

MORTGAGE RECORD 75

CITIES SERVICE GAS COMPANY, a corporation of the State of Delaware (hereinafter called the Company, which term shall include any successor corporation as defined in the Original Indenture hereinafter referred to) for value received, hereby promises to pay to the bearer hereof, or, if this Bond be registered, to the registered owner hereof, on May 1, 1942 (unless before that date this Bond shall have been redeemed in accordance with the provisions hereof), at the principal office of Central Hanover Bank and Trust Company, or its successor as Trustee, in the Borough of Manhattan, The City and State of New York,..... Dollars in gold coin of the United States of America, of, or equal to, the standard of weight and fineness existing November 1, 1928, and to pay interest thereon from November 1, 1928, until this Bond is paid, at the rate of 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, in like gold coin, but only in accordance with the terms of and on presentation and surrender of the interest coupons hereto attached as they severally mature, without deduction for any taxes, assessments or governmental charges (other than inheritance and succession taxes) which the Company or its agents or the Trustees 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 be in excess of two per cent. per annum of such interest. It is provided in the Supplemental Indenture hereinafter referred to that the Company will reimburse to the bearer or, if this Bond be registered, 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 six per cent. on the income derived from the interest paid hereon, which may be paid by such bearer or registered owner who is a 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 such Supplemental Indenture, within sixty days after the date of each payment of any such tax (or within sixty days after the date of the anniversary of each payment if payment has been made for more than one year), 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 Original Indenture), duly executed and delivered by the Company to Central Union Trust Company of New York (now Central Hanover Bank and Trust Company) and Commerce Trust Company, as Trustees (herein called Trustees), to which Original 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 rights, of the bearer or 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 and the Supplemental Indenture hereinafter referred to the bearer or registered owner hereof consents by acceptance hereof. This Bond is one of a series of said Bonds known as the First Mortgage Pipeline 5½% Gold Bonds, Series of 1928, of the Company, and is issued pursuant to the terms of, and the rights of the bearer or registered owner hereof are more fully set forth, in a Supplemental Indenture, dated as of November 1, 1928 (herein called the Supplemental Indenture), executed and delivered by the Company to Central Hanover Bank and Trust Company and Commerce Trust Company, as Trustees, and which is supplemental to the Original Indenture.

This Series of Bonds is subject to redemption, at any time, upon sixty days' prior notice, in the manner provided in the Supplemental 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 Supplemental 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.

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 Supplemental Indenture, from and after the date for redemption fixed in the notice thereof.

This Bond shall be negotiable and shall pass by delivery, unless registered in the holder's name on the books of the Company at the office or agency of the Company in the Borough of Manhattan, The City and State of New York, such registration being noted hereon by or on behalf of the Company. After such registration no transfer hereof shall be valid unless made at said office or agency by the registered owner hereof, in person or by attorney, duly authorized, and similarly noted hereon but this Bond may be discharged from registration by being in like manner transferred to bearer and thereupon transferability by delivery shall be restored; and this Bond may again, from time to time, be registered or discharged from registration in the same manner. Such registration shall not affect the negotiability of the coupons attached hereto, which shall continue to be transferable by delivery.

The bearer or registered owner of any coupon Bond or Bonds of this Series of an aggregate principal amount of \$1,000 or some multiple thereof may, at his option, surrender the same with unmaturing interest coupons attached, in exchange for a registered Bond or Bonds of this Series of a like aggregate principal amount, without interest coupons, which registered Bond or Bonds may in turn be exchanged for a coupon Bond or Bonds; all upon payment of the charges and subject to the terms and conditions set forth in the Original Indenture.

In case an event of default, as defined in the Original Indenture or in the Supplemental 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 hereon 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 bearer or registered owner hereof by the acceptance of this Bond and being also waived and released by the terms of the Original Indenture.

This Bond shall not be entitled to any benefit under the Original Indenture or the Supplemental Indenture or become valid or obligatory for any purpose until the certificate endorsed hereon shall have been signed by Central Hanover Bank and Trust Company, one of the Trustees, or its successor under the Original Indenture.