-president, and its corporate seal to be hereunto affixed and attested by its secretary or an assistant secretary, all in the City and State of New York as of the day of

Attest:

Assistant Secretary

CITIERS SERVICE GAS COMPANY,

By

Vice-President

(FORM C, TRUSTEE'S CERTIFICATE)

This is one of the Bonds, of the series mentioned therein, described in the aforementioned Indenture.