

NATURAL GAS PIPELINE COMPANY OF AMERICA

TO

THE CHASE NATIONAL BANK OF THE
CITY OF NEW YORK

TRUSTEE

INDEXED IN CHATTEL.
MORTGAGE INDEX No. 23

STATE OF IOWA
MADISON COUNTY

Recorded for record the 7 day of August
1946 at 11:50 o'clock a.m.
Recorded in book 98C on page 1 to 38

FOR RELEASE OF ANNEXED MORTGAGE SEE
MORTGAGE RECORD 152 PAGE 1

Pearl E. Shetterly Recorder
Deputy

First Supplemental Indenture

Dated as of July 1, 1946.

Fee \$12.59

I ✓ 42 pgs
S

(Supplemental to Indenture dated as of November 1, 1945)

SUPPLEMENTAL INDENTURE, dated as of July 1, 1946, between NATURAL GAS PIPELINE COMPANY OF AMERICA, a corporation organized and existing under the laws of the State of Delaware (hereinafter called the "Company"), party of the first part, and THE CHASE NATIONAL BANK OF THE CITY OF NEW YORK, a national banking association organized and existing under the laws of the United States of America (hereinafter called the "Trustee"), party of the second part.

WHEREAS the Company has heretofore executed and delivered its Indenture dated as of November 1, 1945 (hereinafter referred to as the "Original Indenture") to the Trustee to secure an issue of First Mortgage Pipeline and Collateral Trust Bonds, issuable in series, and has issued thereunder its First Mortgage Pipeline and Collateral Trust Bonds, 2.6% Series due 1963, due May 1, 1963 (hereinafter referred to as the "Bonds of 1963 Series") in the aggregate principal sum of \$25,000,000, being the initial series of bonds issued under the Original Indenture; and

WHEREAS under Section 32 of the Original Indenture the Company is authorized to issue \$10,500,000 principal amount of additional Bonds upon the terms and conditions expressed in said Section 32; and

WHEREAS the Company proposes to issue in accordance with the provisions of said Section 32 of the Original Indenture \$10,500,000 aggregate principal amount of a new series of First Mortgage Pipeline and Collateral Trust Bonds to mature May 1, 1963 and to be designated as its First Mortgage Pipeline and Collateral Trust Bonds, Second 2.6% Series due 1963 (hereinafter sometimes called the "Bonds of the Second 1963 Series"); and

WHEREAS the Company, by appropriate corporate action, has duly resolved and determined to execute this Supplemental Indenture for the purpose of providing for the creation of the Bonds of the Second 1963 Series, of specifying the form and provisions thereof and of adding to the covenants and agreement of the Company other covenants and agreements, all as in said Original Indenture provided or permitted; and

WHEREAS the texts of the First Mortgage Pipeline and Collateral Trust Bonds, Second 2.6% Series due 1963, the interest coupons to be attached to such Bonds and the Certificate of Authentication of the Trustee to be endorsed thereon, are to be substantially in the following forms, respectively:

[FORM OF COUPON BOND]

No.....

\$.....

NATURAL GAS PIPELINE COMPANY OF AMERICA

FIRST MORTGAGE PIPELINE AND COLLATERAL TRUST BOND,
SECOND 2.6% SERIES DUE 1963.

DUE MAY 1, 1963.

NATURAL GAS PIPELINE COMPANY OF AMERICA (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 first day of May, 1963 at the office or agency of the Company in the City of Chicago, Illinois, or, at the option of the holder hereof, at the office or agency of the Company in the Borough of Manhattan, The City of New York, One Thousand Dollars (\$1,000), in any coin or currency of the United States of America which at the time of payment shall be legal tender for public and private debts, and to pay interest thereon from July 1, 1946, at the rate of 2.6% per annum, payable at said office or agency of the Company in the City of Chicago, Illinois, or, at the option of the holder hereof, at the office or agency of the Company in the Borough of Manhattan, The City of New York, in like coin or currency semi-annually on May 1 and November 1 in each year until the principal hereof shall have become due and payable, and to pay interest on any overdue principal and (to the extent that payment of such interest is enforceable under applicable law) on any overdue installment of interest at the rate of six per cent. (6%) per annum. The interest accrued on the principal hereof prior to such principal becoming due and payable shall be paid only upon presentation and surrender, and according to the tenor, of the interest coupons hereto annexed as they severally mature.

This Bond is one of an authorized issue of Bonds of the Company issued and to be issued in series (which may vary as to date of maturity, interest rate, sinking fund and otherwise) under, and all equally and ratably secured by, an Indenture of mortgage and deed of trust dated as of November 1, 1945, and the supplement thereto dated as of July 1, 1946 executed by the Company to The Chase National Bank of the City of New York, as Trustee (hereinafter collectively referred to as the "Indenture"), to which Indenture and all indentures supplemental thereto reference is hereby made for a description of the properties mortgaged and pledged, the nature and extent of the security, the rights of the holders of said Bonds and the annexed coupons and of the Trustee and of the Company in respect of such security, and the terms and conditions upon which said Bonds are and are to be issued and secured. As provided in, and to the extent permitted by, said Indenture, the rights and obligations of the Company and of the holders of said Bonds and coupons may be changed and modified with the consent of the Company by the affirmative vote of the holders of at least 75% in principal amount of the Bonds then outstanding affected by such change or modification (excluding Bonds disqualified from voting by reason of the Company's interest therein as provided in said Indenture); *provided, however*, that without the consent of the holder hereof no such change or modification shall permit the reduction of the principal or the extension of the maturity of the principal of this Bond or the reduction in the rate of interest hereon or premium, if any, or any other modification of the terms of payment of such principal, interest or premium, if any, or shall reduce the percentage of Bonds required for the adoption of changes or modifications as aforesaid. As provided in said Indenture, said Bonds are issuable in series which may vary as in said Indenture provided or permitted. This Bond is one of a series of Bonds entitled "First Mortgage Pipeline and Collateral Trust Bonds, Second 2.6% Series due 1963".

The Bonds of this series are subject to redemption at any time and from time to time, prior to maturity, in whole or in part, upon at least thirty days' prior notice given as provided in said Indenture, at the election of the Company, all as more fully provided in said Indenture, at redemption prices which shall, during the initial period from July 1, 1946 to November 1, 1946 be 103% of the principal amount thereof

and thereafter such redemption prices shall be the following percentages of the principal amounts thereof during the respective twelve months' periods beginning November 1 in each of the following years:

Beginning November 1	Percentages	Beginning November 1	Percentages
1946.....	102.85	1955.....	101.43
1947.....	102.71	1956.....	101.26
1948.....	102.56	1957.....	101.08
1949.....	102.41	1958.....	100.89
1950.....	102.26	1959.....	100.70
1951.....	102.10	1960.....	100.51
1952.....	101.94	1961.....	100.31
1953.....	101.78	1962.....	100.00
1954.....	101.61		

together in each case with accrued interest to the date fixed for redemption; but in case of redemption after the taking by eminent domain or purchase by a public authority of all or substantially all of the Company's property, or the acquisition by a public authority of control of the Company, the Bonds of all series are subject to redemption at the principal amount thereof together with accrued interest to the date of redemption.

The Bonds of this series are entitled to the benefit of the Sinking Fund provided for in said Indenture, and in the manner and to the extent provided in said Indenture, any one or more of the Bonds of this series are subject to redemption through the operation of said Sinking Fund on the first days of May and November in each year to and including November 1, 1962, upon at least thirty days' prior notice given as provided in said Indenture, at the principal amount thereof together with accrued interest to the date fixed for redemption.

If this Bond shall be called for redemption as provided in said Indenture, this Bond (unless the Company shall default in the payment of the redemption price) shall cease to bear interest on and after the date fixed for redemption.

If an event of default, as defined in said Indenture, shall occur, the principal of this Bond may become or be declared due and payable, in the manner and with the effect provided in said Indenture. Said Indenture provides that such declaration may in certain events be

waived by the holders of a majority in principal amount of the Bonds outstanding.

This Bond is transferable by delivery unless registered as to principal in the name of the holder on books of the Company, to be kept for such purpose at the office or agency of the Company in the City of Chicago, Illinois, and in the Borough of Manhattan, The City of New York, such registration being noted hereon. After such registration, no transfer hereof shall be valid unless made upon said books by the registered owner in person or by attorney authorized in writing 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, but again and from time to time this Bond may be registered or transferred to bearer as before. Such registration, however, shall not affect the negotiability of the coupons for interest hereto annexed, which shall always continue to be payable to bearer and to be transferable by delivery merely, and payment to the bearer thereof shall fully discharge the Company in respect of the interest therein mentioned, whether or not this Bond be registered as to principal.

This Bond, either alone or with other Bonds of the same series, may be exchanged upon the surrender thereof with all unmatured coupons attached, to The Chase National Bank of the City of New York, or its successor as Trustee under said Indenture, for one or more registered Bonds without coupons, of the same series and of the same aggregate principal amount, which registered Bond or Bonds without coupons may in turn 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 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 or of any indenture supplemental thereto, against any incorporator, stockholder, director, or officer, as such, 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 assess-

ment 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.

Neither this Bond nor any of the annexed interest coupons shall be valid or become obligatory for any purpose, until the certificate of authentication hereon shall have been signed by The Chase National Bank of the City of New York, or its successor, as 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, and coupons for said interest bearing the facsimile signature of its Treasurer to be hereunto attached.

Dated July 1, 1946.

NATURAL GAS PIPELINE COMPANY OF AMERICA,

By.....

President.

Vice President.

Attest:

.....

Secretary.

Assistant Secretary.

[FORM OF INTEREST COUPON]

\$.....

On the 1st day of 19..... (unless the Bond hereinafter described shall have previously become due and payable), upon surrender of this coupon, Natural Gas Pipeline Company of America

will pay to bearer, at the office or agency of the Company in the City of Chicago, Illinois, or, at the option of the holder hereof, at the office or agency of the Company in the Borough of Manhattan, The City of New York, Thirteen Dollars (\$13), in any coin or currency of the United States of America which at the time of payment shall be legal tender for public and private debts, being six months' interest then due on its First Mortgage Pipeline and Collateral Trust Bond, Second 2.6% Series due 1963 No.

.....,
Treasurer.

[FORM OF FULLY REGISTERED BOND WITHOUT COUPONS]

No. \$.....

NATURAL GAS PIPELINE COMPANY OF AMERICA

FIRST MORTGAGE PIPELINE AND COLLATERAL TRUST BOND,
SECOND 2.6% SERIES DUE 1963

DUE MAY 1, 1963

NATURAL GAS PIPELINE COMPANY OF AMERICA (hereinafter called the "Company"), a corporation of the State of Delaware, for value received, hereby promises to pay to or registered assigns, on the first day of May, 1963, at the office or agency of the Company in the City of Chicago, Illinois, or, at the option of the registered holder, at the office or agency of the Company in the Borough of Manhattan, The City of New York, Dollars in any coin or currency of the United States of America which at the time of payment shall be legal tender for public and private debts, and to pay interest thereon from the date hereof, at the rate of 2.6% per annum, payable at said office or agency of the Company in the City of Chicago, Illinois, or, at the option of the registered holder, at the office or agency of the Company in the Borough of Manhattan, The City of New York, in like coin or currency semi-annually on May 1 and November 1 in each year until the principal hereof shall have become due and payable, and to pay interest on any overdue principal and (to the extent that payment of

such interest is enforceable under applicable law) on any overdue installment of interest at the rate of six per cent. (6%) per annum.

This Bond is one of an authorized issue of Bonds of the Company issued and to be issued in series (which may vary as to date of maturity, interest rate, sinking fund and otherwise) under, and all equally and ratably secured by, an Indenture of mortgage and deed of trust dated as of November 1, 1945, and the supplement thereto dated as of July 1, 1946 executed by the Company to The Chase National Bank of the City of New York, as Trustee (hereinafter collectively referred to as the "Indenture"), to which Indenture and all indentures supplemental thereto reference is hereby made for a description of the properties mortgaged and pledged, the nature and extent of the security, the rights of the holders of said Bonds and of the Trustee and of the Company in respect of such security, and the terms and conditions upon which said Bonds are and are to be issued and secured. As provided in, and to the extent permitted by, said Indenture, the rights and obligations of the Company and of the holders of said Bonds and coupons may be changed and modified with the consent of the Company by the affirmative vote of the holders of at least 75% in principal amount of the Bonds then outstanding affected by such change or modification (excluding Bonds disqualified from voting by reason of the Company's interest therein as provided in said Indenture); PROVIDED, HOWEVER, that without the consent of the holder hereof no such change or modification shall permit the reduction of the principal or the extension of the maturity of the principal of this Bond or the reduction in the rate of interest hereon or premium, if any, or any other modification of the terms of payment of such principal, interest or premium, if any, or shall reduce the percentage of Bonds required for the adoption of changes or modifications as aforesaid. As provided in said Indenture, said Bonds are issuable in series which may vary as in said Indenture provided or permitted. This Bond is one of a series of Bonds entitled "First Mortgage Pipeline and Collateral Trust Bonds, Second 2.6% Series due 1963".

The Bonds of this series are subject to redemption at any time and from time to time, prior to maturity, in whole or in part, upon at least thirty days' prior notice given as provided in said Indenture, at the election of the Company, all as more fully provided in said Indenture,

at redemption prices which shall, during the initial period from July 1, 1946 to November 1, 1946 be 103% of the principal amount thereof and thereafter such redemption prices shall be the following percentages of the principal amounts thereof during the respective twelve months' periods beginning November 1 in each of the following years:

Beginning November 1	Percentages	Beginning November 1	Percentages
1946.....	102.85	1955.....	101.43
1947.....	102.71	1956.....	101.26
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1951.....	102.10	1960.....	100.51
1952.....	101.94	1961.....	100.31
1953.....	101.78	1962.....	100.00
1954.....	101.61		

together in each case with accrued interest to the date fixed for redemption; but in case of redemption after the taking by eminent domain or purchase by a public authority of all or substantially all of the Company's property, or the acquisition by a public authority of control of the Company, the Bonds of all series are subject to redemption at the principal amount thereof together with accrued interest to the date of redemption.

The Bonds of this series are entitled to the benefit of the Sinking Fund provided for in said Indenture, and in the manner and to the extent provided in said Indenture, any one or more of the Bonds of this series are subject to redemption through the operation of said Sinking Fund on the first days of May and November in each year to and including November 1, 1962, upon at least thirty days' prior notice given as provided in said Indenture, at the principal amount thereof together with accrued interest to the date fixed for redemption.

If this Bond or any portion thereof shall be called for redemption as provided in said Indenture, this Bond or such portion thereof (unless the Company shall default in the payment of the redemption price) shall cease to bear interest on and after the date fixed for redemption.

If an event of default, as defined in said Indenture, shall occur, the principal of this Bond may become or be declared due and payable,

in the manner and with the effect provided in said Indenture. Said Indenture provides that such declaration may in certain events be waived by the holders of a majority in principal amount of the Bonds outstanding.

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 City of Chicago, Illinois, or, at the option of the registered holder, 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 and maturity, for the same aggregate principal amount, will be issued to the transferee in exchange herefor.

This Bond, either alone or with other Bonds of the same series, may be exchanged upon surrender thereof to The Chase National Bank of the City of New York, or its successor, as 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 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 or of any indenture supplemental thereto, against any incorporator, stockholder, director or officer, as such, 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.

This Bond shall not be valid or become obligatory for any purpose, until the certificate of authentication hereon shall have been signed by The Chase National Bank of the City of New York, or its successor, as 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

NATURAL GAS PIPELINE COMPANY OF AMERICA,

By

Attest:

President.
Vice President.

Secretary.
Assistant Secretary.

TRUSTEE'S CERTIFICATE

This is one of the bonds, of the series designated therein, described in the within mentioned Indenture.

THE CHASE NATIONAL BANK OF THE
CITY OF NEW YORK,
As Trustee.

By

Authorized Officer.

and

WHEREAS all acts and proceedings required by law and by the charter and by-laws of the Company, including all action requisite on the part of its stockholders, directors and officers necessary to make the First Mortgage Pipeline and Collateral Trust Bonds, Sec-

ond 2.6% Series due 1963 when executed by the Company, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal obligations of the Company, and to constitute the Original Indenture and this Supplemental Indenture a valid and binding Mortgage and Deed of Trust for the security of the Bonds in accordance with its and their terms, have been duly done and taken; and the execution and delivery of this Supplemental Indenture has been in all respects duly authorized.

NOW, THEREFORE, THIS SUPPLEMENTAL INDENTURE WITNESSETH: That the Company for itself and its successors does hereby covenant and agree to and with the Trustee and its successor in the trust under the Original Indenture, for the benefit of those who shall hold the Bonds and coupons or any of them to be issued hereunder and thereunder, as follows:

ARTICLE ONE.

Creation of Bonds of the Second 1963 Series.

SECTION 1. A new series of bonds to be issued under and secured by the Original Indenture and this Supplemental Indenture is hereby created, to be known as and entitled "First Mortgage Pipeline and Collateral Trust Bonds, Second 2.6% Series due 1963" (herein referred to as "Bonds of the Second 1963 Series"), and the form thereof shall be substantially as hereinabove set forth.

The principal amount of Bonds of the Second 1963 Series shall be limited to \$10,500,000 (exclusive of Bonds authenticated and delivered upon denominational or other exchanges and transfers pursuant to this *Article One* and to *Article Two* of the Original Indenture and Bonds authenticated and delivered pursuant to *Section 14* of the Original Indenture). The Bonds of the Second 1963 Series shall bear interest at the rate of 2.6% per annum and shall mature on the 1st day of May, 1963.

All coupon Bonds of the Second 1963 Series shall be dated July 1, 1946, which date shall be the date of the commencement of the first interest period for all Bonds of the Second 1963 Series, and all Bonds of the Second 1963 Series shall bear interest at the rate above set forth from their respective dates until the principal thereof shall have become due and payable, such interest to be payable semi-annually on the 1st day of May and November in each year, the first interest payment date being November 1, 1946. Any overdue principal and (to the extent payment of such interest is enforceable under applicable law) any overdue installment of interest shall bear interest at the rate of six per cent. (6%) per annum. The interest accrued on the principal of coupon Bonds of the Second 1963 Series prior to such principal becoming due and payable shall be paid only upon presentation and surrender, and according to the tenor, of the interest coupons thereto annexed as they severally mature. The Bonds of the Second 1963 Series shall be coupon Bonds registerable as to principal, of the denomination of \$1,000, and registered Bonds without coupons of 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 Trustee, and of such respective amounts of each of said kinds and denominations as may be executed by the Company and delivered to the Trustee for authentication and delivery. Both the principal of and the interest on the Bonds of the Second 1963 Series shall be payable at the office or agency of the Company in the City of Chicago, Illinois, or, at the option of the holder, at the office or agency of the Company in the Borough of Manhattan, The City of New York, in any coin or currency of the United States of America which at the time of payment shall be legal tender for public and private debts. The Bonds of the Second 1963 Series shall be subject to redemption as provided in *Article Two* of this Supplemental Indenture and *Sections 58* and *60* of the Original Indenture and are entitled to the benefits of and are subject to redemption by the Sinking Fund described in *Article Three* of this Supplemental Indenture.

The definitive Bonds of the Second 1963 Series may be issued in the first instance in the form of engraved Bonds or Bonds printed on steel engraved borders; the Company will cause engraved Bonds to be prepared with all convenient speed at any time upon and after demand of any holder of Bonds of the Second 1963 Series printed on steel engraved borders, if such engraved Bonds are not then available; such engraved Bonds to be in such authorized denominations, and in coupon or registered form or partly in one and partly in the other of such forms, as may be specified in such demand; and after preparation of engraved Bonds and upon surrender for exchange of any such Bond printed on steel engraved border, the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor an engraved Bond or Bonds of the same series and maturity and for the same aggregate principal amount as the Bond so surrendered, all without charge to the holder. Subject to the foregoing provisions of this paragraph and to the provisions of *Section 13* of the Original Indenture and to the provision of *subdivision (g)* of *Section 1* of *Article Three* of this Supplemental Indenture, all definitive Bonds of the Second 1963 Series shall be fully interchangeable for other Bonds of the same series and maturity, and, upon surrender to the Trustee at its principal office (either directly, or through the office or agency to be maintained by the Company in the Borough of Manhattan, The City of New York for the registration and transfer of said Bonds of the Second 1963 Series) shall be exchangeable for other Bonds of the same series and maturity, of a different kind and/or denomination or denominations, as requested by the holder surrendering the same. The Company will execute, and the Trustee shall authenticate and deliver, coupon Bonds and/or registered Bonds without coupons, whenever the same shall be required for any such exchange.

The Bonds of the Second 1963 Series may be registered and transferred as provided in the Original Indenture for the registration and transfer of Bonds of 1963 Series at an office or agency to be maintained

by the Company in the City of Chicago, Illinois, or, at the option of the holder thereof, at an office or agency to be maintained by the Company in the Borough of Manhattan, The City of New York. The Company covenants and agrees that so long as any Bonds of the Second 1963 Series are outstanding, it will keep an office or agency in the City of Chicago, Illinois and an office or agency in the City of New York, N. Y., for all purposes with respect to the Bonds of the Second 1963 Series which by the terms of the Original Indenture it covenants or agrees to have or maintain in such cities for the purposes of the Bonds of 1963 Series.

SECTION 2. Bonds of the Second 1963 Series for the aggregate principal amount of \$10,500,000, 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 Trustee, and shall thereupon be authenticated and delivered by the Trustee upon the Written Order of the Company and upon compliance with the provisions of Section 32 of the Original Indenture, without awaiting the recordation, registration or filing of this Supplemental Indenture.

ARTICLE TWO.

Redemption of Bonds of the Second 1963 Series.

SECTION 1. Subject to *Sections 60 and 115* of the Original Indenture, Bonds of the Second 1963 Series shall in the manner provided in *Article Twelve* of the Original Indenture, be redeemable, at any time and from time to time, in whole or in part, at redemption prices which shall, during the initial period from July 1, 1946 to November 1, 1946 be 103% of the principal amount thereof and thereafter such redemption prices shall be the following percentages of the principal amounts thereof during the respective twelve months' periods beginning November 1 in each of the following years:

Beginning November 1	Percentages	Beginning November 1	Percentages
1946.....	102.85	1955.....	101.43
1947.....	102.71	1956.....	101.26
1948.....	102.56	1957.....	101.08
1949.....	102.41	1958.....	100.89
1950.....	102.26	1959.....	100.70
1951.....	102.10	1960.....	100.51
1952.....	101.94	1961.....	100.31
1953.....	101.78	1962.....	100.00
1954.....	101.61		

together in each case with accrued interest to the date of redemption (hereinafter called the "redemption price").

Bonds of the Second 1963 Series shall also be redeemable through the operation of the sinking fund created therefor.

SECTION 2. In case of redemption of Bonds of the Second 1963 Series, if the provisions of *Clause (a)* of the fourth paragraph of Section 117 of the Original Indenture shall not be applicable, the principal amount of Bonds of the Second 1963 Series to be redeemed shall be prorated among the holders of the Bonds in the proportion that their respective holdings bear to the aggregate principal amount of Bonds of the Second 1963 Series outstanding on the date of selection, except that if coupon Bonds of the Second 1963 Series not registered as to principal shall be outstanding then the holders of such coupon Bonds shall be entitled to share in the redemption moneys in the proportion that the total amount of such coupon Bonds bears to the aggregate principal amount of all Bonds of the Second 1963 Series outstanding at the time of selection. The particular coupon Bonds of the Second 1963 Series not registered as to principal to be so redeemed shall be determined by lot. The portion of any registered Bond of the Second 1963 Series to be redeemed shall be in the principal amount of \$1,000, or a multiple thereof, and such allocations as may be requisite for this purpose shall be made by the Trustee in its uncontrolled discretion.

The Trustee shall promptly notify the Company in writing of the distinctive numbers of the Bonds so selected for redemption.

SECTION 3. The provisions of *Sections 117* (except as set forth in Section 2 above), *118* and *119* of the Original Indenture shall be applicable to Bonds of the Second 1963 Series.

ARTICLE THREE.

Sinking Fund for Bonds of the Second 1963 Series.

SECTION 1. (a) For the purpose of this Article, the first day of November, 1946, and the first days of May and November in each year thereafter to and including November 1, 1962, are called Sinking Fund Payment Dates. If any of said days is a Sunday or legal holiday, then the next succeeding business day shall be deemed to be a Sinking Fund Payment Date.

(b) The Company covenants and agrees that it will on November 1, 1946, create, and so long as any Bonds of the Second 1963 Series are outstanding, maintain a Sinking Fund, and that it will, subject to the provisions of *Section 108* of the Original Indenture, pay to the Trustee on or before each Sinking Fund Payment Date, so long as any Bonds of the Second 1963 Series are outstanding, for the account of such Sinking Fund, cash sufficient in amount to retire, at prices not exceeding the Sinking Fund Redemption Price, hereinafter defined, the following principal amounts of Bonds of the Second 1963 Series:—on the first day of November, 1946 and on the first days of May and November in each year thereafter to and including November 1, 1952, \$106,000; and on the first days of May and November, 1953 and on the first days of May and November in each year thereafter to and including November 1, 1962, \$434,000.

The Company may at its option pay to the Trustee on or before each Sinking Fund Payment Date to and including the Sinking Fund

Payment Date on November 1, 1952, for the account of such Sinking Fund, cash sufficient to retire, at prices not exceeding the Sinking Fund Redemption Price, hereinafter defined, an additional principal amount of Bonds of the Second 1963 Series not exceeding \$106,000 principal amount of such Bonds; and may at its option pay to the Trustee on or before each Sinking Fund Payment Date after November 1, 1952, cash sufficient to retire, at prices not exceeding such Sinking Fund Redemption Price, an additional principal amount of such Bonds not exceeding 50% of the principal amount of such Bonds required to be retired on such Sinking Fund Payment Date. The successive options to retire additional Bonds through the operation of the Sinking Fund on each Sinking Fund Payment Date after November 1, 1952 (but not on or prior to such date) shall be cumulative in each calendar year beginning with the calendar year 1953, so that if any portion of such option is not exercised in whole or in part on the first Sinking Fund Payment Date in any calendar year, it may be exercised on the second Sinking Fund Payment Date in such calendar year, but not thereafter.

The Company may satisfy all or any part of its obligations and rights as aforesaid by surrendering to the Trustee, on any Sinking Fund Payment Date, Bonds of the Second 1963 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 the Second 1963 Series which it may have purchased or otherwise acquired at any time after the authentication and delivery thereof.

All cash paid by the Company to the Trustee or transferred into the Sinking Fund pursuant to the provisions of *Section 108* of the Original Indenture (hereinafter referred to as "Sinking Fund Cash") shall forthwith become Bonded Cash and shall be applied to the retirement of Bonds of the Second 1963 Series, as provided in *subdivision (e)* of this Article.

Provided, however, that on any Sinking Fund Payment Date no more Bonds of the Second 1963 Series may be retired by call for redemption at the Sinking Fund Redemption Price specified in *subdivision (c)* of this Article than the principal amount of Bonds of the Second 1963 Series required to be retired by the provisions of this *subdivision (b)* of this Article, plus such additional principal amount of Bonds of the Second 1963 Series as the Company is permitted, at its option, to retire by the provisions of this *subdivision (b)* of this Article, less the aggregate of the principal amount of Bonds of the Second 1963 Series surrendered to the Trustee on such Sinking Fund Date by the Company in satisfaction of its obligations and rights as aforesaid and the principal amount of Bonds of the Second 1963 Series purchased by the Trustee under the provisions of *subdivision (h)* of this Article.

(c) On each Sinking Fund Payment Date the redemption price applicable to Bonds to be purchased or redeemed under the provisions of this Article shall be the principal amount thereof together with accrued interest to the date fixed for redemption (herein referred to as the "Sinking Fund Redemption Price").

(d) Sixty (60) days prior to each Sinking Fund Payment Date, the Company will deliver a statement to the Trustee stating (1) the aggregate of the principal amount of Bonds of the Second 1963 Series which the Company is required to retire on the next succeeding Sinking Fund Payment Date and the additional principal amount of Bonds of the Second 1963 Series which the Company at its option desires to retire on the next succeeding Sinking Fund Payment Date in accordance with its rights under *subdivision (b) of this Article*, and (2) the aggregate principal amount and serial numbers of Bonds of the Second 1963 Series the Company intends to surrender on the next succeeding Sinking Fund Payment Date in satisfaction of its Sinking Fund obligations and rights pursuant to this Article. Such statement is in this Article referred to as "the statement", and the balance resulting

from deducting the principal amount of Bonds stated in *Clause (2)* of this *subdivision (d)* from the aggregate amount stated in *Clause (1)* of this *subdivision (d)*, is hereinafter in this Article referred to as the amount, or the principal amount, "set forth in the statement". Such statement shall also state the total principal amount of registered Bonds of the Second 1963 Series outstanding, the names of the registered owners of such Bonds, the principal amount of such Bonds owned by each such registered owner and the total principal amount of unregistered coupon Bonds outstanding.

(e) It shall be the duty of the Trustee to apply the Sinking Fund Cash to the purchase or redemption of Bonds of the Second 1963 Series, at prices not exceeding such Sinking Fund Redemption Price, in a principal amount equal to the amount set forth in the statement.

(f) If, on the date (hereinafter referred to as the "60 day determination date") which is 60 days prior to the Sinking Fund Payment Date on which redemption is to be effected, all Bonds of the Second 1963 Series are registered Bonds, the Trustee shall apply the Sinking Fund Cash to the redemption of Bonds of the Second 1963 Series pro rata among the registered owners of such Bonds in the ratio which the principal amount of such Bonds held by each registered owner on the 60 day determination date, bears to the total principal amount of Bonds of the Second 1963 Series outstanding on the 60 day determination date; *provided, however*, that the portion of the principal amount of each registered Bond to be redeemed shall be \$1,000 or a multiple thereof. The Trustee in its uncontrolled discretion shall determine the pro rata allocation among the several registered owners of the principal amount of the Bonds of the Second 1963 Series to be then redeemed and the numbers of the coupon Bonds reserved therefor. The Trustee shall promptly advise the Company as to the allocation so made by it. In such case, 30 days' notice of such redemption shall be given by the Company to all registered owners of the Bonds of the Second 1963 Series and such notice shall be sufficiently given if mailed, postage

prepaid, at least 30 days prior to the date upon which such redemption is to be made to all registered owners of Bonds of the Second 1963 Series at their addresses as the same shall appear on the Bond Register of the Company. Such notice shall state the date of redemption (which shall be the next succeeding Sinking Fund Payment Date), the place of redemption (which shall be the office of the Trustee in the Borough of Manhattan, The City of New York), the Sinking Fund Redemption Price and the numbers and principal amount of Bonds of the Second 1963 Series of each registered owner to be then redeemed and that on the date fixed for redemption interest on such Bonds shall cease.

In case any registered Bond without coupons shall be redeemed in part only, said notice shall specify the principal amount thereof to be redeemed, shall specify the distinctive number or numbers of the coupon Bonds reserved in respect of that portion of the registered Bond being redeemed and shall state that, upon the presentation of such registered Bond for partial redemption, a new Bond or Bonds of the same series of an aggregate principal amount equal to the unredeemed portion of such registered Bonds will be issued in lieu thereof; and in such case the Company shall execute and the Trustee shall authenticate and deliver to or upon the written order of the registered owner of any such registered Bond, at the expense of the Company, a Bond or Bonds of the same series, and in either coupon or registered form (but only in authorized denominations) for the principal amount of the unredeemed portion of such registered Bond, or, at the option of the registered owner of such registered Bond, the Trustee shall, upon presentation thereof for the purpose, make a notation thereon of the payment of the portion thereof so called for partial redemption and of the distinctive number or numbers of the coupon Bonds reserved in respect of such portion, and the Trustee shall cancel the reservation of such number or numbers.

(g) In the event that on the 60 day determination date there are any Bonds of the Second 1963 Series which are unregistered coupon

Bonds, the Trustee shall apply to the purchase or redemption of such outstanding unregistered coupon Bonds a portion of the Sinking Fund Cash equal, so far as the Trustee shall in its uncontrolled discretion determine is practicable, to the ratio which the principal amount of such unregistered coupon Bonds outstanding on such date bears to the total principal amount of Bonds of the Second 1963 Series outstanding on such date; and the Trustee shall apply the balance of such Sinking Fund Cash to the redemption of registered Bonds in the manner provided in *subdivision (f)* of this Article. The Trustee shall promptly notify the Company of any determination made by it pursuant to this subdivision. Thereafter, if exchanges of registered Bonds for coupon Bonds, or vice versa, or transfers of registered coupon Bonds to bearer, or vice versa, shall be made before the last date upon which written proposals for the sale of Bonds of the Second 1963 Series may be received by the Trustee as contemplated by *subdivision (h)* of this Article, the Trustee, with the approval of the Company, evidenced by the Written Consent of the Company, may make such arrangements by endorsements on the Bonds involved or otherwise as it shall deem appropriate to allocate Sinking Fund Cash among the Bonds issued on any such exchange or transfer.

(h) In the event that on the 60 day determination date there are outstanding any Bonds of the Second 1963 Series which are unregistered coupon Bonds, the Company may, prior to each Sinking Fund Payment Date, give notice to all holders of such unregistered coupon Bonds of the Second 1963 Series by publication three (3) times in one week in at least one daily newspaper of general circulation regularly published in the English language in the Borough of Manhattan, The City of New York (in each case upon any day of the week and in any such newspaper, but the first publication in each case to be not more than fifty-five (55) days and not less than fifty (50) days before such Sinking Fund Payment Date) of the intention of the Trustee to apply Sinking Fund Cash to the purchase of an aggregate principal

amount of unregistered coupon Bonds of the Second 1963 Series specified in such notice (which aggregate principal amount shall be the aggregate principal amount of unregistered coupon Bonds to be retired pursuant to the provisions of *subdivision (g)* of this Article) and inviting proposals to be made to the Trustee for the sale of such Bonds of the Second 1963 Series on the next succeeding Sinking Fund Payment Date in the principal amount specified in such notice at prices not to exceed such Sinking Fund Redemption Price. Proof of such publication shall be filed by the Company with the Trustee.

Such notice shall state that proposals shall be deemed to be made for all or any part of the Bonds offered, whether so expressed or not, shall state the last date upon which such written proposals shall be received by the Trustee (which such last date shall be not less than forty (40) days prior to such Sinking Fund Payment Date), and shall state when Bonds accepted for purchase by the Trustee shall be delivered to the Trustee against payment therefor, which shall be the next succeeding Sinking Fund Payment Date.

From the unregistered coupon Bonds of the Second 1963 Series offered in response to such notice, the Trustee shall, as agent for the Company, accept such Bonds as are offered at the price or prices deemed by it most favorable to the Company, not exceeding such Sinking Fund Redemption Price, up to an aggregate principal amount not exceeding the aggregate principal amount of unregistered coupon Bonds to be retired pursuant to the provisions of *subdivision (g)* of this Article. The Trustee shall notify the Company of the principal amount of all such Bonds so accepted for purchase and the respective prices to be paid therefor including accrued interest, and on the next Sinking Fund Payment Date the Trustee shall, provided the Company shall deposit with the Trustee funds sufficient therefor, purchase such Bonds so accepted, upon presentation and surrender thereof to the Trustee, at such respective prices.

If forty (40) days before the next Sinking Fund Payment Date, there shall not have been offered in response to such notice and accepted, at prices not exceeding the Sinking Fund Redemption Price, unregistered coupon Bonds of the Second 1963 Series equal in aggregate principal amount to the aggregate principal amount of such unregistered coupon Bonds to be retired pursuant to the provisions of *subdivision (g)* of this Article, then in such event unregistered coupon Bonds of the Second 1963 Series equal in aggregate principal amount to the sum by which the aggregate principal amount so to be retired exceeds the total aggregate principal amount of Bonds so accepted shall be drawn by the Trustee by lot in any manner deemed by the Trustee to be fair and proper, and it shall forthwith give the Company notice to that effect specifying the numbers of the Bonds of the Second 1963 Series so drawn.

The Company, upon receipt of such notice from the Trustee, shall forthwith give notice of intention to redeem such unregistered coupon Bonds of the Second 1963 Series by publication in at least one daily newspaper of general circulation regularly published in the English language in the Borough of Manhattan, The City of New York, once a week for four (4) successive weeks, in each case upon any day of the week and in any such newspaper, but the publication in the first calendar week to be made not less than thirty (30) and not more than thirty-five (35) days prior to the next succeeding Sinking Fund Payment Date. Such notice shall state the date of redemption (which shall be the next succeeding Sinking Fund Payment Date), the place of redemption (which shall be the office of the Trustee), the Sinking Fund Redemption Price and the numbers of the unregistered coupon Bonds to be redeemed and that on the date fixed for redemption interest on such Bonds shall cease.

Proof in form satisfactory to the Trustee, of the publication of such notice as hereinabove provided, shall be furnished to the Trustee by the Company on or before such Sinking Fund Payment Date. Neither the failure to publish notice of the intention of the Company

to redeem unregistered coupon Bonds of the Second 1963 Series as provided in this *subdivision (h)* of this Article nor any imperfection or defect in such notice shall affect the validity of the proceedings for redemption of the registered Bonds of the Second 1963 Series then being redeemed.

(i) In case the Company shall fail to give the Trustee evidence to its satisfaction that notice of call for redemption as in this Article provided will be given, the Trustee shall, at the expense of the Company, give such notice with the same effect as if such notice had been given by the Company as hereinbefore required.

(j) All Bonds of the Second 1963 Series purchased, redeemed or retired under the provisions of this Article and the appurtenant coupons (if any) shall forthwith be cancelled, and the Trustee shall note on its records the fact of such cancellation and shall deliver the Bonds so cancelled to or upon the order of the Company.

Bonds of the Second 1963 Series so purchased, redeemed or retired shall not thereafter, so long as any Bonds of the Second 1963 Series are outstanding, be made the basis for the issue of Bonds, or the withdrawal of cash, or the taking of a credit under any of the provisions of the Original Indenture or this Supplemental Indenture.

(k) Notice of redemption having been given in the manner hereinabove provided, the Bonds of the Second 1963 Series (or the specified portion of registered Bonds without coupons) so to be redeemed shall, on the Sinking Fund Payment Date designated in such notice, become due and payable at the Sinking Fund Redemption Price; and from and after such Sinking Fund Payment Date so designated interest on the Bonds so called for redemption (or in the case of a partial redemption of a registered Bond without coupons, on the portion thereof to be redeemed) shall cease to accrue, unless default shall be made by the Company in the payment of the Sinking Fund Redemption Price. All interest coupons, if any, appurtenant to the Bonds so called for redemp-

tion, maturing subsequent to the date so designated for redemption, shall be null and void, unless default shall be made by the Company in the payment of the Sinking Fund Redemption Price. In the case of a coupon Bond, the interest due on the date of redemption and the interest which shall have become due prior to the redemption date shall continue to be payable (but without interest thereon, unless the Company shall make default in the payment thereof upon demand) to the respective bearers of the coupons therefor, upon the presentation and surrender thereof.

ARTICLE FOUR.

Other Covenants.

SECTION 1. The Company hereby covenants that so long as any of the Bonds of the Second 1963 Series shall remain outstanding, such of the provisions, restrictions and limitations of the Original Indenture as are expressly stated to be effective so long as any of the Bonds of 1963 Series are outstanding shall also be effective so long as any of the Bonds of the Second 1963 Series are outstanding irrespective of whether or not any of the Bonds of 1963 Series shall then remain outstanding.

SECTION 2. The provisions of the Third Paragraph of *Section 79* of the Original Indenture are hereby supplemented by deleting the period at the end thereof and adding thereto the following: "or by the holders of at least a majority in amount of the Bonds of the Second 1963 Series at the time outstanding."

SECTION 3. Subject to the provisions of *Section 150* of the Original Indenture and so long as any Bonds of the Second 1963 Series shall be outstanding, the Company will not enter into or change or modify or terminate any contract with an Affiliate of the Company for the purchase of gas, which is pledged or required to be pledged under the

Original Indenture, unless the Trustee shall consent thereto and the Trustee shall give such consent only upon receipt by and deposit with it of the following:

(A) RESOLUTION OF THE BOARD requesting such consent; and

(B) A CERTIFICATE OF THE COMPANY describing the contract in question and the nature of any proposed change or modification; and

(C) A CERTIFICATE OF THE COMPANY stating that the proposed contract, change, modification or termination has been required by an order of a Federal, State or other Governmental Regulatory Body having jurisdiction in the premises, together with a copy of the order or other instrument requiring such contract, change, modification or termination and an OPINION OF COUNSEL satisfactory to the Trustee stating that such order is a valid order of the Regulatory Body issuing it and that the proposed contract, change, modification or termination complies with and does not exceed the requirements of such order; or

(D) A writing or writings signed by the holders of a majority in principal amount of the Bonds of the Second 1963 Series then outstanding hereunder authorizing the Trustee to consent thereto.

If at any time a majority in principal amount of the Bonds of the Second 1963 Series then outstanding shall not be held by less than five (5) holders who are either registered owners or who have filed with the Trustee a certificate with respect to the Bonds held by them of the character permitted by *Section 147* of the Original Indenture, the Trustee shall give the consent provided for in this Section without requiring compliance with either Paragraphs (C) or (D) of this Section if the Company shall file with the Trustee an additional Certificate of the Company and a Certificate signed by an Independent Engineer appointed by the President or a Vice President of the Company and approved by the Trustee in the exercise of reasonable care, both stating that the proposed contract, change, modification or termin-

ation, in the opinion of the signers is desirable and advantageous and for the best interests of the Company in the conduct of its business, does not impair the value and efficiency generally of its properties, is desirable in the interest of the Bondholders and will not impair the security for the Bonds.

If at any time the Company shall be in default in the performance of any of the terms or covenants of the Original Indenture or of any indenture supplemental thereto but shall still be in possession of the Trust Estate (other than cash, securities and other personal property held by the Trustee), the Company will not enter into or change or modify or terminate any contract for the purchase or sale of gas which is pledged or required to be pledged with the Trustee unless the Trustee shall consent thereto and the Trustee shall give such consent only upon receipt by and deposit with it of the RESOLUTIONS, CERTIFICATES and other documents which under the provisions of this Section the Trustee is required to receive in the case of the execution, change, modification or termination of a contract with an Affiliate of the Company for the purchase of gas.

Any waiver of or failure to require substantial performance of any of the terms and provisions of a contract pledged or required to be pledged under the Original Indenture, either by the Company or any other party to such contract, shall for all purposes of this Section be deemed a modification of such contract.

Notwithstanding the foregoing provisions of this Section, (a) in all cases in which the consent of the Trustee may be required under the provisions of this Section the Trustee may, without requiring the delivery of any documents other than those required by Paragraphs A and B of this Section, consent to any changes or modifications which in the opinion of the Trustee are of a purely administrative nature; and (b) the contract between the Company and Texoma dated as of October 15, 1931, and described in *Granting Clause A* of the Original Indenture may without any consent of the Trustee be amended (i) to change the provisions of such contract for computing the cost of gas

sold thereunder in any period subsequent to such change in accordance with the adjustment provided for in *Paragraph O* of *Section 24* of the Original Indenture, (ii) to change the provisions of such contract to reflect the termination or modification of the Lease and Operating Agreement dated as of October 15, 1931 between Texoma and Canadian River Gas Company and/or the purchase of gas by Texoma from Canadian River Gas Company, *provided* that at the time of such termination or modification of said Lease and Operating Agreement or at the time of the making of any agreement for the purchase of gas by Texoma from Canadian River Gas Company, said Canadian River Gas Company shall not be an Affiliate of the Company, and that if Texoma shall make an agreement for the purchase of gas from Canadian River Gas Company such contract dated as of October 15, 1931, shall be further amended to provide that all gas which Texoma may be entitled to receive under such agreement shall be made subject to the provisions of such contract and to provide that the cost of such gas to Texoma shall be included in the computation of the cost of gas sold to the Company but not at an amount higher than the cost of such gas to Texoma, and (iii) to change the provisions of such contract to permit the sale or disposition of Gas Production Property of Texoma if such sale or disposition is made upon compliance with the provisions of the Texoma Mortgage with respect to the release of such property and if in connection therewith such contract shall be further amended to provide that all gas which Texoma may be entitled to receive under gas purchase contracts required by the provisions of *Paragraph E* of *Section 5* of *Article VIII* of the Texoma Mortgage shall be made subject to the provisions of said contract dated as of October 15, 1931 and to provide that the cost of such gas to Texoma shall be included in the computation of the cost of gas sold to the Company but not at an amount higher than the cost of such gas to Texoma.

Whenever the Company shall no longer be in possession of the Trust Estate the rights of the Company under this Section may, upon the conditions herein stated, be exercised by the Trustee or by a receiver

or trustee in bankruptcy or other person rightfully in possession of the Trust Estate.

In all cases in which the Texoma Mortgage requires that the Trustee hereunder shall consent to a change, modification or termination by Texoma of the contract between the Company and Texoma dated as of October 15, 1931, the Trustee hereunder shall give such consent if, but only if, the Trustee is authorized by the provisions of this Section (and so long as any of the Bonds of 1963 Series are outstanding, by the provisions of *Section 85* of the Original Indenture) to consent to the same change or modification in or termination of said contract by the Company as the other party thereto; and in all cases in which the Texoma Mortgage requires that the Trustee hereunder shall consent to the execution, change, modification or termination by Texoma of other contracts of Texoma, the Trustee hereunder shall give such consent if there shall be filed with the Trustee hereunder the RESOLUTIONS, CERTIFICATES, OPINION OF COUNSEL and written consents of the holders of Bonds which would be required by the provisions of this Section (and so long as any of the Bonds of 1963 Series are outstanding, by the provisions of *Section 85* of the Original Indenture) for the Trustee to consent to the execution, change, modification or termination of a contract between the Company and an Affiliate of the Company for the purchase of gas.

So long as a majority in principal amount of the Bonds of the Second 1963 Series then outstanding shall be held by less than five (5) holders who are either registered owners or who have filed with the Trustee a certificate with respect to the Bonds held by them of the character permitted by *Section 147* of the Original Indenture, the Company will not, unless there shall be delivered to the Trustee hereunder and to the trustee under the Texoma Mortgage a writing or writings signed by the holders of a majority in principal amount of the Bonds of the Second 1963 Series then outstanding hereunder authorizing the Company so to do, consent to the release from the Texoma Mortgage of Gas Production Property in exchange for Gas

Production Property received from an Affiliate of the Company if, as certified to the Trustee under the Texoma Mortgage at the time of the release, the Gas Production Property being released has a depreciated recorded book cost (in the case of Gas Production Property owned by Texoma on November 1, 1945) or a Fair Value (in the case of Gas Production Property acquired by Texoma subsequent to November 1, 1945) of more than \$150,000, or if, as so certified, the depreciated recorded book cost or the Fair Value (as the case may be) of the Gas Production Property then being released, when added to the depreciated recorded book cost and/or the Fair Value (as the case may be) of all other Gas Production Property so released in the same calendar year for such an exchange with an Affiliate of the Company without the delivery to the Trustee of such a writing or writings, aggregates more than \$150,000.

The Company covenants that in all cases in which the Texoma Mortgage requires that the Trustee hereunder shall consent to the execution, change, modification or termination by Texoma of any contract, Texoma will not execute, change, modify or terminate such contract without obtaining the consent of the Trustee in accordance with the provisions hereof.

So long as any Bonds of the Second 1963 Series shall be outstanding the right of the Company pursuant to *Paragraph F of Section 43* of the Original Indenture to modify, change or terminate any contract for the purchase or sale of gas which may at any time be pledged under the Original Indenture shall be subject to the further provision that any such modification, change or termination shall be in conformity and not in conflict with the covenants of the Company contained in this Section, and shall be subject to the further provision that the Company shall, and the Company covenants that it will, promptly after each such modification, change or termination, file or deposit with the Trustee a CERTIFICATE OF THE COMPANY setting forth a brief description of the contract modified, changed or terminated and stating that such modi-

fication, change or termination is in conformity and not in conflict with the covenants of the Company contained in this Section.

The foregoing provisions of this Section shall not in any respect be deemed or considered to be in substitution for the provisions of *Section 85* of the Original Indenture, which shall in all respects remain in full force and effect.

SECTION 4. The Company covenants that, so long as any Bonds of the Second 1963 Series are outstanding, it will not, unless the holders of a majority in principal amount of the Bonds of the Second 1963 Series then outstanding shall consent, agree to any modification of the Texoma Bonds or the Texoma Mortgage or request the Trustee or the trustee under the Texoma Mortgage to consent to any such modification. The foregoing provisions of this Section shall not in any respect be deemed or considered to be in substitution for the provisions of *Section 89* of the Original Indenture which shall in all respects remain in full force and effect. So long as any of the Bonds of the Second 1963 Series shall be outstanding the provisions of *Section 102* of the Original Indenture shall in all respects be subject to the provisions of this Section, and such of the provisions of *Section 106* of the Original Indenture as are expressly made subject to the provisions of *Section 89* of the Original Indenture shall in all respects be subject to the provisions of this Section.

SECTION 5. So long as any of the Bonds of 1963 Series or any of the Bonds of the Second 1963 Series shall be outstanding, (i) any property received by the Company in exchange for property constituting a part of the Trust Estate and disposed of pursuant to *Paragraph A* of *Section 43* of the Original Indenture, (ii) any money or property required to be paid over by the Company to the Trustee and/or subjected to the direct lien of the Original Indenture by the provisions of *Paragraphs B and C* of *Section 40* of the Original Indenture, (iii) any money or property required to be paid over by Texoma to the trustee

under the Texoma Mortgage and/or subjected to the direct lien of the Texoma Mortgage by the provisions of Section 2 of Article VIII of the Texoma Mortgage or by the provisions of Section 6 of Article Sixth of the supplement indenture dated as of November 1, 1945 forming a part of the Texoma Mortgage, and (iv) any interests in the gas rights of any gas and/or oil leases or gas mineral rights received by the Company pursuant to the provisions of *Paragraph D of Section 43* of the Original Indenture, or received by Texoma pursuant to the corresponding provisions of the Texoma Mortgage, in exchange for interests in the gas rights in any gas and/or oil leases or gas mineral rights transferred to others pursuant to said *Paragraph D* or to said corresponding provisions of the Texoma Mortgage (even though in any such case no release or other document be executed and delivered by the Trustee hereunder or the trustee under the Texoma Mortgage, as the case may be) shall, for all purposes of the Original Indenture, be deemed to have been used to obtain, and to have been made the basis for, the release of property.

SECTION 6. So long as any Bonds of the Second 1963 Series shall be outstanding,

(1) no Bonds of any other series shall be authenticated and delivered bearing a maturity date prior to May 1, 1963, except serial Bonds issued in accordance with the following clause (2), and

(2) no Bond of any other series shall be authenticated and delivered, and no indenture supplemental to the Original Indenture establishing the terms of such Bonds or otherwise shall be executed and delivered, if provision is made therein for the retirement, either through serial maturities or through the operation of any sinking, amortization, improvement, purchase or other analogous fund (but excluding retirement through redemption at the option of the Company or through optional increases of sinking funds) of a greater amount of Bonds of such other series at any time than a percentage (computed as hereinafter

set forth) of the aggregate of the principal amount of the Bonds of 1963 Series and the Bonds of the Second 1963 Series required to be retired by compulsory (but not optional) sinking fund payments between the date of the original issue of the Bonds of such other series and the Sinking Fund Payment Date for the Bonds of 1963 Series and/or the Bonds of the Second 1963 Series which is concurrent with, or shall next precede, the date of any retirement of the Bonds of such other series. Such percentage shall be computed by dividing (i) the total principal amount of the Bonds of such other series at the date of the issue thereof, by (ii) the aggregate of the principal amount of the Bonds of 1963 Series and the Bonds of the Second 1963 Series outstanding at the date of the issue of the Bonds of such other series.

ARTICLE FIVE.

The Trustee.

The Trustee accepts the trusts created by this Supplemental Indenture upon the terms and conditions hereof, and agrees to perform such trusts upon the terms and conditions in the Original Indenture and in this Supplemental Indenture set forth. The Trustee shall not be responsible in any manner whatsoever for the recitals herein or in the Bonds or in the appurtenant coupons contained (save only the Trustee's responsibility for its authentication on the Bonds), all of which are made by the Company solely; nor shall the Trustee be responsible for or in respect of the validity or sufficiency of this Supplemental Indenture or the execution thereof by the Company. In general, each and every term and condition contained in *Article Sixteen* of the Original Indenture shall apply to this Supplemental Indenture with the same force and effect as if the same were herein set forth in full, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this Supplemental Indenture.

ARTICLE SIX.**Miscellaneous Provisions.**

SECTION 1. The Original Indenture is in all respects ratified and confirmed, and the Original Indenture and this Supplemental 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 Original 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 Original Indenture. All covenants and provisions of the Original Indenture, except as modified by this Supplemental Indenture, shall continue in full force and effect, and this Supplemental Indenture shall form part of the Original Indenture. All terms defined in the Original Indenture shall, for all purposes of this Supplemental Indenture, have the meanings specified in the Original Indenture unless the text otherwise requires.

SECTION 2. This Supplemental Indenture may be simultaneously 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.

SECTION 3. The amount of obligations issued or to be issued forthwith hereunder is \$10,500,000 principal amount of First Mortgage Pipeline and Collateral Trust Bonds, Second 2.6% Series due 1963; and the actual consideration paid upon the execution and delivery of this Supplemental Indenture is the amount of the purchase price received by the Company for said Bonds of the Second 1963 Series, namely, the principal amount thereof plus accrued interest thereon.

IN WITNESS WHEREOF, Natural Gas Pipeline Company of America 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 National Bank of the City of New York, in token of its acceptance of the trusts created hereunder, has caused this 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 Cashier or an Assistant Cashier, all as of the day and year first above written.

NATURAL GAS PIPELINE COMPANY OF AMERICA,

CORPORATE
SEAL

By THOS. I. CARTER
Vice President.

Attest:

E. E. McWHINEY
Assistant Secretary.

Signed, sealed and delivered by NATURAL
GAS PIPELINE COMPANY OF AMERICA, in
the presence of:

JOHN R. APPLETON
VERONICA D. LARKIN

THE CHASE NATIONAL BANK OF THE CITY OF NEW YORK,

CORPORATE
SEAL

By C. E. BUCKLEY
Vice President.

Attest:

W. F. WILSON
Assistant Cashier.

Signed, sealed and delivered by THE CHASE
NATIONAL BANK OF THE CITY OF NEW
YORK, in the presence of:

F. F. VOORHEES
C. H. HENDERSON

STATE OF NEW YORK, }
 COUNTY OF NEW YORK, } ss.:

BE IT REMEMBERED, and I do hereby certify, that on this 26th day of July, 1946, before me, a Notary Public in and for the County and State aforesaid, personally appeared Thos. I. Carter, Vice President of NATURAL GAS PIPELINE COMPANY OF AMERICA, a Delaware corporation, and E. E. McWhiney, Assistant Secretary of said corporation, who are both to me personally known, and both personally known to me to be such officers and to be the identical persons whose names are subscribed to the foregoing instrument as such Vice President and Assistant Secretary respectively, and as the persons who subscribed the name and affixed the seal of Natural Gas Pipeline Company of America, a Delaware corporation, one of the makers thereof, to the foregoing instrument as its Vice President and Assistant Secretary and they each acknowledged to me that they executed the same for the uses, purposes and consideration therein set forth and expressed, and in the capacities therein stated, as their free and voluntary act and deed, and as the free and voluntary act and deed of said corporation, Natural Gas Pipeline Company of America.

And the said Thos. I. Carter and E. E. McWhiney being each duly sworn by me, severally deposed and said: that they reside at White Plains, N. Y. and Westfield, N. J., respectively; that they were at that time respectively Vice President and Assistant Secretary of said corporation; that they knew the corporate seal of said corporation, and that the seal affixed to said instrument was such corporate seal, and was thereto affixed by said Assistant Secretary, and the said instrument was signed by said Vice President, in pursuance of the power and authority granted them by the by-laws of said corporation, and by authority and order of the Board of Directors thereof.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year first above written.

NOTARIAL SEAL

KATHLEEN H. GRIFFIN
 Notary Public.

KATHLEEN H. GRIFFIN
 Notary Public, Kings County
 Kings Co. Clk's No. 338, Reg. No. 350-G-8
 N. Y. Co. Clk's No. 904, Reg. 453-G-8
 Commission Expires March 30, 1948

STATE OF NEW YORK, }
 COUNTY OF NEW YORK, } ss.:

BE IT REMEMBERED, and I do hereby certify, that on this 29th day of July, 1946, before me, a Notary Public in and for the County and State aforesaid personally appeared C. E. BUCKLEY, Vice-President of THE CHASE NATIONAL BANK OF THE CITY OF NEW YORK, a national banking association organized and existing under the laws of the United States of America, and W. F. WILSON, Assistant Cashier of said corporation, who are both to me personally known, and both personally known to me to be such officers and to be the identical persons whose names are subscribed to the foregoing instrument as such Vice-President and Assistant Cashier respectively, and as the persons who subscribed the name and affixed the seal of THE CHASE NATIONAL BANK OF THE CITY OF NEW YORK, one of the makers thereof, to the foregoing instrument as its Vice-President and Assistant Cashier and they each acknowledged to me that they executed the same for the uses, purposes and consideration therein set forth and expressed, and in the capacities therein stated, as their free and voluntary act and deed, and as the free and voluntary act and deed of said corporation, THE CHASE NATIONAL BANK OF THE CITY OF NEW YORK.

And the said C. E. BUCKLEY and W. F. WILSON being each duly sworn by me, severally deposed and said: that they reside at Great Neck, Nassau County, N. Y., and Cranford, Union County, N. J., respectively; that they were at that time respectively Vice-President and Assistant Cashier of said corporation; that they knew the corporate seal of said corporation, and that the seal affixed to said instrument was such corporate seal, and was thereto affixed by said Assistant Cashier, and the said instrument was signed by said Vice-President, in pursuance of the power and authority granted them by the by-laws of said corporation, and by authority and order of the Board of Directors thereof.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year first above written.

NOTARIAL SEAL

C. ELDRIDGE VAN NAME
 Notary Public.

C. ELDRIDGE VAN NAME
 Notary Public, Richmond County
 Certificates filed in
 New York County Clerk's No. 31
 Register's No. 21-V-7
 Queens County Clerk's No. 1642
 Register's No. 14-V-7
 Commission Expires March 30, 1947



NATURAL GAS PIPELINE COMPANY OF AMERICA

20 N. WACKER DRIVE

CHICAGO 6, ILLINOIS

PHONE RANDOLPH 0278 - L.D. 411

August 6 , 1946.

Miss Pearle E. Shetterly
County Recorder
Madison County
Winterset, Iowa

Dear Madam:

I enclose to you herewith an original (Counterpart No. 36) and one conformed copy of First Supplemental Indenture dated as of July 1, 1946, between Natural Gas Pipeline Company of America and The Chase National Bank of the City of New York, as Trustee. This Supplemental Indenture is supplemental to an Indenture of Mortgage and Deed of Trust dated as of November 1, 1945, between the same parties, filed for record in your office as a Real Estate Mortgage on February 9, 1946, at 9:30 o'clock A.M., and recorded in Book 98-B of Mortgages, at Page 1; and a conformed copy of which was also indexed in your county as a Chattel Mortgage on the same date in Book 23 of Chattels, ^{as} ~~at~~ Page Document No. 687 .

Will you kindly:

- (1) Record the original of this Supplemental Indenture as a Real Estate Mortgage and return it to me.
- (2) Index the Supplemental Indenture as a Chattel Mortgage.
- (3) Stamp the indexing as Chattel Mortgage data on the original Supplemental Indenture.

(4) The conformed copy may be utilized by you for such purposes as you desire.

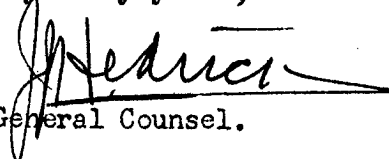
We have counted the number of words in the Supplemental Indenture and they total 11,732. An affidavit as to the counting is enclosed to you. Fee covering the recording of the original Supplemental Indenture as a Real Estate Mortgage at the statutory rate of 50 cents for the first 400 words and 10 cents for each 100 additional words amounts to \$11.84. The fee for indexing as a Chattel Mortgage is 25 cents.

I am also enclosing two certificates showing the filing and recording of the original as a Real Estate Mortgage and the indexing as a Chattel Mortgage. I would appreciate it very much if you would immediately fill out these two certificates appropriately and return them to me. The fee for the two certificates is 50 cents. A self-addressed, stamped envelope is enclosed for your convenience in returning them to me.

Check for \$12.59 is enclosed for:

- (a) Recording original mortgage - - \$11.84
- (b) Indexing as Chattel Mortgage - - .25
- (c) Two certificates requested - - .50
\$12.59

Very truly yours,


General Counsel.

J.J.Hedrick:MF
Encs.

1235
230

STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

C. B. RANDALL, of lawful age, being first duly sworn on oath, according to law, deposes and states that he is Tax Attorney of Natural Gas Pipeline Company of America; that with the assistance of others under his supervision he has counted and tabulated the number of words appearing in a certain instrument entitled "First Supplemental Indenture" dated as of July 1, 1946, between Natural Gas Pipeline Company of America and The Chase National Bank of the City of New York, as Trustee, which said instrument is to be recorded as a Real Estate Mortgage in various counties in the States of Oklahoma, Kansas, Nebraska, Iowa, and Illinois; that the total number of words contained in said instrument is 11,732.

C. B. Randall

Subscribed and sworn to before me this 26 day of July, 1946.

Elizabeth B. Bird
Notary Public in and for Cook
County, Illinois.

ELIZABETH B. BIRD
NOTARY PUBLIC
COOK COUNTY, ILL.
Commission Expires: Apr. 2, 1949
(SEAL)