

due and payable, in the manner and with the effect provided in said Indenture.

This Bond is transferable by the registered owner hereof in person or by attorney authorized in writing, at the office or agency of the Company in the Borough of Manhattan, The City of New York, upon surrender and cancellation of this Bond and on payment of charges, and upon any such transfer a new registered Bond without coupons, of the same series, for the same aggregate principal amount, will be issued to the transferee in exchange hereof.

This Bond, alone or with other Bonds of the same series, may be exchanged, upon surrender thereof to Central Hanover Bank and Trust Company, or its successor as a Trustee under said Indenture, for one or more other registered Bonds without coupons, of the same series and of the same aggregate principal amount, but of a different authorized denomination or denominations, and this Bond may, upon surrender thereof as aforesaid, be exchanged for one or more coupon Bonds of the same series and of the same aggregate principal amount, of the denomination of \$1,000, accompanied by all appropriate coupons, all upon payment of charges and subject to the terms and conditions set forth in said Indenture.

No recourse shall be had for the payment of the principal of or the interest on this Bond, or for any claim based hereon or otherwise in respect hereof or of said Indenture, against any incorporator, stockholder, director or officer, past, present or future, of the Company or of any predecessor or successor corporation, either directly or through the Company or any predecessor or successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or by any legal or equitable proceeding or otherwise howsoever; all such liability being, by the acceptance hereof and as a part of the consideration for the issuance hereof, expressly waived and released by every holder hereof, as more fully provided in said Indenture; provided, however, that nothing

herein or in said Indenture contained shall be taken to prevent recourse to and the enforcement of the liability, if any, of any shareholder or any stockholder or subscriber to capital stock upon or in respect of shares of capital stock not fully paid up.

This Bond shall not be valid or become obligatory for any purpose, until the certificate hereon shall have been signed by Central Hanover Bank and Trust Company, or its successor as a Trustee under said Indenture.

IN WITNESS WHEREOF, the Company has caused this Bond to be signed in its name by its President or one of its Vice Presidents, and its corporate seal to be impressed or imprinted hereon and attested by its Secretary or one of its Assistant Secretaries.

Dated \_\_\_\_\_

CITIS SERVICE GAS COMPANY,

By \_\_\_\_\_  
President.

Attest:

Secretary.

[FORM OF NEW YORK TRUSTEE'S CERTIFICATE]

This is one of the Bonds described in the within mentioned Indenture.

CENTRAL HANOVER BANK AND TRUST COMPANY,  
as Trustee,

By \_\_\_\_\_  
Authorized Officer.

### ARTICLE III.

#### SINKING FUND FOR BONDS OF 1968 SERIES.

§6. For the purpose of this Article, the fifteenth day of January, 1954, and the fifteenth day of January in each year thereafter to and including January 15, 1967, are called Sinking Fund Payment Dates. If any of said days is a Sunday or legal holiday or a day on which banking institutions are authorized pursuant to law to close and on which the principal office of the New York Trustee is not open for business, then the next succeeding business day shall be deemed to be a Sinking Fund Payment Date.

§7. The Company covenants and agrees that it will on January 15, 1954 create and, so long as any Bonds of 1968 Series are outstanding, maintain a Sinking Fund, and that it will pay to the New York Trustee on or before each Sinking Fund Payment Date, so long as any Bonds of 1968 Series are outstanding, for the account of such Sinking Fund, cash sufficient in amount to retire, at prices not exceeding the current Sinking Fund Redemption Price, hereinafter defined, the following respective principal amounts of Bonds of 1968 Series:

January 15	Bonds to be retired by Sinking Fund
1954	\$ 500,000
1955	1,000,000
1956	1,000,000
1957	1,000,000
1958	1,000,000
1959	1,000,000
1960	1,000,000
1961	1,000,000
1962	1,000,000
1963	1,000,000
1964	1,000,000
1965	1,000,000
1966	3,500,000
1967	3,500,000

The Company may satisfy all or any part of its obligations as aforesaid by surrendering to the New York Trustee, on any Sinking Fund Payment Date, Bonds of 1968 Series then outstanding accompanied by all coupons (if any) appertaining thereto maturing on or after the Sinking Fund Payment Date; and the Company may utilize for such purpose Bonds of 1968 Series which it may have purchased or otherwise acquired at any time after the authentication and delivery thereof.

§8. All cash paid by the Company to the New York Trustee pursuant to the provisions of this Article (hereinafter referred to as "Sinking Fund Cash") shall forthwith become Bonded Cash and shall be applied to the retirement of Bonds of 1968 Series as provided in §11 of this Article.

Provided, however, that on any Sinking Fund Payment Date no more Bonds of the 1968 Series may be retired by call for redemption at the Sinking Fund Redemption Price specified in §9 of this Article than the principal amount of Bonds of the 1968 Series required to be retired by the provisions of §7 of this Article.

§9. On each Sinking Fund Payment Date the redemption price applicable to Bonds of 1968 Series to be purchased or redeemed under the provisions of this Article shall be the percentage of the principal amount thereof set forth in the following table:

Year	Percentage	Year	Percentage
1954	100.59	1961	100.30
1955	100.55	1962	100.26
1956	100.52	1963	100.21
1957	100.48	1964	100.16
1958	100.43	1965	100.11
1959	100.39	1966	100.06
1960	100.35	1967	100.00