

Original Indenture (hereinafter called the "Fourth Supplemental Indenture") for the purpose of creating a new series of the Bonds designated as "First Mortgage Pipeline Bonds, 3½% Series due 1971" (hereinafter called the "Bonds of 1971 Series"), and of adding to and amending certain provisions of the Original Indenture; and

Whereas the Company heretofore executed and delivered to the Trustee an Indenture, dated as of October 31, 1951, supplemental to said Original Indenture (hereinafter called the "Fifth Supplemental Indenture") for the purpose of specially conveying certain additional property to the Trustee; and

Whereas the Company is a corporation which owns and operates a natural gas pipeline system and is engaged in the business described in clause (c) of Section 1 of Chapter 195 of the 1951 General and Special Laws of the State of Texas effective May 17, 1951 (said Chapter being hereinafter called the "Act"); and

Whereas the Company heretofore executed and delivered to the Trustee an Indenture, dated as of November 29, 1951, supplemental to said Original Indenture (hereinafter called the "Sixth Supplemental Indenture") for the purpose of giving appropriate recognition to the provisions of the Act and related purposes (the Original Indenture, First Supplemental Indenture, Second Supplemental Indenture, Third Supplemental Indenture, Fourth Supplemental Indenture, Fifth Supplemental Indenture and Sixth Supplemental Indenture are herein collectively called the "Original Indenture as amended"); and

Whereas Section 6 of the Original Indenture as amended provides that the Bonds of each series (other than the Bonds of 1965 Series, the Bonds of 1968 Series and the Bonds of 1971 Series, as to which specific provision is respectively made in Article III of the First Supplemental Indenture, in Article II of the Second Supplemental Indenture and in Article II of the Fourth Supplemental Indenture) shall bear such date or dates, shall be payable at such place or places, shall mature on such date or dates, shall bear interest at such rate payable in such installments and on such dates, and may be redeemable before maturity at such price or prices and upon such terms and conditions, as shall be

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fixed and determined by the Board of Directors of the Company, and as shall be appropriately expressed in the Bonds of such series; and

Whereas the Company in the exercise of its powers and authority conferred upon and reserved to it under the provisions of the Original Indenture as amended, and pursuant to appropriate resolutions of its Board of Directors and of its stockholders, has duly resolved and determined to make, execute and deliver to the Trustee a Supplemental Indenture in the form hereof for the purposes herein provided, and has authorized the issue of its First Mortgage Pipeline Bonds, 4½% Series due 1977 (hereinafter called the "Bonds of 1977 Series") in an aggregate principal amount not to exceed Thirty-five Million Dollars (\$35,000,000), due January 1, 1977, and otherwise to be as in this Supplemental Indenture provided; and

Whereas the Company desires, prior to the issue of the Bonds of 1977 Series, to amend certain provisions of, and to add new provisions to, the Original Indenture as amended, to the extent hereinafter set forth; and:

Whereas the Original Indenture as amended, contains a covenant that at any and all times, the Company will do, execute, acknowledge and deliver or will cause to be done, executed, acknowledged and delivered, all and every such further acts, deeds, transfers and assurances for the better securing, conveying and confirming unto the Trustee all and singular the property thereby conveyed or intended so to be, as the New York Trustee shall reasonably require for better accomplishing the provisions and purposes of said Original Indenture as amended, and for securing payment of the principal of and interest on the Bonds issued thereunder; and the Company has acquired since the execution and delivery of the Original Indenture and the indentures supplemental thereto additional property included in the property hereinafter described, and the Company desires, and the New York Trustee requests, that such additional property so acquired be conveyed to the Trustee; and

Whereas the Company represents that 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