



October 3, 2011



Mr. Walter L. Thomas, Secretary
Alabama Public Service Commission
P.O. Box 304260
Montgomery, AL 36130

Re: Second Order, Informal Docket U-5011

Dear Mr. Thomas:

Pursuant to the provisions of the above referenced Order, and Section 37-4-11 and Section 37-4-15 of the Code of Alabama, 1975, as amended, Mobile Gas Service Corporation hereby files with the Commission its Amended and Restated Indenture of Mortgage which became effective on September 30, 2011 with the closing of its debt offering.

If there are any questions concerning this filing, you may contact me at your convenience.

Very truly yours,

A handwritten signature in black ink, appearing to read "G. Edgar Downing, Jr.", with a stylized flourish at the end.

G. Edgar Downing, Jr.
General Counsel

2011051443 Book-6816 Page-1903
Total Number of Pages: 144

State of Alabama-Mobile County
I certify this instrument was filed on:
September 27, 2011 @ 3:46:26 PM
MORTGAGE TAX \$93,000.00
S.R. FEE \$2.00
SURCHARGE \$10.00
RECORDING FEES \$361.00
TOTAL AMOUNT \$93,373.00

2011051443
Don Davis, Judge of Probate

MOBILE GAS SERVICE CORPORATION

To

REGIONS BANK, TRUSTEE

AMENDED AND RESTATED INDENTURE OF MORTGAGE

DATED AS OF SEPTEMBER 1, 2011

Amending and Restating in its entirety that certain Indenture of Mortgage
dated as of December 1, 1941

FIRST MORTGAGE BONDS

This is a Mortgage and Security Agreement upon
Real Property, Fixtures and Personal Property

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MOBILE GAS SERVICE CORPORATION

AMENDED AND RESTATED INDENTURE OF MORTGAGE

This Amended and Restated Indenture (this “*2011 Indenture*” or this “*Amended and Restated Indenture*”), dated for convenience as of September 1, 2011, although executed and delivered at a later date, and to be operative and effective simultaneously with the retirement of the Other Series Bonds (as hereinafter defined), between MOBILE GAS SERVICE CORPORATION, a corporation duly organized and existing under the laws of the State of Alabama (hereinafter sometimes called the “*Company*”), having its principal place of business at 2828 Dauphin Street, Mobile, Alabama 36606, party of the first part, and REGIONS BANK, an Alabama banking corporation duly organized and existing under the laws of the State of Alabama, and having a corporate trust office at 11 N. Water Street, 25th Floor, Mobile, Alabama 36602, as Trustee (hereinafter sometimes called the “*Trustee*”), party of the second part.

WHEREAS, the Company heretofore made and executed its Indenture of Mortgage dated as of December 1, 1941 (hereinafter sometimes called the “*Original Indenture*”) to The First National Bank of Mobile, as Trustee (the predecessor to Regions Bank, as Trustee), which by reference is hereby made a part hereof, and in and by the Original Indenture the Company conveyed and mortgaged to said Trustee certain property therein described to secure the payment of its bonds, to be known generally as its “*First Mortgage Bonds*” (hereinafter sometimes called the “*Bonds*”) and to be issued under the Original Indenture in one or more series, as therein provided; and

WHEREAS, the Company has executed and delivered to the Trustee eighteen indentures supplemental to the Original Indenture (collectively, the “*Supplemental Indentures*”), as follows: a First Supplemental Indenture dated as of October 1, 1944 supplementing and modifying the Original Indenture (hereinafter sometimes called the “*First Supplemental Indenture*”), a Second Supplemental Indenture dated as of July 1, 1952 supplementing the Original Indenture (hereinafter sometimes called the “*Second Supplemental Indenture*”), a Third Supplemental Indenture dated as of June 1, 1954 supplementing the Original Indenture (hereinafter sometimes called the “*Third Supplemental Indenture*”), a Fourth Supplemental Indenture dated as of April 1, 1957 supplementing the Original Indenture (hereinafter sometimes called the “*Fourth Supplemental Indenture*”), a Fifth Supplemental Indenture dated as of July 1, 1961 supplementing the Original Indenture (hereinafter sometimes called the “*Fifth Supplemental Indenture*”), a Sixth Supplemental Indenture dated as of June 1, 1963 supplementing the Original Indenture (hereinafter sometimes called the “*Sixth Supplemental Indenture*”), a Seventh Supplemental Indenture dated as of October 1, 1964 supplementing the Original Indenture (hereinafter sometimes called the “*Seventh Supplemental Indenture*”), an Eighth Supplemental Indenture dated as of July 1, 1972 supplementing the Original Indenture (hereinafter sometimes called the “*Eighth Supplemental Indenture*”), a Ninth Supplemental Indenture dated as of August 1, 1975 supplementing and modifying the Original Indenture (hereinafter sometimes called the “*Ninth Supplemental Indenture*”), a Tenth Supplemental Indenture dated as of July 1, 1979 supplementing and modifying the Original Indenture (hereinafter sometimes called the

"*Tenth Supplemental Indenture*"), an Eleventh Supplemental Indenture dated as of July 1, 1982 supplementing the Original Indenture (hereinafter sometimes called the "*Eleventh Supplemental Indenture*"), a Twelfth Supplemental Indenture dated as of July 1, 1986 supplementing the Original Indenture (hereinafter sometimes called the "*Twelfth Supplemental Indenture*"), a Thirteenth Supplemental Indenture dated as of October 1, 1988 supplementing the Original Indenture (hereinafter sometimes called the "*Thirteenth Supplemental Indenture*"), a Fourteenth Supplemental Indenture dated as of July 1, 1992 supplementing the Original Indenture (hereinafter sometimes called the "*Fourteenth Supplemental Indenture*"), a Fifteenth Supplemental Indenture dated as of July 1, 1993 supplementing the Original Indenture (hereinafter sometimes called the "*Fifteenth Supplemental Indenture*"), a Sixteenth Supplemental Indenture dated as of December 3, 1993 supplementing and modifying the Original Indenture (hereinafter sometimes called the "*Sixteenth Supplemental Indenture*"), a Seventeenth Supplemental Indenture dated as of November 1, 1996 supplementing the Original Indenture (hereinafter sometimes called the "*Seventeenth Supplemental Indenture*") and an Eighteenth Supplemental Indenture dated as of August 1, 2002 supplementing the Original Indenture (hereinafter sometimes called the "*Eighteenth Supplemental Indenture*"), each of which Supplemental Indentures, with the exception of the Tenth Supplemental Indenture and the Sixteenth Supplemental Indenture, among other things, provided for the creation of a new series of Bonds; and

WHEREAS, original counterparts of the Original Indenture and the Supplemental Indentures are duly filed and recorded in Alabama in the Offices of the Probate Judges of Mobile County and of Baldwin County, Alabama as follows:

INDENTURE	RECORDED IN THE RECORDS OF THE JUDGE OF PROBATE OF MOBILE COUNTY, ALABAMA	RECORDED IN THE RECORDS OF THE JUDGE OF PROBATE OF BALDWIN COUNTY, ALABAMA
Indenture	Mortgage Book 180, Page 116	Mortgage Book 587, Page 574
First Supplemental Indenture	Mortgage Book 207, Page 190	Mortgage Book 587, Page 774
Second Supplemental Indenture	Mortgage Book 343, Page 618	Mortgage Book 587, Page 804
Third Supplemental Indenture	Mortgage Book 377, Page 569	Mortgage Book 587, Page 831
Fourth Supplemental Indenture	Mortgage Book 477, Page 713	Mortgage Book 587, Page 855
Fifth Supplemental Indenture	Real Property Book 256, Page 101	Mortgage Book 587, Page 880
Sixth Supplemental Indenture	Real Property Book 424, Page 415	Mortgage Book 587, Page 910
Seventh Supplemental Indenture	Real Property Book 545, Page 730	Mortgage Book 587, Page 937
Eighth Supplemental Indenture	Real Property Book 1145, Page 672	Mortgage Book 587, Page 964

INDENTURE	RECORDED IN THE RECORDS OF THE JUDGE OF PROBATE OF MOBILE COUNTY, ALABAMA	RECORDED IN THE RECORDS OF THE JUDGE OF PROBATE OF BALDWIN COUNTY, ALABAMA
Ninth Supplemental Indenture	Real Property Book 1514, Page 956	Mortgage Book 588, Page 31
Tenth Supplemental Indenture	Real Property Book 2011, Page 763	Real Property Book 54, Page 700
Eleventh Supplemental Indenture	Real Property Book 2382, Page 43	Real Property Book 119, Page 700
Twelfth Supplemental Indenture	Real Property Book 2948, Page 802	Real Property Book 255, Page 1226
Thirteenth Supplemental Indenture	Real Property Book 3335, Page 393	Real Property Book 335, Page 1811
Fourteenth Supplemental Indenture	Real Property Book 3922, Page 39	Real Property Book 471, Page 0247
Fifteenth Supplemental Indenture	Real Property Book 4064, Page 416	Real Property Book 0519, Page 1210
Sixteenth Supplemental Indenture	Real Property Book 4114, Page 104	Real Property Book 0545, Page 1005
Seventeenth Supplemental Indenture	Real Property Book 4417, Page 916	Real Property Book 722, Page 1897
Eighteenth Supplemental Indenture	Real Property Book 5207, Page 1197	Instrument No. 677160

WHEREAS, pursuant to the Original Indenture, as so supplemented and modified (the "*Prior Indenture*"), there have been executed, authenticated, delivered and issued and are outstanding at the actual date of execution of this 2011 Indenture, Bonds of series and in principal amounts as of June 30, 2011 as follows (referred to herein as the "*Other Series Bonds*"):

TITLE	ISSUED	OUTSTANDING
6.90% Series due 2017	12,000,000	6,445,548
8.75% Series due 2022	12,000,000	7,590,000
7.48% Series due 2023	12,000,000	4,800,000

and

WHEREAS, all of the Other Series Bonds will be retired and two new series of Bonds will be issued simultaneously with the effectiveness of this 2011 Indenture; and

WHEREAS, this 2011 Indenture shall become operative and effective simultaneously with the retirement of the Other Series Bonds and the issuance of the Bonds of the 2021 Series and the Bonds of the 2031 Series; and

WHEREAS, Article 16 of the Original Indenture provides that modifications of the Indenture may be made without consent of the holders of Bonds provided that no such modification shall become operative or effective while any Bonds of any other series established prior to the execution of this 2011 Indenture shall remain outstanding, and no Other Series Bonds shall be outstanding when this 2011 Indenture becomes operative and effective; and

WHEREAS, Article 12 of the Original Indenture provides, among other things, that instruments supplemental to the Original Indenture embodying any modification of the Indenture, so becoming effective in accordance with said Article 16, may be executed by the Trustee and the Company, and the Company desires to have such modifications of the provisions of the Original Indenture, as supplemented and modified by this 2011 Indenture, embodied in this 2011 Indenture; and

WHEREAS, the Board of Directors of the Company has established under the Indenture, as supplemented and modified, two new series of Bonds to be designated (i) First Mortgage Bonds, 4.14% Series due 2021 (hereinafter sometimes referred to as "*Bonds of the 2021 Series*") in the principal amount of Twenty Million Dollars (\$20,000,000) and (ii) First Mortgage Bonds, 5.00% Series due 2031 (hereinafter sometimes referred to as "*Bonds of the 2031 Series*") in the principal amount of Forty Two Million Dollars (\$42,000,000) and has authorized the issue of the Bonds of the 2021 Series and the Bonds of the 2031 Series pursuant to the provisions of Article 3 of the Indenture to obtain funds for its corporate purposes; and

WHEREAS, the Company desires to execute this 2011 Indenture and hereby requests the Trustee to join in this 2011 Indenture for the purpose of prescribing the forms of the Bonds of the 2021 Series and Bonds of the 2031 Series and confirming the lien and security interest of the Original Indenture, as supplemented and modified (the Original Indenture, as supplemented and modified by the Supplemental Indentures and this 2011 Indenture, being herein sometimes called the "*Indenture*"), and otherwise for the purpose of amending and restating the Original Indenture in its entirety as provided herein; and

WHEREAS, all acts and proceedings required by law and by the charter and bylaws of the Company necessary to make the Bonds of the 2021 Series and Bonds of the 2031 Series, 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 this 2011 Indenture a valid and binding mortgage and security interest for the security of the Bonds, in accordance with the terms of the 2011 Indenture and the terms of the Bonds, have been done and performed; and the execution and delivery of this 2011 Indenture and the issue of the Bonds of the 2021 Series and Bonds of the 2031 Series have been in all respects duly authorized;

WHEREAS, the Company, in the exercise of the powers and authority conferred upon and reserved to it under and by virtue of the provisions of the Indenture, and pursuant to resolutions of its Board of Directors, has duly resolved and determined to make, execute and deliver to the Trustee this 2011 Indenture for the purpose of amending and restating the Original Indenture without any interruption of the lien of the Original Indenture, which now continues under this 2011 Indenture;

NOW, THEREFORE, THIS AMENDED AND RESTATED INDENTURE WITNESSETH, that in order to secure the payment of the principal of and Make-Whole Amount or other premium, if any, and interest on all Bonds at any time issued and outstanding under the Indenture, including the Bonds of the 2021 Series and Bonds of the 2031 Series, according to their tenor, purport and effect, and to make more definite and certain the lien of the Indenture upon the property hereinafter described and to further subject said property directly to the lien of the Indenture, and to secure the performance and observance of all the covenants and conditions in said Bonds and in the Indenture contained and for and in consideration of the premises and of the mutual covenants in the Indenture contained and of the purchase and acceptance of the Bonds of the 2021 Series and Bonds of the 2031 Series by the holders or registered owners thereof, and of the sum of One Dollar (\$1.00) lawful money of the United States of America duly paid to the Company by the Trustee at or before the sealing and delivery hereof, and for other valuable consideration, the receipt whereof is hereby acknowledged, MOBILE GAS SERVICE CORPORATION has executed and delivered this Amended and Restated Indenture and does hereby confirm the granting of a security interest to the Trustee and its successors and assigns in all properties, rights and privileges hereafter in Parts I, II, III and IV hereof described, together with all property of the nature set forth in Clauses II through VII of the granting clauses of the Original Indenture, heretofore or hereafter acquired or constructed in which a security interest can be created under the Alabama Uniform Commercial Code, subject to the exceptions and reservations hereafter provided, and has granted, bargained, sold, aliened, remised, released, conveyed, assigned, transferred, mortgaged, pledged, granted a security interest in, set over and confirmed, and by these presents does grant, bargain, sell, alien, remise, release, convey, assign, transfer, mortgage, pledge, grant a security interest in, set over and confirm unto Regions Bank, as Trustee, and to its successors in the trust, and to its assigns forever:

I

Those certain parcels of real estate described in the granting clauses of the Original Indenture and the Supplements and listed on Appendix I hereto, together with that certain lot or parcel of land (the "*Property*") located in the County of Mobile, State of Alabama, to wit:

Commencing at the Northeast corner of the "Fisher Tract" as recorded in the Office of the Judge of Probate, Mobile County, Alabama, in Deed Book 22 N. S. pages 332-333; thence North 60 degrees 00 minutes West and along the North line of the said Fisher Tract a distance of 56.82 feet to a point on the West line of One Mile Creek and the POINT OF BEGINNING; thence South 2 degrees 40 minutes East and along the West line of said One Mile Creek a distance of 236.38 feet; thence south 7 degrees 26 minutes 15 seconds East and continuing along the West line of said Creek a distance of 247.75 feet; thence South 4 degrees 00 minutes East a distance of 193.75 feet; thence South 8 degrees 04 minutes 30 seconds East a distance of 197.28 feet to the point of intersection with the Westerly Extension of the South right of way line of Earle Street; said point also being the point of curvature of a curve to the right having a delta angle of 45 degrees 31 minutes and a radius of 262.21 feet; thence run West-wardly and along the arc of said curve a distance of 208.30 feet to the point of tangency of said curve; said point also being on the Easterly projection of the South right of way line of Short Bloodgood Street; thence North 67 degrees 31 minutes West and along the said Easterly projection of said

Street a distance of 49.86 feet to a point on the East line of the Mobile Housing Board Property; thence North 5 degrees 59 minutes 30 seconds East and along the East line of the said Mobile Housing Board Property a distance of 693.73 feet; thence South 67 degrees 30 minutes East a distance of 4.60 feet; thence North 5 degrees 50 minutes East a distance of 101.67 feet; thence North 00 degrees 45 minutes 20 seconds West a distance of 41.70 feet; thence South 81 degrees 40 minutes East a distance of 52.37 feet; thence North 5 degrees 26 minutes 30 seconds West a distance of 240.52 feet to a point on the South right of way line of Morgan Street; thence North 67 degrees 02 minutes East and along the South right of way line of Morgan Street a distance of 29.00 feet to the point of intersection with the West line of One Mile Creek; thence South 8 degrees 35 minutes 45 seconds East and along the West line of One Mile Creek a distance of 117.59 feet; thence South 2 degrees 40 minutes East and continuing along the West line of One Mile Creek a distance of 105.72 feet to the point of beginning. Containing 145,622 Square Feet or 3.343 Acres. All of measurements being according to plat of survey by Bedsole Surveying Company, dated October 4, 1966 and being identified by drawing number 837. Said property being bounded on the North by Morgan Street and the property of the Mobile Housing Board, on the East by One Mile Creek, on the South by property of the Mobile Gas Service Corporation, and on the West by the property of Mobile Housing Board and the Eastern terminus of Short Bloodgood Street.

Being the same property conveyed by Mobile Housing Board ("*Grantor*") to Mobile Gas Service Corporation ("*Grantee*") by Statutory Warranty Deed dated April 18, 2011, recorded in Deed Book 6783 Page 741 and subject to the following as provided therein:

Grantor and Grantee have entered into a written agreement of even date herewith relating to various mutual release, indemnification and environmental matters (the "*Agreement*"). It is the intent of Grantor and Grantee that the provisions of the Agreement run with the Property and be binding upon the Grantee and its successors and assigns, in perpetuity or until such time as Grantor, or its successor or assigns, shall cancel all or some of such record in the Office of the Judge of Probate of Mobile County, Alabama. Any party seeking to be a successor or assignee of Grantee may obtain a copy of the Agreement from Grantee.

The Grantee will seek to have the Property included with other property of Grantee in a voluntary remediation program under the supervision of the Alabama Department of Environmental Management ("*ADEM*"). Grantor and Grantee do hereby agree that the Property shall be used only for uses which are in compliance with all applicable rules and regulations of ADEM, which requirements of use are intended to be and shall be taken as additional consideration for this deed, and one of the express conditions hereof, and that said restriction and limitation of use is intended and shall be taken as a covenant to run with the Property.

All recording references herein refer to the records in the office of the Judge of Probate of Mobile County, Alabama.

II

All general intangibles, accounts, chattel paper, commercial tort claims, deposit accounts, documents, goods, instruments, investment property, letter-of-credit rights, letters of credit, and money, and all interests therein, now owned or hereafter acquired by or belonging to the Company or to which it now is, or may at any time hereafter be, in any manner entitled at law or in equity.

III

All the property, real, personal and mixed, including, without limitation all leases, licenses and other limited interests in land, rights of way, servitudes, easements, rights, powers, permits, grants, franchises, privileges, immunities, concessions and consents, described or referred to in the Original Indenture and the Supplemental Indentures and thereby conveyed or mortgaged or intended so to be, including all such property acquired, made or constructed by the Company or to which the Company in any manner has become entitled in law or in equity, since the execution and delivery of said Original Indenture which by the terms of said Original Indenture, the Supplemental Indentures and this 2011 Indenture is subjected, or is intended to be subjected, to the lien and security interest of the Indenture.

IV

Together with all and singular the tenements, hereditaments and appurtenances belonging or in anywise appertaining to the aforesaid properties or any part thereof, with the reversion and reversions, remainder and remainders, tolls, rents, revenues, issues, income, product and profits thereof, and all the estate, right, title, interest and claim whatsoever, at law as well as in equity, which the Company has acquired in and to the aforesaid properties and every part and parcel thereof.

V

EXPRESSLY EXCEPTING AND EXCLUDING, HOWEVER, from this Amended and Restated Indenture and from the lien, security interest and operation of the Indenture the following (herein sometimes referred to as "*Excepted Property*"):

(A) All property excepted or excluded from the lien of the Original Indenture under Part VIII of the granting clauses thereof and all property excepted in the descriptions contained in the granting clauses of the Supplemental Indentures in each case as described on Appendix III hereto and this Amended and Restated Indenture.

(B) All property released or otherwise disposed of pursuant to the provisions of Article 6 of the Indenture.

PROVIDED, HOWEVER, that if, upon the occurrence of an Event of Default (as hereinafter defined), the Trustee or any receiver or trustee appointed hereunder shall enter upon and take

possession of the Trust Estate, the Trustee, or such receiver or trustee may, to the extent permitted by law, at the same time likewise take possession of any and all Excepted Property then on hand which is used or useful in connection with the Trust Estate and use and administer the same, to the extent permitted by law, to the same extent as if such property were part of the Trust Estate, unless and until such Event of Default shall be remedied and possession of the Trust Estate restored to the Company, its successors or assigns.

TO HAVE AND TO HOLD all said property, rights, privileges and franchises of every kind and description, real, personal or mixed, hereby and hereafter (by supplemental indenture or otherwise) granted, bargained, sold, aliened, remised, released, conveyed, assigned, transferred, mortgaged, hypothecated, pledged, set over or confirmed as aforesaid, or intended, agreed or covenanted so to be, together with all the appurtenances thereto appertaining (said properties, rights, privileges and franchises, including any cash and securities hereafter deposited or required to be deposited with the Trustee (other than any such cash which is specifically stated herein not to be deemed part of the Trust Estate), being herein collectively called the "*Trust Estate*") unto the Trustee and its successors and assigns forever.

SUBJECT, HOWEVER, to Permitted Encumbrances (as defined in Section 1.01).

BUT IN TRUST, NEVERTHELESS, for the equal and proportionate benefit and security of the Holders from time to time of all the Outstanding Secured Bonds without any preference or priority of any such Bond over any other such Bond by reason of priority in the time of issue, sale or negotiation thereof or by reason of the purpose of issue or otherwise howsoever.

UPON CONDITION that, until the happening of any Event of Default (as defined in Section 1.01) and subject to the provisions of Article Six, the Company shall be permitted to possess and use the Trust Estate, except cash, securities and other personal property deposited and pledged, or required to be deposited and pledged, with the Trustee and to receive and use the rents, issues, profits, revenues and other income of the Trust Estate.

AND IT IS HEREBY COVENANTED AND DECLARED that all the Bonds are to be authenticated and delivered and the Trust Estate is to be held and applied by the Trustee, subject to the further covenants, conditions and trusts hereinafter set forth, and the Company does hereby covenant and agree to and with the Trustee, for the equal and proportionate benefit of all Holders of the Bonds as follows:

ARTICLE ONE DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.01. Definitions. For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

A. The terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular.

B. If this Indenture is qualified under the Trust Indenture Act (TIA), all other terms used herein which are defined in said Act, either directly or by reference therein, have the meanings assigned to them therein.

C. All accounting terms not otherwise defined herein have the meanings assigned to them, and all computations herein provided for shall be made, in accordance with generally accepted accounting principles.

D. All references herein to “generally accepted accounting principles” refer to such principles as they exist at the date of applicability thereof.

E. All references in this instrument to designated “Articles,” “Sections” and other subdivisions are to the designated Articles, Sections and other subdivisions of this instrument as originally executed, unless such Article, Section or other subdivision of this instrument shall have been amended, in which case the reference shall be to such Article, Section or other subdivision as so amended.

F. The words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

Certain terms used principally in Article Ten (The Trustee) are defined in said Article.

“2011 Bond Purchase Agreement” means that certain Bond Purchase Agreement dated as of July 1, 2011 between the Company and the purchasers listed on Schedule A thereto pursuant to which the purchasers have purchased the Bonds of the 2021 Series and the Bonds of the 2031 Series.

“Accountant” means a Person engaged in the practice of accounting who (except as otherwise expressly provided in this Indenture) may be employed by or affiliated with the Company.

“Accounting Requirements” means the requirements of any system of accounts prescribed by a regulatory authority having jurisdiction over the Company or, in the absence thereof, the requirements of generally accepted accounting principles applicable to corporations conducting businesses similar to that of the Company.

“Acquired Facility” means any property which, within 6 months prior to the date of its acquisition by the Company, has been used or operated by a Person or Persons other than the Company in a business similar to that in which such property has been or is to be used or operated by the Company.

“Act” when used with respect to any Holder or Holders has the meaning stated in Section 1.02.

"Affiliate" means, at any time, and with respect to any Person, any other Person that at such time directly or indirectly through one or more intermediaries Controls, or is Controlled by, or is under common Control with, such first Person, and, with respect to the Company, shall include any Person beneficially owning or holding, directly or indirectly, 10% or more of any class of voting or equity interests of the Company or any Subsidiary or any corporation of which the Company and its Subsidiaries beneficially own or hold, in the aggregate, directly or indirectly, 10% or more of any class of voting or equity interests. As used in this definition, **"Control"** means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. Unless the context otherwise clearly requires, any reference to an "Affiliate" is a reference to an Affiliate of the Company.

"Amount of Property Additions" or *"Amount"* as applied to any Property Additions means the Cost to the Company of such Property Additions or the Fair Value to the Company (at the time determined in accordance with the definition of Fair Value to the Company) of such Property Additions, whichever is less.

"Application" means an application for the authentication and delivery of Bonds, the release of property or the withdrawal of cash under any provision of this Indenture and shall consist of, and shall not be deemed complete until there shall have been delivered to the Trustee, such cash, Bonds, securities and documents as are required by such provision to establish the right of the Company to the action applied for. The date of a particular Application shall be deemed to be the date of completion of all such deliveries to the Trustee and not the date on any particular document so delivered.

"Appraiser" means a Person engaged in the business of appraising property who (except as otherwise expressly provided in this Indenture) may be employed by or affiliated with the Company.

"Authorized Newspaper" means a newspaper of general circulation in the relevant area, printed in the English language and customarily published on each business day, whether or not published on Saturdays, Sundays or holidays. Whenever successive weekly publications in an Authorized Newspaper are required hereunder they may be made (unless otherwise expressly provided herein) on the same or different days of the week and in the same or in different Authorized Newspapers.

"Available Income Certificate" means an Officers' Certificate, dated not more than 30 days prior to the date of the related Application for the authentication and delivery of additional Bonds under this Section and signed, in addition to the two officers signing the same, by a Person, who may be one of such officers, signing as an Accountant, stating that:

- (1) the Net Earnings for Interest for any 12 consecutive calendar months during the period of 15 calendar months immediately preceding the first day of the calendar month in which the relevant Application for authentication and delivery of additional Bonds under this Section is made, are not less than 2 times the amount of the maximum annual interest charges on all Bonds Outstanding at the date of the Certificate

and the additional Bonds applied for and on all Prior Lien Obligations outstanding on such date; and

(2) the Net Earnings for Interest have been calculated in accordance with the definition contained in this Subsection and to that end specifying the revenues and income of the Company and the deductions therefrom, all as called for by that definition.

“Board of Directors” means either the board of directors of the Company or any duly authorized committee of said board.

“Board Resolution” means a copy of a resolution certified by the Secretary or an Assistant Secretary of the Company to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification, and delivered to the Trustee.

“Bond Register” and *“Bond Registrar”* have the respective meanings stated in Section 3.07.

“Bondable Additions” means Bondable Additions as computed in accordance with Section 5.02 and certified as Bondable Additions in the Summary of Certificate as to Bondable Additions then being filed in accordance with Section 5.02.

“Bondable Property” means all Property Additions, and all property owned by the Company on the Cut-Off Date which would constitute Property Additions if acquired after that date, but Bondable Property shall not include any Excepted Property.

“Bonds” means the Bonds of the 2021 Series and the Bonds of the 2031 Series outstanding as of the date hereof and any other Bonds authenticated and delivered hereunder after the date of execution of this 2011 Indenture.

“Certificate as to Bondable Additions” means an Officers’ Certificate, dated not more than 30 days prior to the date of the related Application, complying with the requirements of Section 5.02 and signed, in addition to the two officers signing the same as officers, by a Person, who maybe one of such officers, signing as an Engineer and a Person, who may be one of such officers, signing as an Accountant.

“Commission” means the Securities and Exchange Commission, as from time to time constituted, created under the Securities Exchange Act of 1934, or if at any time after the execution of this instrument such Commission is not existing and performing the duties theretofore assigned to it under the Trust Indenture Act, then the body performing such duties at such time.

“Company” means the Person named as the “Company” in the first paragraph of this instrument until a successor corporation shall have become such pursuant to the applicable provisions of this Indenture, and thereafter, except to the extent otherwise contemplated by Section 12.02(C), *“Company”* shall mean such successor corporation.

“Company Consent,” “Company Order” and “Company Request” mean, respectively, a written consent, order or request signed in the name of the Company by the Chairman of the Board, the President or a Vice-President, and by the Treasurer, an Assistant Treasurer, the Controller, an Assistant Controller, the Secretary or an Assistant Secretary of the Company, and delivered to the Trustee.

“Cost to the Company” of Property Additions means the actual cost of acquisition thereof by the Company, determined in accordance with Accounting Requirements. When the consideration for Property Additions consists (in whole or in part) of property or securities, the fair market value in cash of such consideration (as of the date of the transfer and delivery thereof) shall be deemed the equivalent of cash in the determination of cost. The Cost to the Company of any Property Additions acquired as an Acquired Facility may be deemed to include the cost to the Company of any franchises, contracts, operating agreements and other rights and Non-Bondable Property simultaneously acquired with, and related to, such Property Additions, for which no separate or distinct consideration shall have been paid or apportioned; and, except in such case, the Cost to the Company of any property, only part of which constitutes Property Additions and all of which is acquired for a single consideration, shall be properly allocated in the Certificate as to Bondable Additions in which such Property Additions are certified to the Trustee. In the case of Property Additions consisting of property owned by a successor corporation at the time it shall have become such by consolidation, merger, conveyance or transfer as provided in Article Twelve, or acquired by it by such consolidation, merger, conveyance or transfer, the Cost to the Company shall be the gross amount at which such property is recorded in the plant or property accounts (exclusive of any amounts carried in plant or property adjustment accounts) on the books of such successor corporation, or the constituent or predecessor corporation from which such property was acquired, immediately prior to such consolidation, merger, conveyance or transfer, less related reserves for depreciation, depletion, obsolescence, retirements and amortization as of that date.

“Cut-Off Date” means September 30, 2010.

“Default” means an event or condition the occurrence or existence of which would, with the lapse of time or the giving of notice or both, become an Event of Default.

“Defaulted Interest” has the meaning stated in Section 3.09.

“Deposited Cash” has the meaning stated in Section 5.04.

“Engineer” means a Person engaged in the engineering profession who (except as otherwise expressly provided in this Indenture) may be employed by or affiliated with the Company.

“Event of Default” has the meaning stated in Article Nine. An Event of Default shall “exist” if an Event of Default shall have occurred and be continuing.

“Excepted Property” has the meaning stated in the Granting Clauses.

"Fair Value to the Company," when used with respect to any particular Property Additions, means the fair value thereof to the Company, determined as of a date not more than 90 days prior to the date of the related Application. The Fair Value to the Company of any particular Property Additions subject to a lien constituting a Permitted Encumbrance or permitted by the proviso to Section 6.02D(2), shall be determined as if such property were free of such lien.

The Fair Value to the Company of any Property Additions consisting of an Acquired Facility shall not include any amount for any franchises, contracts, operating agreements or other rights or Non-Bondable Property acquired simultaneously therewith and related thereto, even though no separate or distinct consideration shall have been paid for or apportioned to such franchises, contracts, operating agreements or other rights or property, but it shall be proper in such case to include as an element of the value of such Property Additions a proper amount for the earnings capability thereof.

"Ground Lease Interest" means a leasehold interest in any real or personal property of twenty-one years or more of unexpired term remaining upon such lease (excluding any unexercised extension options).

"Holder" when used with respect to any Bond, means the person in whose name such Bond is registered in the Bond Register.

"Indebtedness" of any Person shall mean and include all obligations of such Person (other than trade payables, accrued expenses, deferred taxes and income taxes) which in accordance with GAAP shall be classified upon a balance sheet of such person as indebtedness of such Person (including without limitation, all current maturities of long term indebtedness), and in any event shall include (whether or not characterized by GAAP as indebtedness) all (a) obligations of such person for borrowed money or which has been incurred in connection with the acquisition of property or assets, (b) obligations secured by any lien upon property or assets owned by such Person, even though such Person has not assumed or become liable for the payment of such obligations, (c) obligations created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person, notwithstanding the fact that the rights and remedies of the seller, lender or lessor under such agreement in the event of default are limited to repossession or sale of property, (d) all rentals which, in accordance with generally accepted accounting principles, are capitalized on the books of such Person and (e) guaranties of obligations of others of the character referred to in this definition.

"Indenture" means this instrument as originally executed or as it may from time to time be supplemented, modified or amended by one or more indentures or other instruments supplemental hereto entered into pursuant to the applicable provisions hereof.

"Independent" when used with respect to any specified Person means such a Person who (1) is in fact independent, (2) does not have any direct financial interest or any material indirect financial interest in the Company or in any other obligor upon the Bonds or in any Affiliate of the Company or of such other obligor and (3) is not connected with the Company or such other obligor as an officer, employee, promoter, underwriter, trustee, partner, director or person

performing similar functions. Whenever it is herein provided that any Independent Person's opinion or certificate shall be furnished to the Trustee, such Person shall be appointed by a Company Order and approved by the Trustee in the exercise of reasonable care and such opinion or certificate shall state that the signer has read this definition and that the signer is Independent within the meaning thereof.

"Interest Payment Date" means the Stated Maturity of an installment of interest on the Bonds.

"Maturity" when used with respect to any Bond means the date on which the principal of such Bond becomes due and payable as therein or herein provided, whether at the Stated Maturity or by declaration of acceleration or call for redemption or otherwise.

"Net Earnings for Interest" means (1) the total operating revenues of the Company, less all operating expenses, charges for repairs and maintenance, appropriations for depreciation, depletion, amortization and property retirement chargeable to income for the period for which Net Earnings for Interest are being computed and accruals for taxes (other than Federal income and excess profits taxes or other taxes howsoever denominated and by whomsoever imposed which are imposed on income after the deduction of interest charges), but excluding all interest charges and all amortization of stock and debt discount and expense or premium, plus (2) the net non-operating income of the Company, if any; *provided, however*, that at least 90% of the required minimum amount of Net Earnings for Interest specified in any particular Available Income Certificate shall consist of operating income of the Trust Estate. Net Earnings for Interest shall be determined in accordance with the following additional requirements:

(a) In the computation of Net Earnings for Interest, gains and losses and any taxes or reduction in taxes resulting from the sale or other disposition or abandonment, or from increases or decreases in value, of capital assets, or from the retirement or reacquisition or resale or re-issuance of debt or capital stock shall be disregarded.

(b) In case the Company shall have obtained the release of any property pursuant to Section 6.02 of a fair value in excess of \$25,000, as shown by the Release Certificate required thereby, within or after the particular period, for which the calculation of Net Earnings for Interest is made, then, in computing Net Earnings for Interest, the net earnings or net losses of such property for the whole of such period shall be excluded.

(c) In case an Acquired Facility shall have been acquired by the Company within or after the particular period for which the calculation of Net Earnings for Interest is made or is being acquired by the Company simultaneously with the authentication and delivery of Bonds, then, in computing the Net Earnings for Interest there shall be included, to the extent that they may not have been otherwise included, the net operating earnings or net operating losses of such Acquired Facility for the whole of such period. The net operating earnings or net operating losses of such Acquired Facility for the period preceding such acquisition shall be ascertained and computed as provided in the foregoing provisions of this definition as if such Acquired Facility had been owned by the

Company during the whole of such period, unless such property shall have been acquired by the Company to replace property whose operating income has been included.

The Net Earnings for Interest, and the corresponding terms for any other corporation or for property, shall, to the extent not otherwise provided in the foregoing provisions of this definition, be determined in accordance with Accounting Requirements.

"Net Income Available for Dividends" shall mean the sum of (a) the total operating revenues of the Company, less all proper deductions for operating expenses, including (i) all taxes (including, without limitation, income, excess profits and other taxes imposed on or measured by income or undistributed earnings or income), (ii) rentals, insurance current repairs and maintenance, (iii) provision for depreciation or retirements, (iv) all charges on account of interest on Indebtedness and all charges or credits on account of debt discount, premium and expense, (v) provisions for all dividends accrued on any outstanding stock of the Company having preference over the common stock of the Company as to dividends and (iv) all other appropriate items and (b) any net non-operating income or loss of the Company, all determined in accordance with generally accepted accounting practice. In determining the net income of the Company available for dividends on its common stock, no deduction or adjustment shall be made for or in respect of any charges which under generally accepted accounting practice are not appropriate deductions or adjustments in determining such net income and, without limiting the generality of the foregoing, no deduction or adjustment shall be made for or in respect of (a) expenses in connection with the issuance of stock of the Company and expenses in connection with the redemption or retirement of any securities issued by the Company, including any amount paid in excess of the principal amount or par or stated value of securities redeemed or retired, or, in the event that such redemption or retirement is effected with the proceeds of sale of other securities of the Company, any interest or dividends on the securities redeemed or retired from the date on which the funds required for such redemption or retirement are deposited in trust for such purpose to the date of redemption or retirement; (b) profits or loss from the sale, abandonment, amortization, retirement or other disposition of property or other capital assets or from the reacquisition of any securities of the Company, or taxes on or in respect of such profits; (c) any change in or adjustment of the book value of any assets owned by the Company arising from a revaluation thereof; (d) any adjustment (including tax adjustments) applicable to any period prior to March 31, 2011; or (e) amortization or elimination of utility plant adjustment accounts or other intangibles.

"Net Worth" means, at any time:

(a) the sum of (i) the par value (or value stated on the books of the Company) of the capital stock (but excluding treasury stock and capital stock subscribed and unissued) of the Company *plus* (ii) the amount of the paid-in capital and retained earnings of the Company, in each case as such amounts would be shown on a balance sheet of the Company as of such time prepared in accordance with GAAP, *minus*

(b) to the extent included in clause (a), all amounts properly attributable to minority interests, if any, in the stock and surplus of Subsidiaries.

"Non-Bondable Property" means any property owned by the Company other than Bondable Property.

"Officers' Certificate" means a certificate signed by any two officers of the Company, and delivered to the Trustee. Wherever this Indenture requires that an Officers' Certificate be signed also by an Engineer or an Accountant or other expert, such Engineer, Accountant or other expert may (except as otherwise expressly provided in this Indenture) be in the employ of the Company.

"Opinion of Counsel" means a written opinion of counsel who may (except as otherwise expressly provided in this Indenture) be counsel for the Company and shall be acceptable to the Trustee.

"Outstanding" when used with respect to Bonds means, as of the date of determination, all Bonds theretofore authenticated and delivered under this Indenture, except:

(1) Bonds theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(2) Bonds which have been defeased pursuant to Article Eight, *provided* that, if such Bonds are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustee has been made;

(3) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered under this Indenture;

(4) Bonds alleged to have been destroyed, lost or stolen which have been paid as provided in Section 3.08; and

(5) Bonds which have not been sold, pledged or subjected to a security interest and have been surrendered to the Trustee, as provided in the last paragraph of Section 5.01;

provided, however, that in determining whether the Holders of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Bonds owned by the Company or any other obligor upon the Bonds or any Affiliate of the Company or of such other obligor shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Trustee knows to be so owned shall be so disregarded. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for such purposes if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is not the Company or any other obligor upon the Bonds or any Affiliate of the Company or of such other obligor.

"Outstanding Secured Bonds" means, as of the date of determination, (1) all Bonds then Outstanding other than Bonds then owned by the Company and held in its treasury and (2) all Bonds, if any, alleged to have been destroyed, lost or stolen which have been replaced or paid as provided in Section 3.08 but whose ownership and enforceability by the Holder thereof have been established by a court of competent jurisdiction or other competent tribunal or otherwise established to the satisfaction of the Company and the Trustee.

"Paying Agent" means the Company and any Person authorized by the Company to pay the principal of (and Make-Whole Amount or other premium, if any) or interest on any Bonds on behalf of the Company.

"Permitted Encumbrances" means:

(1) liens for taxes, assessments and other governmental charges not delinquent;

(2) liens for taxes, assessments and other governmental charges already delinquent which are currently being contested in good faith by appropriate proceedings, *provided* the Company shall have set aside on its books adequate reserves with respect thereto;

(3) mechanics' and materialmen's liens not filed of record and similar charges not delinquent, incident to current construction, and mechanics' and materialmen's liens incident to such construction which are filed of record but which are being contested in good faith and have not proceeded to judgment and as to which the Company shall have set aside on its books adequate reserves with respect thereto;

(4) mechanics', workmen's, repairmen's, materialmen's, warehousemen's and carriers' liens and other similar liens arising in the ordinary course of business for charges which are not delinquent, or which are being contested in good faith and have not proceeded to judgment and as to which the Company shall have set aside on its books adequate reserves with respect thereto;

(5) liens in respect of judgments or awards with respect to which the Company shall in good faith currently be prosecuting an appeal or proceedings for review and with respect to which the Company shall have secured a stay of execution pending such appeal or proceedings for review, *provided* the Company shall have set aside on its books adequate reserves with respect thereto;

(6) easements and rights granted by the Company under Section 6.01D and similar rights granted by any predecessor in title of the Company;

(7) easements, leases, reservations or other rights of others in any property of the Company for streets, roads, bridges, pipes, pipe lines, railroads, electric transmission and distribution lines, telegraph and telephone lines, the removal of oil, gas, coal or other minerals and other similar purposes, flood rights, river control and development rights,

sewage and drainage rights, restrictions against pollution and zoning laws and minor defects and irregularities in the record evidence of title, *provided* that such easements, leases, reservations, rights, restrictions, laws, defects and irregularities do not materially affect the marketability of title to such property and do not in the aggregate materially impair the use of such property for the purposes for which it is held by the Company;

(8) any irregularities in or deficiencies of title to any rights-of-way for pipe lines, telephone lines, telegraph lines, power lines or appurtenances thereto, or other improvements thereon, and to any real estate used or to be used primarily for right-of-way purposes, *provided* that in the Opinion of Counsel, the Company shall have obtained from the apparent owner of the lands or estates therein covered by any such right-of-way a sufficient right, by the terms of the instrument granting such right-of-way, to the use thereof for the construction, operation or maintenance of the lines, appurtenances or improvements for which the same are used or are to be used, or *provided* that in the Opinion of Counsel, the Company has power under eminent domain, or similar statutes, to remove such irregularities or deficiencies;

(9) rights reserved to, or vested in, any municipality or governmental or other public authority to control or regulate any property of the Company, or to use such property in any manner, which rights do not materially impair the use of such property, for the purposes for which it is held by the Company;

(10) any obligations or duties, affecting the property of the Company, to any municipality or governmental or other public authority with respect to any franchise, grant, license or permit;

(11) any right which any municipal or governmental authority may have by virtue of any franchise, license, contract or statute to purchase, or designate a purchaser of or order the sale of, any property of the Company upon payment of reasonable compensation therefor or to terminate any franchise, license or other rights or to regulate the property and business of the Company; and

(12) the specific liens and encumbrances, reservations, restrictions, conditions, limitations, covenants, interests and exceptions, if any, set forth or referred to in the descriptions set forth in this 2011 Indenture and in Appendix I attached hereto and made a part hereof, being real property descriptions contained in Part I of the granting clauses of the Original Indenture and Supplemental Indentures, and any permitted liens set forth in Appendix II attached hereto and made a part hereof, being permitted liens as defined in Section 1.05(a) of the Original Indenture.

“*Person*” means any individual, corporation, cooperative, partnership, joint venture, association, joint-stock company, limited liability company, partnership, trust, unincorporated organization or government or any agency or political subdivision thereof.

“Place of Payment” when used with respect to the Bonds of any series means a city or any political subdivision thereof in which the Company is by this Indenture required to maintain an office or agency for the payment of the principal of or interest on the Bonds of such series.

“Predecessor Bonds” of any particular Bond means every previous Bond evidencing all or a portion of the same debt as that evidenced by such particular Bond; and, for purposes of this definition, any Bond authenticated and delivered under Section 3.08 in lieu of a lost, destroyed or stolen Bond shall be deemed to evidence the same debt as the lost, destroyed or stolen Bond.

“Prior Lien” means any mortgage, lien, charge or encumbrance on or pledge of or security interest in any of the Trust Estate prior to or upon a parity with the lien of this Indenture, other than Permitted Encumbrances.

“Prior Lien Obligation” means any indebtedness and the evidence thereof, if any, secured by a Prior Lien.

“Property Additions” means property to which the Company shall have (or, if Retired, shall have had) Title and/or any Ground Lease Interest, and which shall be (or, if Retired, shall have been) subject to the lien of this Indenture, which shall be properly chargeable to the Company’s fixed plant accounts under Accounting Requirements (including property acquired to replace property Retired and credited to such accounts) and which shall be

(1) acquired (including acquisition by merger, consolidation, conveyance or transfer) by the Company after the Cut-Off Date, including property in the process of construction, insofar as actually constructed after that date, and

(2) used or useful in the business of the Company conducted with the properties described in Granting Clause First of this Indenture, even though separate from and not physically connected with such properties.

“Property Additions” shall also include

(3) servitudes, leases, licenses, rights, powers, permits, grants, franchises, privileges, immunities, concessions, consents, easements and rights of way that are useful for the conduct of the business of the Company, and

(4) property located or constructed on, over or under public highways, rivers or other public property if the Company has the lawful right under permits or franchises granted by a governmental body having jurisdiction in the premises or by the law of the State in which such property is located to maintain and operate such property for an unlimited, indeterminate or indefinite period or for the period, if any, specified in such permit or franchise or law and to remove such property at the expiration of the period covered by such permit or franchise or law, or if the terms of such, permit, franchise or law require any public authority having the right to take over such property to pay fair consideration therefor.

"Property Additions" shall not include except to the extent otherwise expressly included in this Amended and Restated Indenture

(5) goodwill, going concern value, contracts, agreements, franchises, licenses or permits, whether acquired as such, separate and distinct from the property operated in connection therewith, or acquired as an incident thereto, or

(6) any shares of stock or indebtedness or certificates or evidences of interest therein or other securities, or

(7) any property that is to remain subject to a Prior Lien (except to the extent permitted by the proviso to Section 6.02D(2)) after the granting of the related Application, or

(8) any plant or system or other property in which the Company shall acquire only a leasehold interest that is not a Ground Lease Interest or, unless the same shall be movable physical personal property which the Company has the right to remove, any betterments, extensions or improvements or additions of, upon or to any plant or system or other property in which the Company shall own only a leasehold interest.

"Redemption Date" when used with respect to any Bond to be prepaid means the date of such prepayment and when used with respect to any Bond to be redeemed means the date fixed for such redemption pursuant to this Indenture.

"Redemption Price" when used with respect to any Bond to be redeemed means the price at which it is to be redeemed pursuant to this Indenture. It includes the applicable Make-Whole Amount or other premium, if any, but does not include installments of interest whose Stated Maturity is on or before the Redemption Date.

"Regular Record Date" for Bonds of any series shall be as set forth in a supplemental indenture creating such series.

"Responsible Officer" when used with respect to the Trustee means the chairman or vice-chairman of the board of directors of the Trustee, the chairman or vice-chairman of the executive committee of said board, the president, any vice-president, the secretary, any assistant secretary, the treasurer, any assistant treasurer, the cashier, any assistant cashier, any trust officer or assistant trust officer, the controller, any assistant controller or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer of the Trustee to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

"Retired," when used with respect to property, means Bondable Property that, since the Cut-Off Date, has been retired, abandoned, destroyed, worn out, removed, sold, permanently discontinued, lost through the enforcement of any liens or released or otherwise disposed of free of the lien of this Indenture or taken by eminent domain or under the exercise of a right of a

government authority to purchase the same or recorded as retired on the books of the Company or permanently retired from service for any reason, whether or not replaced, or has become no longer used or useful in the business of the Company, whether or not recorded as Retired on the books of the Company, except that, when a minor item of property has been replaced by other property of equal value and efficiency and the cost of such replacement has been charged to other than fixed property accounts such as maintenance, repairs or other similar account, the property replaced shall not be considered as a Retirement.

"Retirements" means Bondable Property that has been Retired. The "amount" of Retirements shall be computed as follows:

(1) as to property owned by the Company on the Cut-Off Date, the Cost to the Company of such property as recorded on the books of the Company, after deducting therefrom related reserves (estimated, if necessary, as to particular property) for depreciation, depletion, obsolescence, retirements or amortization recorded on the books of the Company as of the Cut-Off Date; and

(2) as to Property Additions, the Cost to the Company thereof or the Fair Value to the Company thereof, whichever is less, as certified to the Trustee at the time such Property Additions were certified in a Certificate as to Bondable Additions filed in accordance with Section 5.02 (estimated, if necessary, as to particular property), or if not theretofore so certified, then the Cost to the Company of such Property Additions.

In determining the amount of Retirements for any purpose under this Indenture, neither any reduction in book values of property recorded in the Company's fixed plant accounts nor the transfer of any amount appearing in any such accounts to intangible or adjustment accounts, required or arising from adjustments required to be made by any regulatory body or otherwise, nor the elimination of any amount so transferred, otherwise than in connection with the actual retirement of physical property, shall be taken into account.

"Special Record Date" for the payment of any Defaulted Interest (as defined in Section 3.09) means a date fixed by the Trustee pursuant to Section 3.09.

"Stated Maturity" when used with respect to any Bond or any installment of interest thereon means the date specified in such Bond as the fixed date on which the principal of such Bond or such installment of interest is due and payable.

"Subsidiary" of any specified corporation means any corporation at least a majority of whose outstanding Voting Stock shall at the time be owned or held, directly or indirectly, by the specified corporation and/or by one or more of its Subsidiaries.

"TIA" or *"Trust Indenture Act"* means the Trust Indenture Act of 1939, as in force at the date of this instrument, or, if this Indenture is first qualified under TIA after the issuance of Bonds, as in force at the date of such qualification.

"Title," for the purpose of any provision of this Section requiring an Opinion of Counsel that the Company has Title to any property, means such title, whether fairly deducible of record or based upon prescriptive rights (or, as to personal property, based on such evidence as Counsel shall determine to be sufficient), as in the opinion of Counsel is satisfactory for the use thereof in connection with the operations of the Company, and Counsel in giving such opinion may disregard any irregularity or deficiency in the record evidence of title which, in the opinion of such Counsel, can be cured by proceedings within the power of the Company or does not substantially impair the usefulness of such property for the purpose of the Company and may base such opinion upon his own investigation or upon affidavits, certificates, abstracts of title, statements or investigations made by Persons in whom such Counsel has confidence or upon examination of a certificate or guaranty of title or policy of title insurance in which he has confidence.

"Title Evidence" means, with respect to any real property:

A. an Opinion of Counsel or attorney's certificate of title to the effect that the Company has title, whether fairly deducible of record or based upon prescriptive rights, as in the Opinion of Counsel is satisfactory for the use thereof in connection with the operation of the Trust Estate, and Counsel in giving such opinion may disregard any irregularity or deficiency in the record evidence of title which, in the opinion of such Counsel, can be cured by proceedings within the power of the Company or does not substantially impair the usefulness of such property for the operation of the Trust Estate and may base such opinion upon his own investigation or upon affidavits, certificates, abstracts of title, statements or investigations made by Persons in whom such Counsel has confidence or upon examination of a certificate or guaranty of title or policy of title insurance in which he has confidence, and, without limiting the foregoing, Counsel may rely solely upon an Officers' Certificate as to matters regarding the use or usefulness of such property for the operation of the Trust Estate; or

B. a mortgagee's policy of title insurance (or a commitment to issue a mortgagee's policy of title insurance containing only standard conditions to issuance or such other conditions to issuance as are satisfactory to the Trustee) in the amount of the lesser of Cost or Fair Value to the Company of the land on the date of acquisition and included in Property Additions, issued in favor of the Trustee by an entity authorized to insure title in the state in which the real property is located, showing the Company as the owner of the subject property and insuring the lien of this Indenture;

and with respect to any personal property, an Officers' Certificate that the Company lawfully owns such property.

"Total Capitalization" shall mean the sum of Indebtedness and Net Worth.

"Trustee" means the Person named as the "Trustee" in the first paragraph of this instrument until a successor Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Trustee" shall mean such successor Trustee.

"Trust Estate" has the meaning stated in the habendum to the Granting Clauses.

"Trust Moneys" has the meaning stated in Section 7.01.

"Vice-President" when used with respect to the Company or the Trustee means any vice-president, whether or not designated by a number or a word added to the title.

"Voting Stock," as applied to the stock of any corporation, means stock of any class or classes (however designated) having ordinary voting power for the election of a majority of the members of the board of directors (or other governing body) of such corporation, other than stock having such power only by reason of the happening of a contingency.

Section 1.02. Acts of Holders. (A) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders may be embodied in and evidenced by one or more substantially concurrent instruments of substantially similar tenor signed by such Holders in person or by an agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee, and, where it is hereby expressly required, to the Company. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Holders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent, shall be sufficient for any purpose of this Indenture and conclusive in favor of the Company and (subject to Section 10.01) in favor of the Trustee, if made in the manner provided in this Section.

(B) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Whenever such execution is by a signer acting in a capacity other than his individual capacity, such certificate or affidavit shall also constitute sufficient proof of his authority.

(C) The ownership of Bonds shall be proved by the Bond Register.

(D) Any request, demand, authorization, direction, notice, consent, waiver or other action by the Holder of any Bond shall bind every future Holder of the same Bond and the Holder of every Bond issued upon the transfer thereof or in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Company in reliance thereon, whether or not notation of such action is made upon such Bond.

Section 1.03. Notices, Etc., to Trustee and Company. Any request, demand, authorization, direction, notice, consent, waiver or Act of Holders or other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with,

(A) the Trustee by any Holder or by the Company shall be sufficient for every purpose hereunder if made, given, furnished or filed in writing to or with the Trustee at

its corporate trust office which on the date hereof is located at 11 N. Water Street, 25th Floor, Mobile, Alabama 36602, or

(B) the Company by the Trustee or by any Holder shall be sufficient for every purpose hereunder if in writing and mailed, first-class postage prepaid (except as otherwise provided in Section 9.01C), to the Company addressed to it at 2828 Dauphin Street, Mobile, Alabama 36606 or at any other address previously furnished in writing to the Trustee by the Company.

Section 1.04. Notices to Holders; Waiver. Where this Indenture provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid with return receipt requested, or expressed overnight with proof of delivery, to each Holder of such Bonds, at the address of such Holder as it appears in the Bond Register, not later than the latest date, and not earlier than the earliest date, prescribed for such notice. Notwithstanding the foregoing and subject to the immediately following sentence, any notice delivered pursuant to this Indenture may be delivered electronically by the Company or the Trustee to any Holder by email to the email address of such Holder as such Holder shall from time to time specify to the Company in writing, *provided* that upon the request of any Holder receiving such email, the Company shall promptly deliver a hard copy of any such document. Notwithstanding the foregoing, any Holder shall have the right at any time, by written notice to the Company, to require that some or all of the notices required to be delivered pursuant to this Indenture be delivered in the form of hard copies (rather than electronically) at such address as such holder shall from time to time specify to the Company in writing.

In any case where notice to Holders is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder shall affect the sufficiency of such notice with respect to other Holders. Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

In case, by reason of the suspension of mail service, or by reason of any other cause, it shall be impossible to give such notice by mail, then such notification as shall be specified by the Company and satisfactory to the Trustee shall constitute a sufficient notification for every purpose hereunder.

Section 1.05. Form and Contents of Documents Delivered to Trustee. Whenever several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such qualified Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an officer of the Company may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion is based are erroneous. Any Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Company stating that the information with respect to such factual matters is in the possession of the Company, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous. Any Opinion of Counsel may be based upon such assumptions, be subject to such qualifications and may be stated in such language as at the time delivered is considered in the jurisdiction whose laws are covered by such opinion to be standard practice with respect to opinions relating to such matters. In addition, in giving any Opinion of Counsel, counsel may rely upon (i) prior opinions or certificates of counsel for the Company, (ii) opinions or certificates of special counsel of the Company, (iii) opinions or certificates of in-house counsel for the Company and (iv) title insurance policies, title insurance commitments and reports, lien search certificates and other similar evidences of the existence of liens.

Whenever any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

Wherever in this Indenture, in connection with any application or certificate or report to the Trustee, it is provided that the Company shall deliver any document as a condition of the granting of such application, or as evidence of the Company's compliance with any term hereof, it is intended that the truth and accuracy, at the time of the granting of such application or at the effective date of such certificate or report (as the case may be), of the facts and opinions stated in such document shall in such case be conditions precedent to the right of the Company to have such application granted or to the sufficiency of such certificate or report.

Section 1.06. Compliance Certificates and Opinions. Upon any application or request by the Company to the Trustee to take any action under any provision of this Indenture, the Company shall furnish to the Trustee an Officers' Certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of such Counsel all such conditions precedent, if any, have been complied with, except that in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such particular application or request, no additional certificate or opinion need be furnished.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include

A. a statement that each individual signing such certificate or opinion has read such condition or covenant and the definitions herein relating thereto;

B. a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

C. a statement that, in the opinion of each such individual, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such condition or covenant has been complied with; and

D. a statement as to whether, in the opinion of each such individual, such condition or covenant has been complied with.

Section 1.07. Conflict with Trust Indenture Act. If this Indenture is qualified under TIA and any provision hereof limits, qualifies or conflicts with another provision hereof which is required to be included in this Indenture by any of the provisions of TIA, such required provision shall control.

Section 1.08. Effect of Headings and Table of Contents. The Article and Section headings herein and in the Table of Contents are for convenience only and shall not affect the construction hereof.

Section 1.09. Successors and Assigns. All covenants and agreements in this Indenture by the Company shall, subject to Section 12.02B, bind its successors and assigns, whether so expressed or not.

Section 1.10. Separability Clause. In case any provision in this Indenture or in the Bonds shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 1.11. Benefits of Indenture. Nothing in this Indenture or in the Bonds, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any separate trustee or co-trustee appointed under Section 10.14 and the Holders of Outstanding Secured Bonds, any benefit or any legal or equitable right, remedy or claim under this Indenture.

Section 1.12. Governing Law. This Indenture shall be construed in accordance with and governed by the laws of the State of Alabama.

ARTICLE TWO BOND FORMS

Section 2.01. Forms Generally. (a) The definitive Bonds of each series shall be in substantially the form or forms thereof established in the indenture supplemental hereto establishing such series except for the Bonds of the 2021 Series and Bonds of the 2031 Series which forms are established in Article Four hereof, or in a Board Resolution establishing such series, in each case with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply

with the rules of any securities exchange or as may, consistently herewith, be determined by the officers executing such Bonds, as evidenced by their execution of such Bonds. If the form or forms of Bonds of any series are established in a Board Resolution, such Board Resolution and Officer's Certificate, if any, shall be delivered to the Trustee at or prior to the delivery of the Board Resolutions contemplated by Section 5.01A requesting the authentication and delivery of such Bonds.

(b) Bonds of each series shall be issuable in registered form without coupons. The definitive Bonds shall be produced in such manner as shall be determined by the officers executing such Bonds, as evidenced by their execution thereof.

In addition to the foregoing, the definitive Bonds shall be printed, lithographed or engraved or produced by any combination of these methods or produced in any other manner permitted by the rules of any securities exchange on which the Bonds may be listed, all as determined by the officers executing such Bonds as evidenced by their execution thereof.

Section 2.02. Form of Trustee's Certificate of Authentication.

This is one of the Bonds of the series designated therein referred to in the within-mentioned Indenture.

[Name of Trustee],
as Trustee

By _____
Authorized Officer

ARTICLE THREE
THE BONDS

Section 3.01. General Title. The general title of the Bonds of all series shall be **"FIRST MORTGAGE BONDS."**

Section 3.02. General Limitations; Issuable in Series. The aggregate principal amount of Bonds which may be authenticated and delivered and Outstanding under this Indenture is not limited, except as provided in Articles Four and Five and the provisions of this Indenture creating any series of Bonds

The Bonds may be issued in series as from time to time authorized by the Board of Directors.

With respect to the Bonds of any particular series, the Company may incorporate in or add to the general title of such Bonds any words, letters or figures designed to distinguish that series.

Section 3.03. Terms of Particular Series. Each series of Bonds, other than the Bonds of the 2021 Series and the Bonds of the 2031 Series which are created hereunder, shall be created by an indenture supplemental hereto authorized by the Board of Directors and establishing the terms and provisions of such series of Bonds and the form of the Bonds of such series. The several series of Bonds may differ as between series in any respect not in conflict with the provisions of this Indenture and as may be prescribed in the supplemental indenture creating such series.

The Company may, at the time of the creation of any series of Bonds or at any time thereafter, make, and the Bonds of such series may contain, provision for:

- A. the exchange or conversion of the Bonds of such series, at the option of the Holders thereof, for or into new Bonds of a different series, shares of stock of the Company or other securities;
- B. a sinking, amortization, improvement or other analogous fund;
- C. limiting the aggregate principal amount of the Bonds of such series;
- D. exchanging Bonds of such series, at the option of the Holders thereof, for other Bonds of the same series of the same aggregate principal amount of a different authorized kind or authorized denomination or denominations;
- E. the authentication of Bonds of such series by the Trustee;
- F. specifying the redemption or prepayment terms and procedures with respect to Bonds of such series;
- G. specifying business days, grace periods, record dates, other provisions and such additional covenants, agreements and/or events of default or remedies with respect to Bonds of such series; and
- H. specifying any other terms of the Bonds of such series not inconsistent with the provisions of this Indenture;

all upon such terms as the Board of Directors may determine.

All Bonds of the same series shall be substantially identical except as to denomination and except as provided herein or in the supplemental indenture creating such series.

Section 3.04. Form and Denominations. The form of the Bonds of each series shall be established herein in the case of the Bonds of the 2021 Series and the Bonds of the 2031 Series, and in the case of any other series, by the provisions of the supplemental indenture creating such series. The Bonds of each series shall be distinguished from the Bonds of other series in such manner as may be determined by the officers of the Company executing particular Bonds as evidenced by their execution thereof.

The Bonds of each series shall be issuable in such denominations as shall be provided in the provisions of this Indenture creating such series. In the absence of any such provision with respect to the Bonds of any particular series, the Bonds of such series shall be of the denominations of \$1,000 and any integral multiple thereof.

Section 3.05. Execution, Authentication, Delivery and Dating. The Bonds shall be executed on behalf of the Company by its Chairman of the Board, its President or one of its Vice-Presidents under its corporate seal reproduced thereon and attested by its Secretary or one of its Assistant Secretaries. The signature of any of these officers on the Bonds may be manual or facsimile. Bonds appertaining thereto bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Company shall bind the Company, notwithstanding that such individuals or any of them shall have ceased to hold such offices prior to the authentication and delivery of such Bonds or shall not have held such offices at the date of such Bonds.

At any time and from time to time after the execution and delivery of this Indenture, the Company may deliver Bonds executed by the Company to the Trustee for authentication and the Trustee shall authenticate and deliver such Bonds as in this Indenture provided and not otherwise.

All Bonds shall be dated as provided in the supplemental indenture creating such Bonds or, in the absence thereof, the date of their authentication.

No Bond shall be secured by, or be entitled to any lien, right or benefit under, this Indenture or be valid or obligatory for any purpose, unless there appears on such Bond a certificate of authentication substantially in the form provided for herein, executed by the Trustee by manual signature, and such certificate upon any Bond shall be conclusive evidence, and the only evidence, that such Bond has been duly authenticated and delivered hereunder.

Section 3.06. Temporary Bonds. Pending the preparation of definitive Bonds, the Company may execute, and upon Company Request the Trustee shall authenticate and deliver, temporary Bonds which are printed, lithographed, typewritten, mimeographed or otherwise produced, in any denomination, substantially of the tenor of the definitive Bonds in lieu of which they are issued, in registered form, with provision for registration as to principal and with such appropriate insertions, omissions, substitutions and other variations as the officers executing such Bonds may determine, as evidenced by their execution of such Bonds.

If temporary Bonds are issued, the Company will cause definitive Bonds to be prepared without unreasonable delay. After the preparation of definitive Bonds, the temporary Bonds shall be exchangeable for definitive Bonds, upon surrender of the temporary Bonds at the office or agency of the Company in a Place of Payment therefor, without charge to the Holder. Upon surrender for cancellation of any one or more temporary Bonds the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor a like principal amount of definitive Bonds of authorized denominations. Until so exchanged, temporary Outstanding Secured Bonds shall in all respects be entitled to the security and benefits of this Indenture. Upon surrender for exchange, temporary Bonds shall be canceled as provided in Section 3.11.

Section 3.07. Registration, Transfer and Exchange. The Company shall cause to be kept at one of the offices or agencies maintained by the Company as provided in Section 14.02 a register (herein sometimes referred to as the “*Bond Register*”) in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for the registration of Bonds and registration of transfers of Bonds entitled to be registered or transferred as herein provided. The Trustee is hereby appointed “*Bond Registrar*” for the purpose of registering Bonds and transfers of Bonds as herein provided.

Upon surrender for transfer of any Bond at the office or agency of the Company in a Place of Payment therefor, the Company shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of the same series, of any authorized denominations and of a like aggregate principal amount.

All Bonds surrendered upon any exchange or transfer provided for in this Indenture shall be promptly cancelled by the Trustee and thereafter disposed of as directed by a Company Request.

All Bonds issued upon any transfer or exchange of Bonds shall be the valid obligations of the Company, evidencing the same debt, and entitled to the same security and benefits under this Indenture, as the Bonds surrendered upon such transfer or exchange.

Every Bond presented or surrendered for transfer or exchange shall (if so required by the Company or the Bond Registrar) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Company and the Bond Registrar duly executed, by the Holder thereof or his attorney duly authorized in writing.

No service charge shall be made for any registration, discharge from registration, transfer or exchange of Bonds, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds, other than exchanges under Section 3.06, 13.06 or 15.07 not involving any transfer.

The Company shall not be required (i) to issue, transfer or exchange any Bond of any series during a period beginning at the opening of business 15 days before the day of the first mailing of a notice of redemption of Bonds of such series under Section 15.04 and ending at the close of business on the day of such mailing, or (ii) to transfer or exchange any Bond so selected for redemption in whole or in part, except the unredeemed portion of a Bond being redeemed in part.

Section 3.08. Mutilated, Destroyed, Lost and Stolen Bonds. If (i) any mutilated Bond is surrendered to the Trustee, or the Company and the Trustee receive evidence to their satisfaction of the destruction, loss or theft of any Bond, and (ii) there is delivered to the Company and the Trustee such security or indemnity as may be required by them to save each of them harmless, then, in the absence of notice to the Company or the Trustee that such Bond has been acquired by a bona fide purchaser, the Company shall execute and upon its request the Trustee shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or

stolen Bond, a new Bond of the same series and of like tenor and principal amount, bearing a number not contemporaneously outstanding.

In case any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the Company in its discretion may, instead of issuing a new Bond, pay such Bond.

Upon the issuance of any new Bond under this Section, the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto.

Every new Bond issued pursuant to this Section in lieu of any destroyed, lost or stolen Bond, shall constitute an original additional contractual obligation of the Company, whether or not the destroyed, lost or stolen Bond shall be at any time enforceable by anyone, and shall be entitled to all the security and benefits of this Indenture equally and ratably with all other Outstanding Secured Bonds.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds.

Section 3.09. Payment of Interest; Interest Rights Preserved. Interest on any Bond of any series which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose name that Bond (or one or more Predecessor Bonds) is registered at the close of business on the Regular Record Date for such interest as specified herein or in the provisions of the supplemental indenture creating such series.

Any interest on any Bond of any series which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called "*Defaulted Interest*") shall be payable as provided in such Bond, or if not so provided, shall forthwith cease to be payable to the Holder on the relevant Regular Record Date solely by virtue of such Holder having been such Holder; and such Defaulted Interest may be paid by the Company, at its election in each case, as provided in Subsection A or B below:

A. The Company may elect to make payment of any Defaulted Interest on the Bonds of any series to the Persons in whose names such Bonds (or their respective Predecessor Bonds) are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Company shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment (which date shall be such as will enable the Trustee to comply with the next sentence hereof), and at the same time the Company shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as in this Subsection provided and not to be deemed

part of the Trust Estate or Trust Moneys. Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Company of such Special Record Date and, in the name and at the expense of the Company, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Holder of a Bond of such series at his address as it appears in the Bond Register not less than 10 days prior to such Special Record Date. The Trustee may, in its discretion in the name and at the expense of the Company, cause a similar notice to be published at least once in an Authorized Newspaper in each Place of Payment of the Bonds of such series, but such publication shall not be a condition precedent to the establishment of such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the Persons in whose names the Bonds of such series (or their respective Predecessor Bonds) are registered on such Special Record Date and shall no longer be payable pursuant to the following Subsection B.

B. The Company may make payment of any Defaulted Interest on the Bonds of any series in any other lawful manner not inconsistent with the requirements of any securities exchange on which such Bonds may be listed and upon such notice as may be required by such exchange, if, after notice given by the Company to the Trustee of the proposed payment pursuant to this Subsection, such payment shall be deemed practicable by the Trustee.

Subject to the foregoing provisions of this Section, each Bond delivered under this Indenture upon transfer of or in exchange for or in lieu of any other Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond and each such Bond shall bear interest from such date, such that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

Section 3.10. Persons Deemed Owners. The Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of principal of (and Make-Whole Amount or other premium, if any), and interest on, such Bond and for all other purposes whatsoever whether or not such Bond be overdue, and, to the extent permitted by law, neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

Section 3.11. Cancellation. All Bonds surrendered for payment, redemption, transfer, exchange or conversion, if surrendered to the Trustee, shall be promptly cancelled by it, and, if surrendered to any Person other than the Trustee, shall be delivered to the Trustee and, if not already cancelled, shall be promptly cancelled by it. The Company may at any time deliver to the Trustee for cancellation any Bonds previously authenticated and delivered hereunder, which the Company may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly cancelled by the Trustee. No Bond shall be authenticated in lieu of or in exchange for

any Bond cancelled as provided in this Section, except as expressly provided by this Indenture. All cancelled Bonds held by the Trustee shall be disposed of as directed by a Company Request.

ARTICLE FOUR
BONDS OF THE 2021 SERIES AND BONDS OF THE 2031 SERIES

Section 4.01. Establishment of Bonds of the 2021 Series. There shall be, and is hereby established and created, a new series of Bonds, known as and entitled “First Mortgage Bonds, 4.14% Series due September 30, 2021” (hereinafter defined as “*Bonds of the 2021 Series*”) and the form thereof shall be substantially as hereinafter set forth.

The Bonds of the 2021 Series shall be limited to Twenty Million Dollars (\$20,000,000) aggregate principal amount.

Section 4.02. Terms of Bonds of the 2021 Series. The Bonds of the 2021 Series shall be issued only as registered bonds, without coupons, numbered consecutively beginning with R2021-1 without regard to denomination, and dated the date of their initial authentication and delivery.

The Bonds of the 2021 Series shall mature September 30, 2021, and shall bear interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance hereof at the rate of 4.14% per annum from the date thereof, payable semiannually, on the thirtieth day of March and September in each year, commencing with the March 30 or September 30 next succeeding the date thereof, until the principal thereof shall have become due and payable, and shall include interest from the date of authentication upon original issue, and (b) to the extent permitted by law, on any overdue payment of interest and, during the continuance of an Event of Default, on such unpaid balance and on any overdue payment of any Make-Whole Amount, at a rate per annum from time to time equal to the greater of (i) 6.14% or (ii) 2.0% over the rate of interest publicly announced by JPMorgan Chase Bank, N.A. from time to time in New York, New York as its “base” or “prime” rate, payable semiannually as aforesaid (or, at the option of the registered holder thereof, on demand) (the “*Overdue Rate*”). If any interest payment date falls on a date other than a Business Day, the payment date shall be deemed to be the next succeeding Business Day. As used herein the term “Business Day” shall mean any day other than a Saturday or a Sunday or a day on which commercial banks are required or authorized by law to close in the city from where the payment is to be made on the Bonds of the 2021 Series.

The principal of, Make-Whole Amount, if any, and interest on, the Bonds of the 2021 Series shall be paid in lawful money of the United States of America, at the office of Regions Bank, in the City of Mobile, Alabama, or of its successor in trust; *provided, however*, that the foregoing provisions of this paragraph may be modified pursuant to the provisions of Section 14.8 of the 2011 Bond Purchase Agreement.

The person in whose name any Bond of the 2021 Series is registered at the close of business on any record date (as hereinafter defined) with respect to any interest payment date shall be entitled to receive the interest payable on such interest payment date notwithstanding the

cancellation of such Bond of the 2021 Series upon any transfer subsequent to the record date and prior to such interest payment date, except that, if and to the extent that the Company shall default in the payment of the interest due on such interest payment date, then the registered holder of the Bonds of the 2021 Series on such record date shall have no further right to or claim in respect of such defaulted interest as such registered holder on such record date, and the person entitled to receive payment of any defaulted interest thereafter payable or paid on the Bonds of the 2021 Series shall be the registered holder of the Bonds of the 2021 Series on the record date for payment of such defaulted interest. The term "record date" as used in this Section 4.02, and in the form of the Bonds of the 2021 Series, with respect to any interest payment date applicable to the Bonds of the 2021 Series, shall mean the Business Day next preceding a payment date, or such record date established for defaulted interest as hereinafter provided.

In case of failure by the Company to pay any interest when due, the claim for such interest shall be deemed to have been transferred by transfer of any Bonds of the 2021 Series registered on the Bond register for the Bonds of the 2021 Series and the Company, by not less than ten (10) days written notice to bondholders, may fix a subsequent record date, not more than fifteen (15) days prior to the date fixed for the payment of such interest for determination of holders entitled to payment of such interest. Such provision for establishment of a subsequent record date, however, shall in no way affect the rights of bondholders or of the Trustee consequent on any default.

Any notice affecting or relating to the Bonds of the 2021 Series required or permitted to be given under the Indenture may be given by first class mail, postage prepaid, to the holders of record at their respective addresses as shown on the Bond register for the Bonds of the 2021 Series at the date of mailing. The certificate of the Trustee that such mailing has been effected shall be conclusive evidence of compliance with the requirements of this Section 4.02.

As permitted by the provisions of Section 3.07 and upon payment at the option of the Company of a sum sufficient to reimburse it for any tax or other governmental charge required to be paid by the Company or the Trustee as provided therein, Bonds of the 2021 Series may be exchanged for other Bonds of the 2021 Series of different authorized denominations of like aggregate principal amount. Notwithstanding the provisions of said Section 3.07, no further sum, other than a sum sufficient to reimburse the Company for such taxes or other governmental charges, shall be required to be paid upon any exchange of Bonds of the 2021 Series or upon any transfer thereof.

Neither the Company nor the Trustee shall be required to make transfers of Bonds of the 2021 Series for a period of ten (10) days next preceding any payment date for Bonds of the 2021 Series.

The Trustee hereunder shall, by virtue of its office as such Trustee, be the Registrar and Transfer Agent of the Company for the purpose of registering and transferring Bonds of the 2021 Series.

Section 4.03. Redemption Provisions for Bonds of the 2021 Series. The Bonds of the 2021 Series shall be subject to redemption prior to maturity, as a whole at any time, or in part

from time to time in amounts of \$500,000 and \$10,000 increments in excess thereof, at the option of the Company, upon payment of 100% of the principal amount of the Bonds being redeemed, plus the Make-Whole Amount (as defined below), if any, with respect to such Bonds, determined for the prepayment date with respect to such principal amount, together with interest accrued on such principal amount thereon to the date of redemption, upon prior notice given by first class mail, postage prepaid, to the registered holder of such Bonds not less than thirty (30) days nor more than ninety (90) days prior to the redemption date, and otherwise as provided in Section 4.02 hereof. Each such notice shall specify such date (which shall be a Business Day), the aggregate principal amount of the Bonds of the 2021 Series to be prepaid on such date, the principal amount of each Bond of the 2021 Series held by such Holder to be prepaid (determined in accordance with Section 4.04), and the interest to be paid on the prepayment date with respect to such principal amount being prepaid, and shall also be accompanied by a certificate of an officer of the Company as to the estimated Make-Whole Amount due in connection with such prepayment (calculated as if the date of such notice were the date of the prepayment), setting forth the details of such computation. Two Business Days prior to such prepayment, the Company shall deliver to each Holder of Bonds of the 2021 Series a certificate of an officer of the Company specifying the calculation of such Make-Whole Amount as of the specified prepayment date.

The amount of any partial redemption shall be applied to the reduction of the principal of the Bonds of the 2021 Series. As soon as practicable after any partial redemption, the holder shall furnish to the Company and the Trustee a revised amortization schedule showing the principal and interest portions of the remaining payments, whereupon such amortization schedule shall be deemed to replace the then existing schedule and shall be a part of the Bonds of the 2021 Series.

Section 4.04. Allocation of Partial Prepayments. In the case of each partial prepayment of the Bonds of the 2021 Series pursuant to Section 4.03, the principal amount of the Bonds of the 2021 Series to be prepaid shall be allocated among all of the Bonds of the 2021 Series at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof not theretofore called for prepayment.

Section 4.05. Maturity; Surrender, Etc. In the case of each prepayment of Bonds of the 2021 Series pursuant to Section 4.03, the principal amount of each Bond of the 2021 Series to be prepaid shall mature and become due and payable on the date fixed for such prepayment, together with interest on such principal amount accrued to such date and the applicable Make-Whole Amount, if any. From and after such date, unless the Company shall fail to pay such principal amount when so due and payable, together with the interest and Make-Whole Amount, if any, as aforesaid, interest on such principal amount shall cease to accrue. Any Bond of the 2021 Series paid or prepaid in full shall be surrendered to the Company and cancelled and shall not be reissued, and no Bond of the 2021 Series shall be issued in lieu of any prepaid principal amount of any Bond of the 2021 Series.

Section 4.06. Purchase of Bonds of the 2021 Series. The Company will not and will not permit any Affiliate to purchase, redeem, prepay or otherwise acquire, directly or indirectly, any of the outstanding Bonds of the 2021 Series, except (a) upon the payment or prepayment of the

Bonds of the 2021 Series in accordance with the terms of this 2011 Indenture, the Bonds of the 2021 Series and the Indenture or (b) pursuant to an offer to purchase made by the Company or an Affiliate pro rata to the Holders of all Bonds of the 2021 Series at the time outstanding upon the same terms and conditions. Any such offer shall provide each Holder with sufficient information to enable it to make an informed decision with respect to such offer, and shall remain open for at least 15 Business Days. If the Holders of more than 50% of the principal amount of the Bonds of the 2021 Series then outstanding accept such offer, the Company shall promptly notify the remaining Holders of such fact and the expiration date for the acceptance by Holders of Bonds of the 2021 Series and such offer shall be extended by the number of days necessary to give each such remaining Holder at least 10 Business Days from its receipt of such notice to accept such offer. The Company will promptly cancel all Bonds of the 2021 Series acquired by it or any Affiliate pursuant to any payment, prepayment or purchase of Bonds of the 2021 Series and no Bonds of the 2021 Series may be issued in substitution or exchange for any such Bonds of the 2021 Series.

Section 4.07. Consent in Contemplation of Transfer. Any consent made pursuant to Article 13 of the Indenture by the holder of any Bond of the 2021 Series that has transferred or has agreed to transfer such Bond of the 2021 Series to the Company, any Subsidiary or any Affiliate of the Company and has provided or has agreed to provide such written consent as a condition to such transfer shall be void and of no force or effect except solely as to such holder, and any amendments effected or waivers granted or to be effected or granted that would not have been or would not be so effected or granted but for such consent (and the consents of all other holders of Bonds of the 2021 Series that were acquired under the same or similar conditions) shall be void and of no force or effect except solely as to such transferring holder.

Section 4.08. Grace Period. Notwithstanding the cure or grace periods set forth in Section 9.01A and Section 9.01B, a default in the payment of any interest upon any Bond of the 2021 Series within five (5) Business Days of when such interest becomes due and payable shall constitute a default under Section 9.01A and a default in the payment of any principal or Make-Whole Amount, if any, shall constitute an immediate default under Section 9.01B.

Section 4.09. Acceleration. In addition to any rights available to the holders of the Bonds of the 2021 Series in connection with a default under Section 9.01,

(a) If an Event of Default with respect to the Company described in Section 9.01F or G has occurred, all the Bonds of the 2021 Series then outstanding shall automatically become immediately due and payable.

(b) If any Event of Default described in Section 9.01A or B has occurred and is continuing, any holder or holders of Bonds of the 2021 Series at the time outstanding affected by such default may at any time, at its or their option, by notice or notices to the Company, declare all the Bonds of the 2021 Series held by it or them to be immediately due and payable.

(c) If any other Event of Default described under Section 9.01 has occurred and is continuing, any holder or holders of more than 50% in principal amount of the Bonds of the 2021 Series at the time outstanding may at any time at its or their option, by notice or notices to the

Company, declare all the Bonds of the 2021 Series then outstanding to be immediately due and payable.

Upon any Bonds of the 2021 Series becoming due and payable under this Section 4.09, whether automatically or by declaration, such Bonds of the 2021 Series will forthwith mature and the entire unpaid principal amount of such Bonds of the 2021 Series, plus (x) all accrued and unpaid interest thereon (including, but not limited to, interest accrued thereon at the Overdue Rate) and (y) the Make-Whole Amount determined in respect of such principal amount (to the full extent permitted by applicable law), shall all be immediately due and payable, in each and every case without presentment, demand, protest or further notice, all of which are hereby waived. The Company acknowledges, and the parties hereto agree, that each holder of a Bond of the 2021 Series has the right to maintain its investment in the Bonds of the 2021 Series free from repayment by the Company (except as herein specifically provided for) and that the provision for payment of a Make-Whole Amount by the Company in the event that the Bonds of the 2021 Series are prepaid or are accelerated as a result of a Default, is intended to provide compensation for the deprivation of such right under such circumstances.

Section 4.10. Form of Bonds of the 2021 Series. The Bonds of the 2021 Series and the Trustee's authentication certificate on the Bonds of said series are to be substantially in the forms below, respectively.

[FORM OF BOND OF THE 2021 SERIES]

No. RA-_____

\$ _____

MOBILE GAS SERVICE CORPORATION
INCORPORATED UNDER THE LAWS OF THE STATE OF ALABAMA
FIRST MORTGAGE BOND
4.14% SERIES DUE SEPTEMBER 30, 2021

MOBILE GAS SERVICE CORPORATION, an Alabama corporation (hereinafter sometimes called the "*Company*," which term shall include any successor corporation as defined in the Indenture hereinafter mentioned), for value received, hereby promises to pay to _____ or registered assigns, the principal sum of _____ Dollars (\$ _____) and to pay to the registered owner hereof interest on the unpaid portion of the principal hereof from the date of authentication upon original issue hereof, or from the interest payment date next preceding the date of this bond to which interest has been paid, or from the date of this bond if it be an interest payment date to which interest has been paid, whichever interest payment date is the later, at the rate of 4.14% per annum (computed on the basis of a 360 day year consisting of twelve 30 day months) from the date hereof, payable semiannually, on the thirtieth day of March and September in each year, commencing with the March 30 or September 30 next succeeding the date hereof, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law, on any overdue payment of interest and, during the continuance of an Event of Default as defined in the Indenture (as defined hereinbelow), on such unpaid balance and on any overdue payment of any Make-Whole Amount, at a rate per annum from time to time equal to the greater of (i) 6.14% or (ii) 2.00% over the rate of interest publicly announced by JPMorgan Chase Bank, N.A. from time to time in New York, New York as its "base" or "prime" rate, payable semiannually as aforesaid (or, at the option of the registered holder hereof, on demand). The principal hereof and the interest hereon shall mature and be payable on September 30, 2021.

The principal of, Make-Whole Amount, if any, and interest on, this bond will be paid in lawful money of the United States of America at the office of Regions Bank in the City of Mobile, Alabama, or of its successor in trust (hereinafter sometimes called the "*Trustee*"); *provided, however*, that the method of payment may be modified by agreement as permitted by the within-mentioned Indenture.

This bond is one of the bonds, of a series designated as 4.14% Series due September 30, 2021, of an authorized issue of bonds of the Company, known as First Mortgage Bonds, all issued or issuable in one or more series (which several series may be of different denominations, dates and tenor) under and equally secured (except insofar as any sinking fund, improvement fund or other fund established in accordance with the provisions of the Indenture may afford additional security for the bonds of any specific series) by an Indenture of Mortgage dated as of December 1, 1941, duly executed and delivered by the Company to The First National Bank of Mobile, as Trustee, as supplemented and modified by the First Supplemental Indenture dated as of October 1, 1944, and all other indentures supplemental thereto, and as amended and restated pursuant to that certain Amended and Restated Indenture of Mortgage dated as of July 1, 2011 executed by the Company and delivered to Regions Bank, as successor trustee to said Trustee

(the "*Indenture*"), reference to which Indenture and indentures supplemental thereto is hereby made for a description of the property mortgaged and pledged as security for said bonds, the rights and remedies of the registered owner of this bond in regard thereto, the terms and conditions upon which said bonds are secured thereby, the terms and conditions upon which said bonds may be issued thereunder and the rights, immunities and obligations of the Trustee under the Indenture.

This bond is subject to redemption prior to maturity as a whole at any time or in part from time to time, in amounts of \$500,000 and \$10,000 increments in excess thereof, at the option of the Company, upon payment of 100% of the principal amount of the bond being redeemed, together with the Make-Whole Amount (as defined in the Indenture), if any, with respect to such bond, together with interest accrued on such principal amount hereon to the date of redemption; upon prior notice (unless waived as provided in the Indenture) given by first class mail, postage prepaid, to the respective registered holder of such bond not less than thirty (30) days nor more than ninety (90) days prior to the redemption date, and otherwise as more fully provided in the Indenture. If this bond or any portion thereof is called for redemption and payment duly provided for as specified in the Indenture, this bond or such portion thereof shall cease to be entitled to the lien and security interest of the Indenture from and after the date payment is so provided and shall cease to bear interest from and after the date fixed for redemption.

Any assignee or transferee of this bond shall take subject to any such partial redemption, whether or not noted on the face hereof.

To the extent permitted and as provided in the Indenture, modifications or alterations of the Indenture, or of any indenture supplemental thereto, and of the bonds issued thereunder, and of the rights and obligations of the Company and the rights of the registered owners of the bonds, may be made with the consent of the Company and with the written approvals or consents of the registered owners of more than fifty percent (50%) in aggregate principal amount of all bonds outstanding, *provided, however*, that no such modification or alteration shall, without the written approval or consent of the registered owner of any bond affected thereby take any of the actions set forth in Section 13.02(a) through (g) of the Indenture.

This bond is transferable by the registered owner hereof in person or by his duly authorized attorney, at said office of the Trustee, upon payment of any tax or other governmental charge payable in connection with such transfer. No transfers of bonds of this series shall be required to be made during the ten (10) days next preceding each scheduled payment date for bonds of this series.

In case an Event of Default as defined in the Indenture shall occur, the principal of this bond may become or be declared due and payable before maturity in the manner and with the effect provided in the Indenture. The holders, however, of certain specified percentages of the bonds at the time outstanding, including in certain cases specified percentages of bonds of particular series, may in the cases, to the extent and under the conditions provided in the Indenture, waive Events of Default thereunder and the consequences of such Events of Default.

It is part of the contract herein contained that each registered owner hereof by the acceptance hereof waives all right of recourse to any personal liability of any incorporator, stockholder, officer or director, past, present or future, of the Company, as such, or of any predecessor or successor corporation, howsoever arising, for the collection of any indebtedness hereunder; and as part of the consideration for the issue hereof releases from all such liability each such incorporator, stockholder, officer or director, all as provided in the Indenture. Notwithstanding the foregoing, the provisions of this paragraph shall not have any effect on such registered holder's or the Trustee's rights with respect to the Trust Estate.

This bond shall not become or be valid or obligatory for any purpose until the authentication certificate hereon shall have been signed by the Trustee.

IN WITNESS WHEREOF, MOBILE GAS SERVICE CORPORATION has caused these presents to be executed in its corporate name and behalf by its President or a Vice President and its corporate seal to be hereunto affixed and attested by its Secretary or an Assistant Secretary, all as of September 30, 2011.

MOBILE GAS SERVICE CORPORATION

By: _____
President

Attest:

Secretary

[FORM OF AUTHENTICATION CERTIFICATE FOR ALL BONDS OF 2021 SERIES]

This bond is one of the bonds of the series designated therein, referred to in the within-mentioned Indenture.

REGIONS BANK, TRUSTEE

By: _____

Section 4.11. Establishment of Bonds of the 2031 Series. There shall be, and is hereby established and created, a new series of Bonds, known as and entitled "First Mortgage Bonds, 5.00% Series due September 30, 2031" (hereinafter defined as "*Bonds of the 2031 Series*") and the form thereof shall be substantially as hereinafter set forth.

The Bonds of the 2031 Series shall be limited to Forty Two Million Dollars (\$42,000,000) aggregate principal amount.

Section 4.12. Terms of Bonds of the 2031 Series. The Bonds of the 2031 Series shall be issued only as registered bonds, without coupons, numbered consecutively beginning with R2031-1 without regard to denomination, and dated the date of their initial authentication and delivery.

The Bonds of the 2031 Series shall mature September 30, 2031, and shall bear interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance hereof at the rate of 5.00% per annum from the date thereof, payable semiannually, on the thirtieth day of March and September in each year, commencing with the March 30 or September 30 next succeeding the date thereof, until the principal thereof shall have become due and payable, and shall include interest from the date of authentication upon original issue, and (b) to the extent permitted by law, on any overdue payment of interest and, during the continuance of an Event of Default, on such unpaid balance and on any overdue payment of any Make-Whole Amount, at a rate per annum from time to time equal to the greater of (i) 7.00% or (ii) 2.0% over the rate of interest publicly announced by JPMorgan Chase Bank, N.A. from time to time in New York, New York as its "base" or "prime" rate, payable semiannually as aforesaid (or, at the option of the registered holder thereof, on demand) (the "*Overdue Rate*"). If any interest payment date falls on a date other than a Business Day, the payment date shall be deemed to be the next succeeding Business Day. As used herein the term "Business Day" shall mean any day other than a Saturday or a Sunday or a day on which commercial banks are required or authorized by law to close in the city from where the payment is to be made on the Bonds of the 2031 Series.

The principal of, Make-Whole Amount, if any, and interest on, the Bonds of the 2031 Series shall be paid in lawful money of the United States of America, at the principal office of Regions Bank, in the City of Mobile, Alabama, or of its successor in trust; *provided, however*, that (i) interest on the Bonds of the 2031 Series may be paid by check payable to the order of the holder entitled thereto and mailed by the Trustee by first class mail, postage prepaid, to such

holder at its registered addresses as shown on the Bond register for the Bonds of the 2031 Series, and (ii) the foregoing provisions of this paragraph may be modified pursuant to the provisions of Section 14.8 of the 2011 Bond Purchase Agreement.

The person in whose name any Bond of the 2031 Series is registered at the close of business on any record date (as hereinafter defined) with respect to any interest payment date shall be entitled to receive the interest payable on such interest payment date notwithstanding the cancellation of such Bond of the 2031 Series upon any transfer subsequent to the record date and prior to such interest payment date, except that, if and to the extent that the Company shall default in the payment of the interest due on such interest payment date, then the registered holder of the Bonds of the 2031 Series on such record date shall have no further right to or claim in respect of such defaulted interest as such registered holder on such record date, and the person entitled to receive payment of any defaulted interest thereafter payable or paid on the Bonds of the 2031 Series shall be the registered holder of the Bonds of the 2031 Series on the record date for payment of such defaulted interest. The term "record date" as used in this Section 4.12, and in the form of the Bonds of the 2031 Series, with respect to any interest payment date applicable to the Bonds of the 2031 Series, shall mean the Business Day next preceding a payment date, or such record date established for defaulted interest as hereinafter provided.

In case of failure by the Company to pay any interest when due, the claim for such interest shall be deemed to have been transferred by transfer of any Bonds of the 2031 Series registered on the Bond register for the Bonds of the 2031 Series and the Company, by not less than ten (10) days written notice to bondholders, may fix a subsequent record date, not more than fifteen (15) days prior to the date fixed for the payment of such interest for determination of holders entitled to payment of such interest. Such provision for establishment of a subsequent record date, however, shall in no way affect the rights of bondholders or of the Trustee consequent on any default.

Any notice affecting or relating to the Bonds of the 2031 Series required or permitted to be given under the Indenture may be given by first class mail, postage prepaid, to the holders of record at their respective addresses as shown on the Bond register for the Bonds of the 2031 Series at the date of mailing. The certificate of the Trustee that such mailing has been effected shall be conclusive evidence of compliance with the requirements of this Section 4.12.

As permitted by the provisions of Section 3.07 and upon payment at the option of the Company of a sum sufficient to reimburse it for any tax or other governmental charge required to be paid by the Company or the Trustee as provided therein, Bonds of the 2031 Series may be exchanged for other Bonds of the 2031 Series of different authorized denominations of like aggregate principal amount. Notwithstanding the provisions of said Section 3.07, no further sum, other than a sum sufficient to reimburse the Company for such taxes or other governmental charges, shall be required to be paid upon any exchange of Bonds of the 2031 Series or upon any transfer thereof.

Neither the Company nor the Trustee shall be required to make transfers of Bonds of the 2031 Series for a period of ten (10) days next preceding any payment date for Bonds of the 2031 Series.

The Trustee hereunder shall, by virtue of its office as such Trustee, be the Registrar and Transfer Agent of the Company for the purpose of registering and transferring Bonds of the 2031 Series.

Section 4.13. Redemption Provisions for Bonds of the 2031 Series. The Bonds of the 2031 Series shall be subject to redemption prior to maturity, as a whole at any time, or in part from time to time in amounts of \$500,000 and \$10,000 increments in excess thereof, at the option of the Company, upon payment of 100% of the principal amount of the Bonds being redeemed, plus the Make-Whole Amount (as defined below), if any, with respect to such Bonds, determined for the prepayment date with respect to such principal amount, together with interest accrued on such principal amount thereon to the date of redemption, upon prior notice given by first class mail, postage prepaid, to the registered holder of such Bonds not less than thirty (30) days nor more than ninety (90) days prior to the redemption date, and otherwise as provided in Section 4.12 hereof. Each such notice shall specify such date (which shall be a Business Day), the aggregate principal amount of the Bonds of the 2031 Series to be prepaid on such date, the principal amount of each Bond of the 2031 Series held by such Holder to be prepaid (determined in accordance with Section 4.04), and the interest to be paid on the prepayment date with respect to such principal amount being prepaid, and shall also be accompanied by a certificate of an officer of the Company as to the estimated Make-Whole Amount due in connection with such prepayment (calculated as if the date of such notice were the date of the prepayment), setting forth the details of such computation. Two Business Days prior to such prepayment, the Company shall deliver to each Holder of Bonds of the 2031 Series a certificate of an officer of the Company specifying the calculation of such Make-Whole Amount as of the specified prepayment date.

The amount of any partial redemption shall be applied to the reduction of the principal of the Bonds of the 2031 Series. As soon as practicable after any partial redemption, the holder shall furnish to the Company and the Trustee a revised amortization schedule showing the principal and interest portions of the remaining payments, whereupon such amortization schedule shall be deemed to replace the then existing schedule and shall be a part of the Bonds of the 2031 Series.

Section 4.14. Allocation of Partial Prepayments. In the case of each partial prepayment of the Bonds of the 2031 Series pursuant to Section 4.13, the principal amount of the Bonds of the 2031 Series to be prepaid shall be allocated among all of the Bonds of the 2031 Series at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof not theretofore called for prepayment.

Section 4.15. Maturity; Surrender, Etc. In the case of each prepayment of Bonds of the 2031 Series pursuant to Section 4.13, the principal amount of each Bond of the 2031 Series to be prepaid shall mature and become due and payable on the date fixed for such prepayment, together with interest on such principal amount accrued to such date and the applicable Make-Whole Amount, if any. From and after such date, unless the Company shall fail to pay such principal amount when so due and payable, together with the interest and Make-Whole Amount, if any, as aforesaid, interest on such principal amount shall cease to accrue. Any Bond of the 2031 Series paid or prepaid in full shall be surrendered to the Company and cancelled and shall

not be reissued, and no Bond of the 2031 Series shall be issued in lieu of any prepaid principal amount of any Bond of the 2031 Series.

Section 4.16. Purchase of Bonds of the 2031 Series. The Company will not and will not permit any Affiliate to purchase, redeem, prepay or otherwise acquire, directly or indirectly, any of the outstanding Bonds of the 2031 Series, except (a) upon the payment or prepayment of the Bonds of the 2031 Series in accordance with the terms of this 2011 Indenture, the Bonds of the 2031 Series and the Indenture or (b) pursuant to an offer to purchase made by the Company or an Affiliate pro rata to the Holders of all Bonds of the 2031 Series at the time outstanding upon the same terms and conditions. Any such offer shall provide each Holder with sufficient information to enable it to make an informed decision with respect to such offer, and shall remain open for at least 15 Business Days. If the Holders of more than 50% of the principal amount of the Bonds of the 2031 Series then outstanding accept such offer, the Company shall promptly notify the remaining Holders of such fact and the expiration date for the acceptance by Holders of Bonds of the 2031 Series and such offer shall be extended by the number of days necessary to give each such remaining Holder at least 10 Business Days from its receipt of such notice to accept such offer. The Company will promptly cancel all Bonds of the 2031 Series acquired by it or any Affiliate pursuant to any payment, prepayment or purchase of Bonds of the 2031 Series and no Bonds of the 2031 Series may be issued in substitution or exchange for any such Bonds of the 2031 Series.

Section 4.17. Consent in Contemplation of Transfer. Any consent made pursuant to Article 13 by the holder of any Bond of the 2031 Series that has transferred or has agreed to transfer such Bond of the 2031 Series to the Company, any Subsidiary or any Affiliate of the Company and has provided or has agreed to provide such written consent as a condition to such transfer shall be void and of no force or effect except solely as to such holder, and any amendments effected or waivers granted or to be effected or granted that would not have been or would not be so effected or granted but for such consent (and the consents of all other holders of Bonds of the 2031 Series that were acquired under the same or similar conditions) shall be void and of no force or effect except solely as to such transferring holder.

Section 4.18. Grace Period. Notwithstanding the cure or grace periods set forth in Section 9.01A and Section 9.01B, a default in the payment of any interest upon any Bond of the 2031 Series within five (5) Business Days of when such interest becomes due and payable shall constitute a default under Section 9.01A and a default in the payment of any principal or Make-Whole Amount, if any, shall constitute an immediate default under Section 9.01B.

Section 4.19. Acceleration. In addition to any rights available to the holders of the Bonds of the 2031 Series in connection with a default under Section 9.01 of the Indenture,

(a) If an Event of Default with respect to the Company described in Section 9.01F or G has occurred, all the Bonds of the 2031 Series then outstanding shall automatically become immediately due and payable.

(b) If any Event of Default described in Section 9.01A or B has occurred and is continuing, any holder or holders of Bonds of the 2031 Series at the time outstanding affected by

such default may at any time, at its or their option, by notice or notices to the Company, declare all the Bonds of the 2031 Series held by it or them to be immediately due and payable.

(c) If any other Event of Default under Section 9.01 has occurred and is continuing, any holder or holders of more than 50% in principal amount of the Bonds of the 2031 Series at the time outstanding may at any time at its or their option, by notice or notices to the Company, declare all the Bonds of the 2031 Series then outstanding to be immediately due and payable.

Upon any Bonds of the 2031 Series becoming due and payable under this Section 4.19, whether automatically or by declaration, such Bonds of the 2031 Series will forthwith mature and the entire unpaid principal amount of such Bonds of the 2031 Series, plus (x) all accrued and unpaid interest thereon (including, but not limited to, interest accrued thereon at the Overdue Rate) and (y) the Make-Whole Amount determined in respect of such principal amount (to the full extent permitted by applicable law), shall all be immediately due and payable, in each and every case without presentment, demand, protest or further notice, all of which are hereby waived. The Company acknowledges, and the parties hereto agree, that each holder of a Bond of the 2031 Series has the right to maintain its investment in the Bonds of the 2031 Series free from repayment by the Company (except as herein specifically provided for) and that the provision for payment of a Make-Whole Amount by the Company in the event that the Bonds of the 2031 Series are prepaid or are accelerated as a result of a Default, is intended to provide compensation for the deprivation of such right under such circumstances.

Section 4.20. Form of Bonds of the 2031 Series. The Bonds of the 2031 Series and the Trustee's authentication certificate on the Bonds of said series are to be substantially in the forms below, respectively.

[FORM OF BOND OF THE 2031 SERIES]

No. RB-_____

\$ _____

MOBILE GAS SERVICE CORPORATION
INCORPORATED UNDER THE LAWS OF THE STATE OF ALABAMA
FIRST MORTGAGE BOND
5.00% SERIES DUE SEPTEMBER 30, 2031

MOBILE GAS SERVICE CORPORATION, an Alabama corporation (hereinafter sometimes called the "*Company*," which term shall include any successor corporation as defined in the Indenture hereinafter mentioned), for value received, hereby promises to pay to _____ or registered assigns, the principal sum of _____ Dollars (\$ _____) and to pay to the registered owner hereof interest on the unpaid portion of the principal hereof from the date of authentication upon original issue hereof, or from the interest payment date next preceding the date of this bond to which interest has been paid, or from the date of this bond if it be an interest payment date to which interest has been paid, whichever interest payment date is the later, at the rate of 5.00% per annum (computed on the basis of a 360 day year consisting of twelve 30 day months) from the date hereof, payable semiannually, on the thirtieth day of March and September in each year, commencing with the March 30 or September 30 next succeeding the date hereof, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law, on any overdue payment of interest and, during the continuance of an Event of Default as defined in the Indenture (as defined hereinbelow), on such unpaid balance and on any overdue payment of any Make-Whole Amount, at a rate per annum from time to time equal to the greater of (i) 7.00% or (ii) 2.00% over the rate of interest publicly announced by JPMorgan Chase Bank, N.A. from time to time in New York, New York as its "base" or "prime" rate, payable semiannually as aforesaid (or, at the option of the registered holder hereof, on demand). The principal hereof and the interest hereon shall mature and be payable on September 30, 2031.

The principal of, premium, if any, and interest on, this bond will be paid in lawful money of the United States of America at the office of Regions Bank in the City of Mobile, Alabama, or of its successor in trust (hereinafter sometimes called the "*Trustee*"); *provided, however*, that the method of payment may be modified by agreement as permitted by the within-mentioned Indenture.

This bond is one of the bonds, of a series designated as 5.00% Series due September 30, 2031, of an authorized issue of bonds of the Company, known as First Mortgage Bonds, all issued or issuable in one or more series (which several series may be of different denominations, dates and tenor) under and equally secured (except insofar as any sinking fund, improvement fund or other fund established in accordance with the provisions of the Indenture may afford additional security for the bonds of any specific series) by an Indenture of Mortgage dated as of December 1, 1941, duly executed and delivered by the Company to The First National Bank of Mobile, as Trustee, as supplemented and modified by the First Supplemental Indenture dated as of October 1, 1944, and all other indentures supplemental thereto, and as amended and restated pursuant to that certain Amended and Restated Indenture of Mortgage dated as of July 1, 2011 executed by the Company and delivered to Regions Bank, as successor trustee to said Trustee

(the “*Indenture*”), reference to which Indenture and indentures supplemental thereto is hereby made for a description of the property mortgaged and pledged as security for said bonds, the rights and remedies of the registered owner of this bond in regard thereto, the terms and conditions upon which said bonds are secured thereby, the terms and conditions upon which said bonds may be issued thereunder and the rights, immunities and obligations of the Trustee under the Indenture.

This bond is subject to redemption prior to maturity as a whole at any time or in part from time to time, in amounts of \$500,000 and \$10,000 increments in excess thereof, at the option of the Company, upon payment of 100% of the principal amount of the bond being redeemed, together with the Make-Whole Amount (as defined in the Indenture), if any, with respect to such bond, together with interest accrued on such principal amount hereon to the date of redemption; upon prior notice (unless waived as provided in the Indenture) given by first class mail, postage prepaid, to the respective registered holder of such bond not less than thirty (30) days nor more than ninety (90) days prior to the redemption date, and otherwise as more fully provided in the Indenture. If this bond or any portion thereof is called for redemption and payment duly provided for as specified in the Indenture, this bond or such portion thereof shall cease to be entitled to the lien and security interest of the Indenture from and after the date payment is so provided and shall cease to bear interest from and after the date fixed for redemption.

Any assignee or transferee of this bond shall take subject to any such partial redemption, whether or not noted on the face hereof.

To the extent permitted and as provided in the Indenture, modifications or alterations of the Indenture, or of any indenture supplemental thereto, and of the bonds issued thereunder, and of the rights and obligations of the Company and the rights of the registered owners of the bonds, may be made with the consent of the Company and with the written approvals or consents of the registered owners of more than fifty percent (50%) in aggregate principal amount of all bonds outstanding, *provided, however*, that no such modification or alteration shall, without the written approval or consent of the registered owner of any bond affected thereby take any of the actions set forth in Section 13.02(a) through (g) of the Indenture.

This bond is transferable by the registered owner hereof in person or by his duly authorized attorney, at said office of the Trustee, upon payment of any tax or other governmental charge payable in connection with such transfer. No transfers of bonds of this series shall be required to be made during the ten (10) days next preceding each scheduled payment date for bonds of this series.

In case an Event of Default as defined in the Indenture shall occur, the principal of this bond may become or be declared due and payable before maturity in the manner and with the effect provided in the Indenture. The holders, however, of certain specified percentages of the bonds at the time outstanding, including in certain cases specified percentages of bonds of particular series, may in the cases, to the extent and under the conditions provided in the Indenture, waive Events of Default thereunder and the consequences of such Events of Default.

It is part of the contract herein contained that each registered owner hereof by the acceptance hereof waives all right of recourse to any personal liability of any incorporator, stockholder, officer or director, past, present or future, of the Company, as such, or of any predecessor or successor corporation, howsoever arising, for the collection of any indebtedness hereunder; and as part of the consideration for the issue hereof releases from all such liability each such incorporator, stockholder, officer or director, all as provided in the Indenture. Notwithstanding the foregoing, the provisions of this paragraph shall not have any effect on such registered holder's or the Trustee's rights with respect to the Trust Estate.

This bond shall not become or be valid or obligatory for any purpose until the authentication certificate hereon shall have been signed by the Trustee.

IN WITNESS WHEREOF, MOBILE GAS SERVICE CORPORATION has caused these presents to be executed in its corporate name and behalf by its President or a Vice President and its corporate seal to be hereunto affixed and attested by its Secretary or an Assistant Secretary, all as of September 30, 2011.

MOBILE GAS SERVICE CORPORATION

By: _____
President

Attest:

Secretary

[FORM OF AUTHENTICATION CERTIFICATE FOR ALL BONDS OF 2031 SERIES]

This bond is one of the bonds of the series designated therein, referred to in the within-mentioned Indenture.

REGIONS BANK, TRUSTEE

By: _____
Authorized Officer

Section 4.21. Definition of Make-Whole Amount. “*Make-Whole Amount*” means, with respect to any Bond, an amount equal to the excess, if any, of the Discounted Value of the Remaining Scheduled Payments with respect to the Called Principal of such Bond over the amount of such Called Principal, *provided* that the Make-Whole Amount may in no event be less than zero. For the purposes of determining the Make-Whole Amount, the following terms have the following meanings:

“*Called Principal*” means, with respect to any Bond, the principal of such Bond that is to be prepaid pursuant to Section 4.03 or Section 4.13 or has become or is declared to be immediately due and payable pursuant to Section 9.02, as the context requires.

“*Discounted Value*” means, with respect to the Called Principal of any Bond, the amount obtained by discounting all Remaining Scheduled Payments with respect to such Called Principal from their respective scheduled due dates to the Settlement Date with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor (applied on the same periodic basis as that on which interest on the Bonds is payable) equal to the Reinvestment Yield with respect to such Called Principal.

“*Reinvestment Yield*” means, with respect to the Called Principal of any Bond, .50% over the yield to maturity implied by (i) the yields reported as of 10:00 a.m. (New York City time) on the second Business Day preceding the Settlement Date with respect to such Called Principal, on the display designated as “Page PX1” (or such other display as may replace Page PX1) on Bloomberg Financial Markets for the most recently issued actively traded on the run U.S. Treasury securities having a maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date, or (ii) if such yields are not reported as of such time or the yields reported as of such time are not ascertainable (including by way of interpolation), the Treasury Constant Maturity Series Yields reported, for the latest day for which such yields have been so reported as of the second Business Day preceding the Settlement Date with respect to such Called Principal, in Federal Reserve Statistical Release H.15 (or any comparable successor publication) for U.S. Treasury securities having a constant maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date.

In the case of each determination under clause (i) or clause (ii), as the case may be, of the preceding paragraph, such implied yield will be determined, if necessary, by

(a) converting U.S. Treasury bill quotations to bond equivalent yields in accordance with accepted financial practice and (b) interpolating linearly between (1) the applicable U.S. Treasury security with the maturity closest to and greater than such Remaining Average Life and (2) the applicable U.S. Treasury security with the maturity closest to and less than such Remaining Average Life. The Reinvestment Yield shall be rounded to the number of decimal places as appears in the interest rate of the applicable Bond.

“Remaining Average Life” means, with respect to any Called Principal, the number of years (calculated to the nearest one-twelfth year) obtained by dividing (i) such Called Principal into (ii) the sum of the products obtained by multiplying (a) the principal component of each Remaining Scheduled Payment with respect to such Called Principal by (b) the number of years (calculated to the nearest one-twelfth year) that will elapse between the Settlement Date with respect to such Called Principal and the scheduled due date of such Remaining Scheduled Payment.

“Remaining Scheduled Payments” means, with respect to the Called Principal of any Bond, all payments of such Called Principal and interest thereon that would be due after the Settlement Date with respect to such Called Principal if no payment of such Called Principal were made prior to its scheduled due date, *provided* that if such Settlement Date is not a date on which interest payments are due to be made under the terms of the Bonds, then the amount of the next succeeding scheduled interest payment will be reduced by the amount of interest accrued to the Settlement Date and required to be paid on the Settlement Date pursuant to Section 4.03 or Section 4.13 or Section 9.02 hereof.

“Settlement Date” means, with respect to the Called Principal of any Bond, the date on which such Called Principal is to be prepaid pursuant to Section 4.03 or Section 4.13 or Section 9.02 or has become or is declared to be immediately due and payable pursuant to Section 9.02 of the Indenture, as the context requires.

Section 4.22. Restriction on Payment of Dividends on Common Stock and Acquisition of Capital Stock. So long as any of the Bonds of the 2021 Series or Bonds of the 2031 Series remain outstanding, the Company will not (a) declare or pay any dividend (other than dividends payable in Common Stock of the Company) or make any other distribution on any shares of its Common Stock or (b) make any expenditures for the purchase, redemption or other retirement of any shares of capital stock of the Company of any class (other than in exchange for, or from the proceeds of, other and new shares of capital stock of the Company and other than any shares of any class of stock required to be purchased, redeemed or otherwise retired for any sinking fund or purchase fund for such class of stock), if the aggregate amount of all such dividends, distributions and expenditures made after March 31, 2011 would exceed the aggregate amount of Net Income Available for Dividends accumulated after March 31, 2011 plus the sum of \$9,000,000.

Section 4.23. Indebtedness to Total Capitalization. The Company shall at all times maintain, so long as any of the Bonds of the 2021 Series or the Bonds of the 2031 Series are outstanding, the ratio of Indebtedness to Total Capitalization of not more than .65 to 1.00.

ARTICLE FIVE
AUTHENTICATION AND DELIVERY OF ADDITIONAL BONDS

Section 5.01. General Provisions. Bonds of any one or more series may from time to time be executed by the Company and delivered to the Trustee for authentication and thereupon the same shall be authenticated and delivered by the Trustee upon Company Request, upon the basis permitted by, and upon compliance with the conditions of, Section 5.02 (upon the basis of Bondable Additions), Section 5.03 (upon the basis of retirement of Bonds previously Outstanding) and Section 5.04 (upon the basis of Deposited Cash) and upon receipt in every case by the Trustee of the following:

A. A Board Resolution requesting the authentication and delivery under a designated Section of this Article of a specified principal amount of Bonds of a designated series.

B. An Officers' Certificate, dated within 30 days of the date of the relevant Application for the authentication and delivery of such Bonds and stating that (1) no Default or Event of Default exists, (2) none of the Trust Estate is subject to any Prior Lien other than Prior Liens permitted by Section 14.06, and that (3) all conditions precedent provided for in this Indenture relating to the authentication and delivery of such Bonds have been complied with.

C. An Opinion of Counsel (which may be based on opinions of other counsel believed to be reliable):

(1) specifying the certificate or other evidence or cash deposit which will be sufficient to show or provide for compliance with the requirements, if any, of any tax or recording or filing law applicable to the issuance of the Bonds then applied for, or stating that there is no such legal requirement;

(2) specifying the certificate or other evidence which will be sufficient to show the authorization, approval or consent of or to the issuance by the Company of the Bonds then applied for by any Federal, State or other governmental regulatory agency at the time having jurisdiction in the premises, or stating that no such authorization, approval or consent is required;

(3) stating that, except as permitted by Section 14.06, none of the Trust Estate is subject to any Prior Lien *provided*, that the opinion contained in this subparagraph (3) may be limited, with respect to personal property, to such portion of the Trust Estate in which a lien may be perfected by filing a Financing Statement under the Uniform Commercial Code;

(4) stating that all conditions precedent provided for in this Indenture relating to the authentication and delivery of such Bonds have been complied with; and

(5) stating that such Bonds, when executed by the Company and authenticated and delivered by the Trustee and when issued by the Company, will be the legal, valid and binding obligations of the Company enforceable in accordance with their terms and the terms of this Indenture and entitled to the benefits of and secured by the lien of this Indenture equally and ratably with all other Outstanding Secured Bonds.

D. The documents and any cash deposit specified in such Opinion of Counsel, which cash deposit, if any, shall be held by the Trustee as part of the Trust Estate and applied by the Trustee for the purpose specified therein and, to the extent that such cash deposit ultimately proves to be excessive, returned to the Company upon Company Request.

The Company will not apply for the authentication and delivery of Bonds under this Article except for the purpose of their prompt sale or pledge or the creation of other security interest therein. In the event that the Company shall not have sold or pledged, or created some other security interest in, any Bonds authenticated and delivered under this Article within 3 months after the date of their authentication and delivery, or, as the case may be, upon the termination of such pledge of, or other security interest in, any such Bonds initially pledged or subjected to a security interest, the Company will surrender such Bonds to the Trustee, whereupon such Bonds, if not previously cancelled, shall be cancelled by the Trustee. The Bonds so surrendered shall thereafter be treated as though they had never been Outstanding.

Section 5.02. Authentication and Delivery of Additional Bonds (or Withdrawal of Cash) upon Basis of Bondable Additions. Additional Bonds may from time to time be executed by the Company and delivered to the Trustee for authentication, and the same shall be authenticated and delivered by the Trustee upon Company Order, in an aggregate principal amount up to but not exceeding 75% of Bondable Additions available as a basis for such authentication and delivery as shown in item 7 of the Summary of Certificate as to Bondable Additions filed with the Trustee in accordance with Subsection A of this Section, upon receipt by the Trustee of the instruments and cash referred to in said Subsection A.

A. REQUESTED USE OF BONDABLE ADDITIONS.

Whenever requesting the authentication and delivery of Bonds under this Section or the withdrawal of Deposited Cash under Section 5.05 upon the basis of Bondable Additions or the withdrawal of Trust Moneys under Section 7.02 or the use of Bondable Additions as a basis, in whole or in part, for the release of any part of the Trust Estate under Section 6.02, the Company shall deliver to the Trustee the relevant instruments (comprising the related Application) specified in the following Clauses (1) through (8):

(1) In the case of a request for the authentication and delivery of Bonds, the documents and any cash deposits required by Section 5.01 and an Available Income Certificate; in the case of a request for the withdrawal of Deposited Cash under Section 5.05 upon the basis of Bondable Additions, the Company Request, Board Resolution and Officers' Certificate required by Section 5.05; in the case of a request for

the withdrawal of Trust Moneys under Section 7.02, the Company Request, Board Resolution and Officers' Certificate required by Section 7.02; and in the case of a request for the use of Bondable Additions as a basis for the release of any part of the Trust Estate under Section 6.02, the relevant documents required by Section 6.02 in addition to those specified in the following Clauses (2) through (8), which documents may be modified under certain circumstances as stated in the proviso to Section 6.02D(2).

(2) A Certificate as to Bondable Additions showing in substance:

(a) In the case of the first Certificate as to Bondable Additions issued hereunder \$192,446,904 (which amount shall constitute the balance of Bondable Additions as of the Cut-Off Date) and in the case of each Certificate as to Bondable Additions issued thereafter, the balance (item 1 in Summary of Certificate as to Bondable Additions set forth below), if any, of Bondable Additions stated in item 9 of the most recent Summary of Certificate as to Bondable Additions, if any, theretofore filed with the Trustee, as the balance of Bondable Additions to remain after the action then applied for.

(b) An Amount (item 2 in Summary) of Property Additions, not described in any previous Certificate as to Bondable Additions, acquired during the period specified in the current Certificate. With respect to such Property Additions:

(i) The Certificate shall describe in reasonable detail, and state the Cost to the Company of, such Property Additions. The Certificate shall state that none of such Property Additions has been described in any previous Certificate as to Bondable Additions. Except for major items, such Property Additions may be grouped by major classifications then being used by the Company in the maintenance of its fixed plant accounts and may, in the case of tracts or parcels of land or easements, or rights-of-way, be described by reference to the deeds through which they were acquired or to the Supplemental Indenture conveying them to the Trustee. The Certificate shall specify and separately describe any Property Additions consisting of a major item or an Acquired Facility or acquired and paid for in whole or in part through the transfer or delivery of securities or other property, together with a description of the kind and respective amounts of such securities or other property. The Cost to the Company shall be shown separately for each of such Property Additions which is separately described, whether described as a major item or as an Acquired Facility or as Property Additions acquired and paid for in whole or in part through the transfer or delivery of securities or other property. The Cost to the Company may be shown in the aggregate for all Property Additions grouped within each particular major classification and the Cost to the Company may be allocated among major items and major classifications by an estimate of such nature and upon such basis as the signers deem proper.

The Certificate shall also state the Fair Value to the Company, in the opinion of the Engineer signing such Certificate, of such Property Additions, separately for each thereof or group thereof for which Cost to the Company is shown separately in the Certificate; *provided, however*, that if such Property Additions include an Acquired Facility, the Fair Value to the Company thereof shall be stated as being the amount thereof set forth in the Independent Engineer's Certificate required by Clause (3) of this Subsection. In addition the Certificate shall also state the fair market value in cash, as stated in any Independent Appraiser's Certificate required by Clause (4) of this Subsection, of any securities or other property transferred or delivered to acquire or pay for any such Property Additions.

(ii) The Certificate shall state that, with respect to each of such Property Additions or group thereof for which Cost to the Company is shown separately or by groups in the Certificate, the certified Amount of Property Additions is the lower of the certified Cost to the Company thereof and the certified Fair Value to the Company thereof.

(iii) Nothing in this Section shall be deemed to prevent the Company from certifying any Property Additions acquired by the Company during any period without simultaneously certifying other Property Additions that the Company may have acquired in that or any other period, and by so doing the Company shall not be deemed to have lost the right so to certify later such other Property Additions.

(c) The aggregate amount (item 3 in Summary) of all Retirements during the period from the date to which Retirements had been included in item 3 of the most recent Summary theretofore filed with the Trustee (or the Cut-Off Date in the case of the first such Certificate) to the later of (i) a date not earlier than the 90th day before the date of the related Application and (ii) the terminal date in the period specified pursuant to Subclause (b) above.

(d) The credits (item 4 in Summary) against Retirements, which shall equal, subject to the provisions of the last sentence of Subclause (e) below, the sum of the following:

(i) the excess of credits against Retirements carried forward from the most recent Certificate, as provided in the last sentence of Subclause (e) below;

(ii) the aggregate amount of cash and purchase money obligations delivered to the Trustee and Bondable Additions certified to the Trustee for use as a basis for releases under Section 6.02 during the period covered by Subclause (c) above; and

(iii) all insurance moneys received by the Trustee pursuant hereto or paid to a trustee, mortgagee or other holder under a Prior Lien during the period covered by Subclause (c) above on account of the damage, loss or destruction of any Bondable Property.

(e) The excess (item 6 in Summary) of the Amount of Property Additions shown pursuant to Subclause (b) above (item 2) over the net amount of Retirements (item 5), which net amount shall be determined by deducting the credits shown pursuant to Subclause (d) above (item 4) from the aggregate amount of Retirements shown pursuant to Subclause (c) above (item 3), and such excess shall be the amount of the net Bondable Additions then being certified. If in any case the credits against Retirements exceed the aggregate amount of Retirements shown pursuant to Subclause (c) above (item 3), the net amount of Retirements for the purpose of this Subclause shall be deemed to be zero, but such excess of credits against Retirements shall be carried forward and used as a credit against Retirements in the next Certificate.

(f) The sum (item 7 in Summary) of the amount shown pursuant to Subclause (a) above (item 1) and the amount shown pursuant to Subclause (e) above (item 6), namely the total Bondable Additions then available.

(g) The total amount (item 8 in Summary) of Bondable Additions which are then being used, which shall equal (i) 133-1/3% of the aggregate principal amount of any additional Bonds whose authentication and delivery are then being applied for under this Section (which in the case of the first Certificate as to Bondable Additions issued hereunder, shall include the Bonds of the 2021 Series and the Bonds of the 2031 Series), (ii) 100% of the amount of any Deposited Cash which is then being withdrawn under Section 5.05, (iii) 100% of any Trust Moneys which are then being withdrawn under Section 7.02 and (iv) 100% of any Bondable Additions which are then being used as a basis for a release under Section 6.02.

(h) The balance (item 9 in Summary) of the Bondable Additions shown by the Certificate that will remain after the granting of the Application then being made, which shall be computed by deducting the sum shown pursuant to Subclause (g) above (item 8) from the amount shown pursuant to Subclause (f) above (item 7).

(i) That the Property Additions described in the Certificate, except such as have been Retired, are desirable in the conduct of the business of the Company; that the allocation of the Cost to the Company of such Property Additions to each major item or major classification thereof is, in the opinion of the signers, proper; and that the balance of the Bondable Additions to remain after the action applied for plus the Cost to the Company or the Fair Value to the Company, whichever is less, of uncertified Property Additions is at least equal to the aggregate amount of uncertified Retirements.

(j) That the allowances or charges, if any, for interest, taxes, engineering, legal expenses, superintendence, insurance, casualties and other items during construction which are included in the Cost to the Company of such of the Property Additions described in the Certificate as were constructed by or for the Company have been charged and are properly chargeable to fixed plant accounts in accordance with Accounting Requirements and are, in the opinion of the signers, proper in respect of the Property Additions specified.

(k) That no portion of the Cost to the Company of the Property Additions described in the Certificate should properly have been charged to maintenance or repairs and that no expenditures are included in the Certificate which under Accounting Requirements are not properly chargeable to fixed plant accounts.

(l) That the terms used in the Certificate which are defined herein are used as herein defined.

The Certificate as to Bondable Additions required by this Clause (2) shall be subdivided into lettered paragraphs corresponding to the foregoing Subclauses (a) to (h), inclusive, and shall include a Summary in substantially the following form:

SUMMARY OF CERTIFICATE AS TO BONDABLE
ADDITIONS NO. _____

The undersigned hereby certify that the following is a true summary of the Certificate:

Start with:

1. The balance of Bondable Additions remaining after the action applied for in the next previous Certificate (date or Certificate No. _____) \$ _____

Then take the new gross Property Additions as shown in item 2 below:

2. Amount of additional Property Additions now certified, being the Amount of all or some Property Additions in the period from _____ through _____ (none of which has been certified in any previous Certificate as to Bondable Additions) \$ _____

Then determine the deductions for Retirements by deducting item 4 below from item 3 below to produce item 5:

3. The aggregate amount of all Retirements \$ _____

4. The sum of the credits against Retirements..... \$ _____

5. The net amount of Retirements to be deducted \$ _____

Then determine the net Bondable Additions now being certified by deducting item 5 from item 2 to produce item 6:

6. Net Bondable Additions now being certified \$ _____

Then add item 1 and item 6 to produce item 7:

7. Total Bondable Additions available for the action applied for \$ _____

Deduct item 8 from item 7 to produce item 9:

8. Bondable Additions now being used \$ _____

9. Balance of Bondable Additions to remain after the action applied for \$ _____

Dated _____, 20____

(Title)

(Title)

(Engineer)

(Accountant)

(3) In case any Property Additions described in the Certificate consist of an Acquired Facility, an Independent Engineer's Certificate, dated within 90 days prior to the date of the related Application, stating, in the opinion of the signer, the Fair Value to the Company at the date of the Certificate of the Property Additions constituting such Acquired Facility, except such as have been Retired, determined as provided in Subsection A of this Section.

(4) In case any Property Additions are shown in the Certificate to have been acquired or paid for in whole or in part through the transfer or delivery of securities or other property, an Independent Appraiser's Certificate stating, in the opinion of the signer, the fair market value in cash of such securities and other property at the time of

the transfer or delivery thereof in payment for such Property Additions, which fair market value shall be deemed to be the Cost to the Company of such Property Additions.

(5) Such instruments of conveyance, transfer and assignment as, in the Opinion of Counsel, may be necessary to vest in the Trustee as a part of the Trust Estate all right, title and interest of the Company in and to the Property Additions so described or an Opinion of Counsel that no such instruments are necessary for such purpose.

(6) An Opinion of Counsel (which may be based on opinions of other counsel deemed by him reliable), dated within 5 days prior to the date of filing thereof, to the effect that:

(a) the Company has, or upon delivery of the instruments of conveyance, transfer or assignment, if any, specified in such Opinion will have, Title to any tracts or parcels of land included in the Property Additions described in the Certificate and the improvements thereon and has duly obtained any easements or rights-of-way, which are described in the Certificate, except such as have been Retired, subject only to Permitted Encumbrances;

(b) if such Property Additions include any property located or constructed on, over or under public highways, rivers or other public property, the Company has the lawful right under permits or franchises granted by a governmental body having jurisdiction in the premises or by the law of the State in which such property is located to maintain and operate such property for an unlimited, indeterminate or indefinite period of time or for the period, if any, specified in such permit, franchise or law, and, as to above-ground property, to remove such property at the expiration of the period covered by such permit, franchise or law, or that the terms of such permit, franchise or law require any public authority having the right to take over such property to pay fair consideration thereof;

(c) the Company has corporate power to own and operate such Property Additions; and

(d) the documents which have been or are therewith delivered to the Trustee conform to the requirements of this Indenture for an Application for the action applied for and, upon the basis of such Application, the Bonds applied for may be lawfully authenticated and delivered or the Deposited Cash or Trust Moneys whose withdrawal is then being requested may be lawfully paid over by the Trustee or the property whose release is being requested may be lawfully released from the lien of this Indenture, and all conditions precedent herein provided for relating to such authentication and delivery or withdrawal or release have been complied with.

(7) Title Evidence indicating that the Company has or, contemporaneously with the taking of the action applied for, will have title to the Property Additions described in the Certificate of Property Additions.

(8) To the extent not otherwise covered by the Title Evidence provided pursuant to paragraph 7 above, an Opinion of Counsel (which may be based on opinions of other counsel believed by such counsel to be reliable), dated within five (5) days prior to the date of filing thereof, to the effect that (i) the Company has or, contemporaneously with the taking of action applied for, will have duly obtained any easements, rights-of-way or leaseholds which are described in the Certificate of Property Additions, subject only to Permitted Encumbrances, and (ii) the Indenture is or, upon delivery of the instruments of conveyance, transfer or assignment, if any, specified therein, will be a valid lien upon all such Property Additions and subject only to Permitted Encumbrances; *provided*, that the opinion contained in clause (ii) above may be limited, with respect to personal property, to such Property Additions in which a lien may be perfected by filing a financing statement under the Uniform Commercial Code.

Section 5.03. Authentication and Delivery of Additional Bonds upon Basis of Retirement of Bonds. Additional Bonds may from time to time be executed by the Company and delivered to the Trustee for authentication and thereupon the same shall be authenticated and delivered by the Trustee upon Company Request, in an aggregate principal amount equal to the aggregate principal amount of the Bonds (other than Other Series Bonds) made the basis for such authentication and delivery, upon receipt by the Trustee of the following:

A. The documents and any cash deposit required by Section 5.01.

B. Subject to the restrictions of Subsection C of this Section, Bonds theretofore authenticated and delivered under this Indenture and in transferable form, matured or unmatured, cancelled or uncanceled, in an aggregate principal amount equal to the aggregate principal amount of Bonds whose authentication and delivery are then applied for; *provided, however*, that, in lieu of delivering Bonds to the Trustee, the Company may deposit with or deliver to the Trustee:

1. cash sufficient to pay or redeem certain specified Bonds theretofore authenticated and delivered hereunder, provided that, if such Bonds are to be redeemed, notice of such redemption shall have been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustee shall have been made; and/or

2. an Officers' Certificate, dated within 5 Business Days of the relevant Application for the authentication and delivery of such Bonds, stating

(a) that cash sufficient to pay or redeem certain specified Bonds theretofore authenticated and delivered hereunder is then held by the Trustee in trust for such purpose and, if such Bonds are to be redeemed, that notice of such redemption has been duly given pursuant to

this Indenture or provision therefor satisfactory to the Trustee has been made; and/or

(b) that certain specified Bonds theretofore authenticated and delivered hereunder have been paid, redeemed or otherwise retired or have ceased to be Outstanding.

C. An Officers' Certificate, dated within 5 Business Days of the relevant Application for the authentication and delivery of such Bonds, stating

(1) that the Bonds then being made the basis for the authentication and delivery of Bonds do not include

(a) any Bonds which shall have theretofore been made, or are currently being otherwise made, the basis for the authentication and delivery of Bonds or the withdrawal or application of Deposited Cash or Trust Moneys; or

(b) any Bond whose payment, redemption or other retirement, or provision therefor, has been effected through the operation of any sinking, amortization, improvement or other analogous fund and whose use under this Article is at the time precluded by any provision of this Indenture; or

(c) any Bond which has been surrendered upon any exchange or transfer or any Bond in lieu of which another Bond has been authenticated and delivered under Section 3.08; or

(d) any Bond which, in accordance with the last paragraph of Section 5.01, is treated as though it had never been Outstanding; or

(e) any Bond which was paid or redeemed by the Company more than one year prior to the date of the relevant Application; *provided, however,* that unmatured Bonds acquired by the Company other than by payment or redemption and held uncanceled in its treasury may be included.

(2) whether, at any time after the authentication and delivery of any of the Bonds then being made the basis for the authentication and delivery of Bonds, there has been filed with the Trustee an Available Income Certificate in which the annual interest charges on such Bonds were not included, and, if so, separately identifying such Bonds and stating the aggregate principal amount thereof and that an Available Income Certificate will be furnished under Subsection E of this Section.

(3) whether any of the Bonds applied for bear interest at a rate greater than any of the Bonds, other than any Bonds Outstanding at least one year prior to the date of the Officers' Certificate and with a Stated Maturity within two years of such date, which are then being made the basis for the authentication and delivery of Bonds, and, if so, stating that an Available Income Certificate will be furnished under Subsection E of this Section.

D. An Opinion of Counsel stating that the documents and cash and/or Bonds which have been or are therewith delivered to the Trustee conform to the requirements of this Indenture and that, upon the basis or the relevant Application, the Bonds applied for may be lawfully authenticated and delivered under this Article.

E. In case it shall be stated pursuant to Subsection C of this Section that the same will be furnished, an Available Income Certificate.

Every Bond received by the Trustee and on the basis of which an additional Bond is authenticated and delivered under this Article, if not already cancelled, shall be promptly cancelled and thereafter shall be disposed of as directed by a Company Request.

Section 5.04. Authentication and Delivery of Additional Bonds upon Deposit of Cash with Trustee. Additional Bonds may from time to time be executed by the Company and delivered to the Trustee for authentication and thereupon the same shall be authenticated and delivered by the Trustee upon Company Request, upon receipt by the Trustee of the following:

A. The documents and any cash deposit required by Section 5.01.

B. Cash equal to the aggregate principal amount of the Bonds whose authentication and delivery are then applied for (such cash being herein sometimes referred to as "*Deposited Cash*").

C. An Opinion of Counsel stating that the documents which have been or are therewith delivered to the Trustee conform to the requirements of this Indenture and that, upon the deposit of an amount of cash equal to the aggregate principal amount of the Bonds whose authentication and delivery are so applied for, such Bonds may be lawfully authenticated and delivered under this Article.

D. An Available Income Certificate such as would be required in connection with the authentication and delivery of Bonds under Section 5.02.

Section 5.05. Withdrawal of Deposited Cash. Until the same is paid upon Company Order as provided in this Section, the Trustee shall hold all Deposited Cash as a part of the Trust Estate; and, upon any sale of the Trust Estate or any part thereof under Article Nine, any Deposited Cash then held by the Trustee shall be applied in accordance with Section 9.07; but, prior to any such sale, all or any part of the Deposited Cash shall be applied by the Trustee from time to time as hereinafter in this Section provided.

From time to time, whenever the Company becomes entitled to the authentication and delivery of Bonds under Section 5.02 upon the basis of Bondable Additions or under Section 5.03 upon the basis of the retirement of Bonds, the Trustee shall (in lieu of authenticating and delivering Bonds) pay upon Company Request, and the Company shall be entitled to withdraw, Deposited Cash in an amount equal to the principal amount of the Bonds to whose authentication and delivery the Company would be so entitled, but only upon receipt by the Trustee of the following:

A. A Board Resolution requesting the withdrawal and payment of a specified amount of Deposited Cash.

B. An Officers' Certificate, dated within 30 days of the date of the relevant Application for such withdrawal and payment stating that no Default or Event of Default exists, that all conditions precedent provided for in this Indenture relating to such withdrawal and payment have been complied with and that no part of such Deposited Cash has been, or is required to be, set aside under Section 7.10.

C. In the case of an Application for the withdrawal of Deposited Cash upon the basis of Bondable Additions, the additional relevant documents specified in Section 5.02A for delivery whenever requesting the use of Bondable Additions as a basis for such withdrawal of Deposited Cash under this Section.

D. In the case of an Application for the withdrawal of Deposited Cash upon the basis of the retirement of Bonds, the documents and Bonds specified in Subsections B, C(1) and D of Section 5.03 for delivery to the Trustee (with such omissions and variations as are appropriate in view of the fact that the Application involves the withdrawal of Deposited Cash and not the authentication and delivery of any Bonds), together with an Opinion of Counsel stating that all conditions precedent provided for in this Indenture relating to such withdrawal of Deposited Cash have been complied with.

ARTICLE SIX RELEASES

Section 6.01. Possession by Company; Dispositions without Release. So long as no Event of Default shall have occurred and be continuing, the Company shall be suffered and permitted, subject to the provisions of this Article, to possess, use, manage, operate and enjoy the Trust Estate (other than any cash and securities constituting part of the Trust Estate and deposited with, required to be deposited with or pledged to, the Trustee) and to collect, receive, use, invest and dispose of the rents, issues, tolls, profits, revenues and other income from the Trust Estate, with power, in the ordinary course of business, freely and without let or hindrance on the part of the Trustee or of the Holders, to use, consume and dispose of any thereof except such as are subject to the lien hereof or intended so to be, and to alter, repair and change the position of any of its property, *provided* that such alterations, repairs or changes shall not diminish the value thereof or impair the lien of this Indenture thereon, and to deal with, exercise

any and all rights under, receive and enforce performance under, and adjust and settle all matters relating to current performance of, chooses in action, leases and contracts.

The Company shall have the right, from time to time if no Default or Event of Default exists, without any release from or consent by the Trustee,

A. to sell or otherwise dispose of, free from the lien of this Indenture, any machinery, equipment, furniture, apparatus, tools or implements, materials or supplies or other similar property subject to the lien hereof, which may have become obsolete or unfit for use or no longer useful, necessary or profitable in the conduct of the business of the Company, upon substituting for the same other machinery, equipment, furniture, apparatus, tools or implements, materials or supplies or other similar property not necessarily of the same character but of at least equal value to the Company as the property disposed of, which shall forthwith become, without further action, subject to the lien of this Indenture; and no purchaser of any such property shall be bound to inquire into any question affecting the right of the Company to sell or otherwise dispose of the same free from the lien of this Indenture;

B. except as otherwise expressly limited by this Section in the case of any particular lease or contract, to abandon, terminate, cancel, release or make alterations in or substitutions of any leases, contracts or rights-of-way subject to the lien of this Indenture, *provided* that any altered or substituted leases, contracts or rights-of-way shall forthwith, without further action, become subject to the lien of this Indenture to the same extent as those previously existing and *provided, further*, that, if the Company shall receive any money or property as consideration or compensation for such termination, cancellation, release, alteration or substitution, such money (to the extent it exceeds \$500,000.00) or property, forthwith upon its receipt by the Company, shall be deposited with the Trustee (unless otherwise required by a Prior Lien) or otherwise subjected to the lien of this Indenture;

C. except as otherwise expressly limited by this Section in the case of any particular franchise, license or permit, to surrender or modify any franchise, license or permit subject to the lien of this Indenture which it may own or under which it may be operating, *provided* that, after the surrender or modification of any such franchise, license or permit, the Company shall still, in the opinion of the Board of Directors, be entitled, under some other or without any franchise, license or permit, to conduct its business in the territory in which it is then operating and *provided, further*, that, if the Company shall be entitled to receive any money or property as consideration or compensation for such surrender or modification, such money (to the extent it exceeds \$500,000.00) or property, forthwith upon its receipt by the Company, shall be deposited with the Trustee (unless otherwise required by a Prior Lien) or otherwise subjected to the lien of this Indenture;

D. to grant rights-of-way and easements over or in respect of any property in the Trust Estate, *provided* that such grant will not, in the opinion of the Board of Directors, impair the usefulness of such property in the conduct of the Company's business and will not be prejudicial to the interests of the Holders and *provided, further*,

that any cash consideration in excess of \$500,000.00 received by the Company upon or in connection with the granting thereof, forthwith upon its receipt by the Company, shall be deposited with the Trustee (unless otherwise required by a Prior Lien);

E. to demolish, dismantle, tear down or use for scrap any property in the Trust Estate, or abandon any thereof other than land and interests in land, if in the opinion of the Board of Directors such demolition, dismantling, tearing down, use or abandonment is in the best interests of the Company and the value and utility of the Trust Estate as an entirety and the security for the Bonds will not thereby be impaired; and

F. to alter, repair, replace, change the location or position of and add to its plants, structures, machinery, systems, equipment, fixtures and appurtenances, *provided* that no change shall be made in the location of any such property subject to the lien of this Indenture which removes such property into a jurisdiction in which this Indenture and any required financing or continuation statement covering security interests in such property have not been recorded, registered or filed in the manner required by law to preserve the lien of this Indenture on such property or otherwise impairs the lien hereof.

The Trustee shall, from time to time, execute a written instrument to confirm any action taken by the Company under this Section, upon receipt by the Trustee of (i) a Board Resolution requesting the same and expressing any required opinions, (ii) an Officers' Certificate stating that no Default or Event of Default exists and that said action was duly taken in conformity with a designated Subsection of this Section and (iii) an Opinion of Counsel stating that said action was duly taken by the Company in conformity with said Subsection and that the execution of such written instrument is appropriate to confirm such action under this Section.

Section 6.02. Releases. The Company shall have the right, from time to time, to sell or dispose of any part of the Trust Estate (except cash, Pledged Securities and other personal property held by, or required to be deposited or pledged with, the Trustee hereunder) and the Trustee shall, from time to time, release property so sold or disposed of from the lien of this Indenture, but only upon receipt by the Trustee of the following:

A. A Board Resolution requesting such release and describing the property so to be released.

B. An Officers' Certificate (hereinafter in this Section called a "Release Certificate"), dated not more than 30 days prior to the date of the Application for such release and signed also in the case of the following Clauses (1), (2), (4), (5), if any, and (6) by an Engineer, setting forth in substance as follows:

(1) that the Company has sold or disposed of or has contracted to sell or dispose of the property so requested to be released;

(2) that

(a) such sale or disposition is desirable in the conduct of the business of the Company and the property to be released is no longer useful or advantageous in the judicious management and maintenance of the Trust Estate or in the conduct of the business of the Company, or

(b) such sale or disposition has been or is to be made in lieu and reasonable anticipation of the taking of such property by eminent domain by the United States of America or a designated State, municipality or other governmental authority having the power to take such property by eminent domain, or

(c) such sale or disposition has been or is to be made in lieu and reasonable anticipation of the exercise of a right of the United States of America or a designated State, municipality or other governmental authority to purchase, or designate a purchaser or order the sale of, such property;

(3) that no Default or Event of Default exists;

(4) that, in the opinion of the signers, the proposed release will not impair the security under this Indenture in contravention of the provisions hereof and that all conditions precedent herein provided for relating to such release have been complied with;

(5) the fair value, in the opinion of said Engineer, of the property to be released at the date of the Release Certificate; and if, by virtue of Clause (7) of this Subsection, any of the property to be released shall be separately described in the Release Certificate, the fair value of such property shall be separately stated; *provided, however*, that it shall not be necessary under this Clause to state the fair value of any property whose fair value is certified in an Independent Engineer's Certificate under Subsection C of this Section;

(6) whether

(a) the aggregate of the fair value of the property to be released at the date of the Release Certificate and the fair value of all securities or other property released since the commencement of the then current calendar year (as previously certified to the Trustee in connection with releases) is 10% or more of the aggregate principal amount of all Bonds at the time Outstanding and whether said fair value of the property to be released is at least \$25,000 and at least 1% of the aggregate principal amount of all Bonds at the time Outstanding, or

(b) the fair value of the property to be released at the date of the Release Certificate is more than .1% of the fair value of the Trust Estate

and, if all the facts specified in either Subclause (a) or (b) above are present, that an Independent Engineer's Certificate as to the fair value of the property to be released will be furnished under Subsection C of the Section.

(7) whether any purchase money obligations to be delivered to the Trustee or to be certified as delivered to the trustee, mortgagee or other holder of a Prior Lien under Subsection D(3) of this Section are to be secured by a purchase money mortgage on less than all the property to be released; and, if so, the property to be covered by such purchase money mortgage shall be separately described.

C. A certificate of an Independent Engineer, dated not more than 30 days prior to the date of the Application for such release, stating the fair value, in the Independent Engineer's opinion, at the date of the Release Certificate of the property to be released, stating separately the fair value of any such property separately described pursuant to Subsection B(7) of this Section and stating also that, in the opinion of the Independent Engineer, the proposed release will not impair the security under this Indenture in contravention of the provisions hereof.

D. Cash equal to the fair value, as certified pursuant to this Section, of the property to be released; *provided, however*, that, in lieu of all or any part of such cash, the Company shall have the right to deposit and pledge with or deliver to the Trustee any of the items described in the following Clauses of this Subsection:

(1) purchase money obligations secured by a mortgage on the property to be released or the portion thereof separately described pursuant to Subsection B(7) of this Section, maturing not more than 10 years after the date of the deposit thereof and not exceeding in principal amount 75% of the fair value of the property covered by such purchase money mortgage, as certified pursuant to Subsection B(5) or Subsection C of this Section, which purchase money obligations and the mortgage securing the same shall be duly assigned to and deposited and pledged with the Trustee, shall be accompanied by an Officers' Certificate stating that the aggregate unpaid principal amount of all purchase money obligations received by the Trustee under this Clause and then deposited and pledged with it (including those then being deposited and pledged with the Trustee), together with all those then and theretofore delivered to and then held by any trustees, mortgagees or other holders of Prior Liens under Clause (3) of this Subsection, does not exceed 10% of the aggregate principal amount of all Bonds at the time outstanding and shall be received by the Trustee at their principal amount in lieu of cash;

(2) the relevant documents specified in Clauses (2) through (8) of Section 5.02A for delivery whenever requesting the use of Bondable Additions as a basis, in whole or in part, for the release of any part of the Trust Estate under this Section, said documents to be received by the Trustee in lieu of cash up to the Bondable Additions thereby certified; *provided, however*, that if all the property to be released was, immediately before the sale or disposition thereof Non-Bondable Property, subject to a Prior Lien, the Bondable Additions being used as a basis for such release may be subject to the same Prior Lien without any deduction for the Prior Lien Obligations thereby secured in computing such Bondable Additions and said documents may be modified accordingly;

(3) a certificate of the trustee, mortgagee or other holder of a Prior Lien on all or any part of the property to be released, stating that a specified amount of cash or a specified principal amount of purchase money obligations of the character described in Clause (1) or (4) of this Subsection and representing proceeds of the sale of such property have been deposited with such trustee, mortgagee or other holder pursuant to the requirements of such Prior Lien, such certificate to be received by the Trustee in lieu of cash equal to the cash and the principal amount of the purchase money obligations so certified to have been deposited with such trustee, mortgagee or other holder, *provided* there shall also be delivered to the Trustee an Officers' Certificate stating that such property to be released was subject to such Prior Lien, which shall be briefly described or otherwise identified, and that the aggregate principal amount of all purchase money obligations received by the Trustee under Clause (1) of this Subsection and then deposited and pledged with it, together with all those then and theretofore delivered to and then held by any trustees, mortgagees or other holders of Prior Liens under this Clause, does not exceed 10% of the aggregate principal amount of all Bonds at the time outstanding;

(4) an Officers' Certificate stating that the property to be released has been sold or disposed of subject to a specified Prior Lien or Liens existing thereon immediately before such sale or disposition, briefly describing or otherwise identifying such Prior Lien or Liens, stating the principal amount of the outstanding Prior Lien Obligations secured thereby and stating that such property constitutes all the property which, immediately before such sale or disposition was subject to such Prior Lien or Liens, said Certificate to be received by the Trustee in lieu of cash in an amount equal to the principal amount of outstanding Prior Lien Obligations so stated to be secured by such Prior Lien or Liens.

E. An Opinion of Counsel

(1) stating that the certificates, opinions and other instruments and/or cash and/or obligations which have been or are therewith delivered to or deposited and pledged with the Trustee conform to the requirements of this Indenture, that, upon the basis of the Application, the property so sold or disposed of or contracted to be sold or disposed of may be lawfully released from the lien of this

Indenture and that all conditions precedent herein provided for relating to such release have been complied with;

(2) stating that the purchase money obligations, if any, being delivered to the Trustee or to the trustee, mortgagee or other holder of a Prior Lien are valid obligations and are duly secured by a valid purchase money mortgage constituting a direct lien upon all the property to be released, or upon the portion thereof separately described pursuant to Subsection B(7) of this Section, free and clear of any Prior Liens other than any existing on the property to be released immediately prior to such release, and that the assignment to the Trustee of such purchase money obligations and the mortgage securing the same is valid and in recordable form;

(3) in case any cash or purchase money obligations shall be certified to have been deposited with the trustee, mortgagee or other holder of a Prior Lien, stating that the property to be released, or a specified portion thereof, is or immediately before such sale or disposition was subject to such Prior Lien and that such deposit is required by such Prior Lien.

(4) in case the sale or disposition of the property to be released shall have been certified to be in lieu and reasonable anticipation of the taking of such property by eminent domain, stating that such property could lawfully have been taken by the grantee by eminent domain; and

(5) in case the sale or disposition of the property to be released shall have been certified, pursuant to Subsection B(2)(c) of this Section, to be in lieu and reasonable anticipation of the exercise of a right to purchase, or to designate a purchaser or order the sale of, such property, stating that the designated governmental authority had, at the time of such sale or disposition, a right to purchase or designate a purchaser of such property or to order its sale.

Section 6.03. Eminent Domain. If any of the Trust Estate shall be taken by eminent domain, the Trustee may release the property so taken and shall be fully protected in so doing upon being furnished with

A. an Officers' Certificate requesting such release, describing the property so to be released and stating that such property has been taken by eminent domain and that all conditions precedent herein provided for relating to such release have been complied with;

B. an Opinion of Counsel to the effect that such property has been lawfully taken by exercise of the right of eminent domain, that the award for such property so taken has become final or an appeal therefrom is not advisable in the interests of the Company or the Holders of the Bonds and that all conditions precedent herein provided for relating to such release have been complied with; and

C. cash equal to such award.

Section 6.04. Powers Exercisable Notwithstanding Default or Event of Default. While in possession of all or substantially all of the Trust Estate (other than any cash and securities constituting part of the Trust Estate and deposited with, required to be deposited with or pledged to, the Trustee), the Company may exercise the powers conferred upon it in the Sections of this Article even though it is prohibited from doing so while a Default or Event of Default exists as provided herein, if the Trustee in its discretion, or the Holders of more than 50% in aggregate principal amount of the Bonds then Outstanding by Act of such Holders, shall consent to such action, in which event none of the instruments required to be furnished to the Trustee under any of such Sections as a condition to the exercise of such powers needs state that no Default or Event of Default exists as provided therein.

Section 6.05. Powers Exercisable by Trustee or Receiver. In case all or substantially all of the Trust Estate (other than any cash and securities constituting part of the Trust Estate and deposited with the Trustee) shall be in the possession of a trustee or receiver lawfully appointed, the powers hereinbefore in this Article conferred upon the Company with respect to the sale or other disposition and release of the Trust Estate may be exercised by such trustee or receiver (with the consent of the Trustee or Holders specified in Section 6.04), in which case a written request signed by such receiver or trustee shall be deemed the equivalent of any Board Resolution required by this Article and a certificate signed by such trustee or receiver shall be deemed the equivalent of any Officers' Certificate required by this Article and such certificate need not state that no Default or Event of Default exists. If the Trustee shall be in possession of the Trust Estate under Section 9.03, such powers may be exercised by the Trustee in its discretion.

Section 6.06. Purchaser Protected. No purchaser in good faith of property purporting to be released herefrom shall be bound to ascertain the authority of the Trustee to execute the release or to inquire as to the existence of any conditions herein prescribed for the exercise of such authority; nor shall any purchaser or grantee of any property or rights permitted by this Article to be sold or otherwise disposed of by the Company be under any obligation to ascertain or inquire into the authority of the Company to make any such sale or other disposition. Any release executed by the Trustee under this Article shall be sufficient for the purpose of this Indenture and shall constitute a good and valid release of the property therein described from the lien hereof.

Section 6.07. Disposition of Collateral on Discharge of Prior Liens. Upon the cancellation and discharge of any Prior Lien, the Company will cause all cash and purchase money obligations when held by the trustee, mortgage or other holder of such Prior Lien, which were received by such trustee, mortgagee or other holder in accordance with the provisions of this Article (including all proceeds of or substitution for any thereof), to be paid to or deposited and pledged with the Trustee, such cash to be held and paid over or applied by the Trustee as provided in Article Seven.

Section 6.08. Disposition of Obligations Received. All purchase money obligations received by the Trustee under this Article shall be held by the Trustee as a part of the Trust

Estate. Upon payment by or on behalf of the Company to the Trustee of the entire unpaid principal amount of any such obligation, the Trustee shall release and transfer such obligation and any mortgage securing the same upon Company Request. The Trustee shall receive any moneys paid in respect of the principal of any such obligations and hold and dispose of such moneys as provided in Article Seven. The Trustee shall not be responsible for the collection of the principal of or interest on any such obligations. All interest and other income on any such obligations, when received by the Trustee, shall be paid from time to time upon Company Request, unless a Default or Event of Default shall occur and be continuing. If a Default or Event of Default shall occur and be continuing, any interest and other income on any such obligations not therefore paid upon Company Request, when collected by the Trustee, shall be applied by the Trustee in accordance with Section 9.07.

ARTICLE SEVEN
APPLICATION OF TRUST MONEYS

Section 7.01. "Trust Moneys" Defined. All moneys received by the Trustee

- A. upon the release of property from the lien of this Indenture, including all moneys received in respect of the principal of all purchase money obligations, or
- B. as compensation for, or proceeds of the sale of, any part of the Trust Estate taken by eminent domain or purchased by, or sold pursuant to an order of, a governmental authority or otherwise disposed of, or
- C. as proceeds of insurance upon any part of the Trust Estate, or
- D. for application under this Article as elsewhere herein provided, or whose disposition is not elsewhere herein otherwise specifically provided for,

(all such moneys being herein sometimes called "*Trust Moneys*") shall be held by the Trustee, except as otherwise provided in this Article, as a part of the Trust Estate and, upon any entry upon or sale of the Trust Estate or any part thereof under Article Nine, Trust Moneys shall be applied in accordance with Section 9.07; but, prior to any such entry or sale, all or any part of the Trust Moneys may be withdrawn, and shall be paid or applied by the Trustee, from time to time as provided in Sections 7.02 to 7.08, inclusive, and may be applied by the Trustee as provided in Sections 10.07 and 14.11.

Section 7.02. Withdrawal on Basis of Bondable Additions. Trust Moneys may be withdrawn by the Company and shall be paid by the Trustee under this Section upon Company Request, from time to time, equal to the Bondable Additions made the basis for such withdrawal pursuant to Subsection C of this Section, upon receipt by the Trustee of the following:

- A. A Board Resolution requesting the withdrawal and payment of a specified amount of Trust Moneys.

B. An Officers' Certificate dated not more than 30 days prior to the date of the Application for the withdrawal and payment of such Trust Moneys, stating

- (1) that no Default or Event of Default exists; and
- (2) that all conditions precedent herein provided for relating to such withdrawal and payment have been complied with.

C. The additional relevant documents specified in Section 5.02 for delivery whenever requesting the use of Bondable Additions as a basis for the withdrawal of Trust Moneys under this Section.

Section 7.03. Withdrawal on Basis of Retirement of Bonds. Trust Moneys may be withdrawn by the Company and shall be paid by the Trustee upon Company Request, from time to time, equal to the principal amount of Bonds made the basis for such withdrawal pursuant to Subsection C of this Section, upon receipt by the Trustee of the following:

A. A Board Resolution requesting the withdrawal and payment of a specified amount of Trust Moneys.

B. An Officers' Certificate, dated not more than 30 days prior to the date of the Application for the withdrawal and payment of such Trust Moneys, stating

- (1) that no Default or Event of Default exists; and
- (2) that all conditions precedent herein provided for relating to such withdrawal and payment have been complied with.

C. The Bonds and documents which the Company would be required to furnish to the Trustee upon an Application for the authentication and delivery of Bonds under Section 5.03, but without complying with the requirements of Subsections A, C(2), C(3), D and E thereof.

D. An Opinion of Counsel stating that the documents and Bonds which have been or are therewith delivered to the Trustee conform to the requirements of this Indenture, that, upon the basis of the relevant Application, the Trust Moneys whose withdrawal and payment is then requested may be lawfully paid over under this Section and that all conditions precedent herein provided for relating to such withdrawal and payment have been complied with.

Section 7.04. Retirement of Bonds. Trust Moneys shall be applied by the Trustee from time to time to the redemption of Outstanding Secured Bonds of the several series, in amounts proportionate to the principal amount of such Outstanding Secured Bonds of the respective series, all in accordance with the provisions applicable to redemption at the option of the Company and with the Make-Whole Amounts or other premiums applicable thereto, as the Company shall request upon Company Request, upon receipt by the Trustee of the following:

A. A Board Resolution directing the application pursuant to this Section of a specified amount of Trust Money and, in case any such moneys are to be applied to redemption, designating the Bonds so to be redeemed and stating the applicable Redemption Price, if any.

B. Cash equivalent to the maximum amount of the accrued interest and the premium, if any, required to be paid in connection with any such redemption, which cash shall be held by the Trustee in trust for such purpose.

C. An Officers' Certificate, dated not more than 30 days prior to the date of the relevant Application, stating

(1) that no Default or Event of Default exists; and

(2) that all conditions precedent herein provided for relating to such application of Trust Moneys have been complied with.

D. An Opinion of Counsel stating that the documents and the cash, if any, which have been or are therewith delivered to and deposited with the Trustee conform to the requirements of this Indenture, that upon the basis of such Application it is proper for the Trustee to apply Trust Moneys under this Section in accordance with such Board Resolution and that all conditions precedent herein provided for relating to such application of Trust Moneys have been complied with.

Upon compliance with the foregoing provisions of this Section, the Trustee shall apply Trust Moneys as directed and specified by such Board Resolution, up to, but not exceeding, the principal amount of the Bonds so redeemed, using the cash deposited pursuant to Subsection B of this Section, to the extent necessary, to pay any accrued interest and Make-Whole Amount or other premium required in connection with such redemption.

A Board Resolution expressed to be irrevocable directing the application of Trust Moneys under this Section to the payment of the principal of particular Bonds shall for all purposes of this Indenture be deemed the equivalent of the deposit of money with the Trustee in trust for such purpose. Such Trust Moneys and any cash deposited with the Trustee pursuant to Subsection B of this Section for the payment of accrued interest and Make-Whole Amount or other premium shall not, after compliance with the foregoing provisions of this Section, be deemed to be a part of the Trust Estate or Trust Moneys.

Section 7.05. Withdrawal of Insurance Proceeds. To the extent that any Trust Moneys consist of proceeds of insurance upon any part of the Trust Estate, they may be withdrawn by the Company and shall be paid by the Trustee upon Company Request to reimburse the Company for expenditures made, or to pay costs incurred, by the Company to repair, rebuild or replace the property destroyed or damaged, upon receipt by the Trustee of the following:

A. An Officers' Certificate, dated not more than 30 days prior to the date of the Application for the withdrawal and payment of such Trust Moneys and signed with

respect to Clauses (1) and (3), in addition to the two officers signing the same, by a Person, who may be one of such officers, signing as an Accountant, setting forth:

(1) that expenditures have been made, or costs incurred, by the Company in a specified amount for the purpose of making certain repairs, rebuildings and replacements, which shall be briefly described, and setting forth the amount of any such expenditures or costs for the acquisition of a major item of property, which shall be separately specified, in replacement of any destroyed or damaged property;

(2) that no part of such expenditures or costs has been or is being made the basis for the authentication and delivery of Bonds or the withdrawal of any cash or the release of any property from the lien of this Indenture or has been paid out of the proceeds of insurance upon any part of the Trust Estate not required to be paid to the Trustee under Section 14.08;

(3) that there is no outstanding indebtedness, other than costs for which payment is being requested, known to the Company, after due inquiry, for the purchase price or construction of such repairs, rebuildings or replacements, or for labor, wages, materials or supplies in connection with the making thereof, which, if unpaid, might become the basis of a vendor's, mechanics', laborers', materialmen's, statutory or other similar lien upon any of such repairs, rebuildings or replacements, which lien might, in the opinion of the signers of such Certificate, materially impair the security afforded by such repairs, rebuildings or replacements;

(4) that no Default or Event of Default exists; and

(5) that all conditions precedent herein provided for relating to such withdrawal and payment have been complied with.

B. An Engineer's Certificate, dated not more than 30 days prior to the date of the related Application, stating, in the opinion of the signer, the fair value to the Company of any major item of property specified in the foregoing Subsection A(1); and the Engineer shall be an Independent Engineer if such property constitutes an Acquired Facility and if the fair value to the Company of such Acquired Facility is at least \$25,000 and 1% of the aggregate principal amount of all Bonds at the time Outstanding.

C. An Opinion of Counsel stating

(1) that the documents which have been or are therewith delivered to the Trustee conform to the requirements of this Indenture, that, upon the basis of the related Application, the Trust Moneys whose withdrawal is then requested, may be lawfully paid over under this Section and that all conditions precedent herein provided for relating to such withdrawal and payment have been complied with;

(2) that the Company has acquired, or upon payment of the costs to be paid as requested will acquire, title to such repairs, rebuildings and replacements at least equivalent to its title to the property destroyed or damaged; and

(3) that the Company's right, title and interest in and to such repairs, rebuildings and replacements are subject to the lien of this Indenture.

Upon compliance with the foregoing provisions of this Section, the Trustee shall pay on Company Request an amount of Trust Moneys of the character aforesaid equal to the amount of the expenditures or costs stated in such Officers' Certificate; *provided, however*, that, in the case of expenditures or costs for the acquisition of a major item of property in replacement of any destroyed or damaged property, such expenditures or costs shall not exceed the fair value to the Company of such replacement as certified pursuant to the foregoing Subsection B.

Any Trust Moneys held by the Trustee which constitute proceeds of insurance and which shall not be applied as hereinabove provided in this Section within two years after the receipt thereof by the Trustee (except moneys required for the purposes of approved Applications filed within such two-year period) shall on the next practicable interest payment dates be applied by the Trustee to the redemption of Outstanding Secured Bonds of the several series in amounts proportionate to the principal amount of such Outstanding Secured Bonds of the respective series, all in accordance with the provisions applicable to redemption at the option of the Company and with the Make-Whole Amounts or other premiums applicable thereto; and the Company hereby irrevocably constitutes and appoints the Trustee its agent for it and in its name, place and stead to issue all notices and do any and all other acts and things that may be necessary or desirable under the terms of this Indenture in order to consummate such redemption. Whenever any such moneys are applied by the Trustee to the redemption of Bonds, whether at the direction of the Company or otherwise, the Company agrees to deposit with the Trustee, prior to the date fixed for redemption, such sum as may be necessary to pay the Make-Whole Amount or other premium, and accrued interest to the date fixed for redemption, on all Bonds so to be redeemed. Trust Moneys held by the Trustee for application to the redemption of Bonds pursuant to this Section, together with cash deposited with the Trustee for the payment of Make-Whole Amount or other premium and accrued interest upon such redemption, shall not be deemed to be a part of the Trust Estate or Trust Moneys.

Section 7.06. Amounts under \$25,000. In case the amount of Trust Moneys at any one time received by the Trustee shall not exceed \$25,000, the same shall (unless a Default or Event of Default exists) be paid over upon Company Request; and the Company covenants and agrees

that it will, within 12 months after such Trust Moneys shall have been so paid over, deposit and file with the Trustee the documents and Bonds, if any, which by the provisions of Section 7.02, 7.03 or 7.05 would have been delivered to the Trustee to entitle the Company to have the Trust Moneys paid over as in such Section provided, with such omissions and variations as are appropriate by reason of the fact that such Trust Moneys have theretofore been paid over by the Trustee without prior compliance with such Section. In the event that the Company shall have failed to comply with the foregoing covenant, no further payment may be made under this Section until the Company shall have deposited and filed with the Trustee the required documents and Bonds, if any.

Section 7.07. Powers Exercisable Notwithstanding Default. While in possession of all or substantially all of the Trust Estate (other than any cash and securities constituting part of the Trust Estate and deposited with the Trustee), the Company may do any of the things enumerated in Sections 7.02 to 7.06, inclusive, which it is prohibited from doing while a Default or Event of Default exists as provided therein, if the the Holders of more than 50% in aggregate principal amount of the Bonds then Outstanding, by Act of such Holders, shall consent to such action, in which event any Certificate filed under any of said Sections shall omit any statement to the effect that no Default or Event of Default exists as provided thereunder.

Section 7.08. Powers Exercisable by Trustee or Receiver. In case all or substantially all of the Trust Estate (other than any cash and securities constituting part of the Trust Estate and deposited with the Trustee) shall be in the possession of a receiver or trustee lawfully appointed, the powers hereinbefore in this Article conferred upon the Company with respect to the withdrawal or application of Trust Moneys may be exercised by such receiver or trustee (with the consent of the Holders specified in Section 7.07), in which case a written request signed by such receiver or trustee shall be deemed the equivalent of any Board Resolution required by this Article and a certificate signed by such receiver or trustee shall be deemed the equivalent of any Officers' Certificate required by this Article and such certification need not state that no Default or Event of Default exists. If the Trustee shall be in possession of the Trust Estate under Section 9.03, such powers may be exercised by the Trustee in its discretion.

Section 7.09. Disposition of Bonds Retired. All Bonds received by the Trustee and on the basis of which Trust Moneys are paid over or for whose payment, redemption or purchase Trust Moneys are applied under this Article, if not cancelled, shall be promptly cancelled by the Trustee and thereafter shall be disposed of as directed by Company Request.

ARTICLE EIGHT DEFEASANCE

Section 8.01. Payment of Indebtedness; Satisfaction and Discharge of Indenture. Whenever the following conditions shall exist, namely:

A. all Bonds theretofore authenticated and delivered have been cancelled by the Trustee or delivered to the Trustee for cancellation, excluding, however:

(1) [Reserved],

(2) Bonds for the payment of which money has theretofore been deposited in trust with the Trustee or a Paying Agent (other than the Company) or segregated and held in trust by the Company and thereafter repaid to the Company or discharged from such trust as provided in Section 14.03,

(3) Bonds alleged to have been destroyed, lost or stolen which have been replaced or paid as provided in Section 3.08, except for any such Bond which, prior to the satisfaction and discharge of this Indenture, has been presented to the Trustee with a claim of ownership and enforceability by the Holder thereof and where enforceability has not been determined adversely against such Holder by a court of competent jurisdiction, and

(4) other than any Bonds excluded by the foregoing Clauses (2) and (3), Bonds which have become due and payable, Bonds which will become due and payable at their Stated Maturity within 1 year and Bonds which have been or are to be called for redemption within 1 year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name and at the expense of the Company, *provided* the Company, in the case of such Bonds, has deposited or caused to be deposited with the Trustee in trust for the purpose an amount (to be immediately available for payment, except in the case of Bonds excepted from the foregoing Clause (3) prior to the time the ownership and enforceability of such Bonds has been established) sufficient (without consideration of interest on any such amount) to pay and discharge the entire indebtedness on such Bonds for principal (and Make-Whole Amount or other premium, if any) and interest to the date of maturity thereof in the case of Bonds which have become due and payable or to the Stated Maturity or Redemption Date, as the case may be;

B. the Company has paid or caused to be paid all other sums payable hereunder by the Company; and

C. the Company shall have delivered to the Trustee either (i) a ruling from the Internal Revenue Service and directed to the Trustee to the effect that the Holders of such Bonds will not recognize income, gain or loss for federal income tax purposes as a result of the Company's exercise of its option under this paragraph and will be subject to federal income tax on the same amount and in the same manner and at the same times as would have been the case if such option had not been exercised, or (ii) an Opinion of Counsel from counsel not an employee of the Company to the same effect as the ruling described in clause (i);

D. the Company has delivered an Opinion of Counsel stating that the deposit shall not result in the Company, the Trustee or the trust becoming or being deemed to be an "investment company" under the Investment Company Act of 1940;

E. the Company has delivered an Opinion of Counsel stating that the Holders of such Obligations (or the Trustee for the benefit of such Holders) shall have a perfected security interest under applicable law in the money so deposited; and

F. the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each of which shall state that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture have been complied with;

then, upon Company Request authorized by a Board Resolution, this Indenture and the lien, rights and interests created hereby shall cease, determine and become null and void (except as to any surviving rights of conversion, transfer or exchange of Bonds herein or therein provided for) and the Trustee and each co-trustee and separate trustee, if any, then acting as such hereunder shall, at the expense of the Company, execute and deliver a termination statement and such instruments of satisfaction and discharge as may be necessary and pay, assign, transfer and deliver to the Company or upon Company Order all cash, securities and other personal property then held by it hereunder as a part of the Trust Estate.

In the absence of a Company Request authorized by a Board Resolution as aforesaid, the payment of all Outstanding Secured Bonds shall not render this Indenture inoperative or prevent the Company from issuing Bonds from time to time thereafter as herein provided.

Notwithstanding the satisfaction and discharge of this Indenture the obligations of the Company to the Trustee under Section 10.07 shall survive.

Section 8.02. Application of Deposited Money. Moneys deposited with the Trustee pursuant to Section 8.01 shall not be a part of the Trust Estate and shall not be deemed to be Trust Moneys but shall constitute a separate trust fund for the benefit of the Persons entitled thereto. Subject to the provisions of Section 14.03, such moneys shall be applied by the Trustee to the payment (either directly or through any Paying Agent, including the Company acting as its own Paying Agent, as the Trustee may determine) to the Persons entitled thereto, of the principal (and Make-Whole Amount or other premium, if any) and interest for whose payment such moneys have been deposited with the Trustee.

ARTICLE NINE EVENTS OF DEFAULT AND REMEDIES

Section 9.01. Events of Default. "Event of Default," wherever used herein, means any one of the following events (whatever the reason for such event and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

A. default in the payment of any interest upon any Bond when such interest becomes due and payable, and continuance of such default for thirty (30) days or such other period provided for in such Bond or in the Supplemental Indenture under which such Bond is issued; or

B. default in the payment of the principal of (or Make-Whole Amount or other premium, if any, on) any Bond at its Maturity and continuance of such default for three (3) days or, if so provided for in such Bond or the Supplemental Indenture under which such Bond is issued, the continuance of such default for the period so provided; or

C. default in the performance, or breach, of any covenant or warranty of the Company in this Indenture or in any indenture supplemental hereto (other than a covenant or warranty a default in the performance or breach of which is dealt with in paragraph A or B of this Section), and continuance of such default or breach for a period of sixty (60) days after there has been given, by registered or certified mail, to the Company by the Trustee or to the Company and the Trustee by the Holders of at least 25% in aggregate principal amount of the Bonds then Outstanding, a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder; or

D. a failure to pay any portion of the principal, interest or other amounts when due and payable (other than amounts due and payable on acceleration) under any bond, debenture, note or other evidence of indebtedness for money borrowed by the Company, other than any indebtedness evidenced or secured by a Bond, whether such indebtedness now exists or shall hereinafter be created, which failure shall have resulted in such indebtedness becoming or being declared due and payable prior to the date on which it would otherwise have become due and payable in an aggregate principal amount exceeding \$10,000,000, without such indebtedness having been discharged or such acceleration having been rescinded or annulled within a period of thirty (30) days after such acceleration; or

E. the rendering against the Company of a judgment for the payment of moneys in excess of the sum of \$10,000,000 and the continuance of such judgment unsatisfied and without stay of execution thereon for a period of sixty (60) days after the entry of such judgment, or the continuance of such judgment unsatisfied for a period of sixty (60) days after the termination of any stay of execution thereon entered within such first mentioned sixty (60) days; but only in either case if such judgment shall have been continued unstayed or unsatisfied for a period of ten (10) days after written notice of default hereunder shall have been given to the Company by the Trustee, or to the Company and the Trustee by the Holders of not less than 25% in aggregate principal amount of the Bonds then Outstanding; or

F. the entry by a court having jurisdiction in the premises of (i) a decree or order for relief of the Company in an involuntary case or proceeding under any applicable Federal or state bankruptcy, insolvency, reorganization or other similar law or (ii) a decree or order adjudging the Company a bankruptcy or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Company under any applicable Federal or state law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of the Company or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order for relief of any

such other decree or order unstayed and in effect for a period of sixty (60) consecutive days; or

G. the commencement by the Company of a voluntary case or proceeding under any applicable Federal or state bankruptcy, insolvency, reorganization or other similar law or of any other case or proceeding to be adjudicated a bankrupt or insolvent, or the consent by it to the entry of a decree or order for relief in respect of the Company in an involuntary case or proceeding under any applicable Federal or state bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under any applicable Federal or state law, or the consent by it to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of the Company or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due, or the taking of corporate action by the Company in furtherance of any such action.

Section 9.02. Acceleration of Maturity; Rescission and Annulment. If an Event of Default occurs and is continuing, then and in every such case the Trustee or the Holders of not less than 25% in principal amount of the Bonds then Outstanding may declare the principal of all the Bonds to be due and payable immediately, by a notice in writing to the Company (and to the Trustee, if given by Holders), and upon any such declaration such principal together with all accrued and unpaid interest thereon and Make-Whole Amount or other premium, if any, shall become immediately due and payable.

At any time after such a declaration of acceleration has been made, but before any sale of any of the Trust Estate has been made under this Article or any judgment or decree for payment of money due on any Bonds has been obtained by the Trustee as hereinafter in this Article provided, the Holders of more than 50% in aggregate principal amount of the Bonds then Outstanding (unless such declaration has been made under Section 9.22 only with respect to a particular series of Bonds, in which event only a majority in principal amount of the Outstanding Bonds of such series) may, by written notice to the Company and the Trustee, rescind and annul such declaration and its consequences if

A. the Company has deposited with the Trustee a sum sufficient to pay

(1) all overdue installments of interest on all Bonds,

(2) the principal of (and Make-Whole Amount or other premium, if any, on) any Bonds which have become due otherwise than by such declaration of acceleration and interest thereon at the rate or rates prescribed therefor in such Bonds,

(3) to the extent that payment of such interest is lawful, interest upon overdue installments of interest at the rate or rates prescribed therefor in the Bonds, and

(4) all sums paid or advanced by the Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel; and

B. all Events of Default, other than the non-payment of the principal of Bonds which have become due solely by such declaration of acceleration, have been cured or have been waived as provided in Section 9.17.

No such rescission and annulment shall affect any subsequent Default or Event of Default or impair any right consequent thereon.

Section 9.03. Entry. Subject to the requirements of Alabama law, the Company agrees that upon the occurrence of an Event of Default the Company, upon demand of the Trustee during the continuance thereof, shall forthwith surrender to the Trustee the actual possession of, and it shall be lawful for the Trustee by such officers or agents as it may appoint to enter and take possession of, the Trust Estate (and the books, papers and accounts of the Company), and to hold, operate and manage the Trust Estate (including the making of all needful repairs, and such alterations, additions and improvements as to the Trustee shall seem wise) and to receive the rents, issues, tolls, profits, revenues and other income thereof, and, after deducting the costs and expenses of entering, taking possession, holding, operating and managing the Trust Estate, as well as payments for taxes, insurance and other proper charges upon the Trust Estate and reasonable compensation to itself, its agents and counsel, to apply the same as provided in Section 9.07. Whenever all that is then due upon the Bonds and under any of the terms of this Indenture shall have been paid and all Defaults and Events of Default hereunder shall have been made good, the Trustee shall surrender possession to the Company.

Section 9.04. Power of Sale; Suits for Enforcement. In case an Event of Default shall occur and be continuing, the Trustee, with or without entry, in its discretion may, subject to the provisions of Sections 9.16 and 9.21:

A. sell the Trust Estate as an entirety, or in such parcels as the Holders of a majority in principal amount of the Bonds then Outstanding shall in writing request, or in the absence of such request, as the Trustee may determine at the front or main door to the courthouse, of the county where the Trust Estate or a substantial and material part thereof, is located, to the highest bidder at public auction, after first giving notice of the description of the property to be sold and the time, place and terms of such sale by publication once a week for three consecutive weeks prior to said sale in a newspaper published in the county or counties in which the property to be sold is located (or if no newspaper is published in any such county, then in a newspaper published in an adjoining county), which sale may be adjourned by the Trustee from time to time in its discretion by announcement at the time and place fixed for such sale, without further notice; or

B. proceed to protect and enforce its rights and the rights of the Holders under this Indenture by sale pursuant to judicial proceedings or by a suit, action or proceeding in equity or at law or otherwise, whether for the specific performance of any covenant or agreement contained in this Indenture or in aid of the execution of any power granted in this Indenture or for the foreclosure of this Indenture or for the enforcement of any other legal, equitable or other remedy, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce any of the rights of the Trustee or the Holders.

Section 9.05. Incidents of Sale. Upon any sale of any of the Trust Estate, whether made under the power of sale hereby given or pursuant to judicial proceedings, to the extent permitted by law:

A. the principal of and accrued interest on all Outstanding Secured Bonds, if not previously due, shall at once become and be immediately due and payable;

B. any Holder or Holders or the Trustee may bid for and purchase the property offered for sale, and upon compliance with the terms of sale may hold, retain and possess and dispose of such property, without further accountability, and may, in paying the purchase money therefore, deliver any Outstanding Secured Bonds or claims for interest or Make-Whole Amount or other premium thereon in lieu of cash to the amount which shall, upon distribution of the net proceeds of such sale, be payable thereon, and such Bonds, in case the amounts so payable thereon shall be less than the amount due thereon, shall be returned to the Holders thereof after being appropriately stamped to show partial payment;

C. the Trustee may make and deliver to the purchaser or purchasers a good and sufficient deed, bill of sale and instrument of assignment and transfer of the property sold;

D. the Trustee is hereby irrevocably appointed the true and lawful attorney of the Company, in its name and stead, to make all necessary deeds, bills of sale and instruments of assignment and transfer of the property thus sold; and for that purpose it may execute all necessary deeds, bills of sale and instruments of assignment and transfer, and may substitute one or more persons, firms or corporations with like power, the Company hereby ratifying and confirming all that its said attorney or such substitute or substitutes shall lawfully do by virtue hereof; but if so requested by the Trustee or by any purchaser, the Company shall ratify and confirm any such sale or transfer by executing and delivering to the Trustee or to such purchaser or purchasers all proper deeds, bills of sale, instruments of assignment and transfer and releases as may be designated in any such request;

E. except for any right of redemption provided under applicable law, all right, title, interest, claim and demand whatsoever, either at law or in equity or otherwise, of the Company of, in and to the property so sold shall be divested and such sale shall be a perpetual bar both at law and in equity against the Company, its successors and assigns,

and against any and all persons claiming or who may claim the property sold or any part thereof from, through or under the Company, its successors and assigns; and

F. the receipt of the Trustee or of the officer making such sale shall be a sufficient discharge to the purchaser or purchasers at such sale for his or their purchase money and such purchaser or purchasers and his or their assigns or personal representatives shall not, after paying such purchase money and receiving such receipt, be obliged to see to the application of such purchase money, or be in anywise answerable for any loss, misapplication or non-application thereof.

Upon a sale of substantially all the Trust Estate, whether made under the power of sale hereby given or pursuant to judicial proceedings, the Company will permit, to the extent permitted by law, the purchaser thereof and its successors and its and their assigns to take and use the name of the Company and to carry on business under such name or any variant or variants thereof and to use and employ any and all other trade names, brands and trade marks of the Company; and in such event, upon written request of such purchaser or its successors, or its or their assigns, the Company will, at the expense of the purchaser, change its name in such manner as to eliminate any similarity.

Section 9.06. Covenant to Pay Trustee Amounts Due on Bonds and Right of Trustee to Judgment. The Company covenants that, if

A. default is made in the payment of any interest on any Bond when such interest becomes due and payable, and such default continues for the period described in paragraph A of Section 9.01 or Section 4.08 or 4.18, as the case may be, or

B. default is made in the payment of the principal of (or Make-Whole Amount or other premium, if any, on) any Bond at its Maturity,

then upon demand of the Trustee, the Company will pay to the Trustee for the benefit of the Holders of such Bonds, the whole amount then due and payable on such Bonds for principal (and Make-Whole Amount or other premium, if any) and interest, with interest at the respective rate or rates prescribed therefore in the Bonds of the several series on overdue principal (and Make-Whole Amount or other premium, if any) and, to the extent that payment of such interest is legally enforceable, on overdue installments of interest; and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel. If the Company fails to pay such amounts forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, shall be entitled to sue for and recover judgment against the Company and any other obligor on the Bonds for the whole amount so due and unpaid.

The Trustee shall be entitled to sue and recover judgment as aforesaid either before, after or during the pendency of any proceedings for the enforcement of the lien of this Indenture, and in case of a sale of the Trust Estate and the application of the proceeds of sale as aforesaid, the Trustee, in its own name and as trustee of an express trust, shall be entitled to enforce payment

of, and to receive, all amounts then remaining due and unpaid upon the Outstanding Secured Bonds, for the benefit of the Holders thereof, and shall be entitled to recover judgment for any portion of the same remaining unpaid, with interest as aforesaid. No recovery of any such judgment upon any property of the Company shall affect or impair the lien of this Indenture upon the Trust Estate or any rights, powers or remedies of the Trust hereunder, or any rights, powers or remedies of the Holders of the Bonds.

Section 9.07. Application of Money Collected. Any money collected by the Trustee pursuant to this Article, including any rents, issues, tolls, profits, revenues and other income collected pursuant to Section 9.03 (after the deductions therein provided) and any proceeds of any sale (after deducting the costs and expenses of such sale, including a reasonable compensation to the Trustee, its agents and counsel, and any taxes, assessments or liens prior to the lien of this Indenture, except any thereof subject to which such sale shall have been made), whether made under any power of sale herein granted or pursuant to judicial proceedings, and any money collected by the Trustee under Section 6.08 to be applied under this Section, together with, in the case of an entry or sale or as otherwise provided herein, any other sums then held by the Trustee as part of the Trust Estate, shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal (or Make-Whole Amount or other premium, if any) or interest, upon presentation of the Bonds and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

A. *First:* To the payment of all undeducted amounts due the Trustee under Section 10.07;

B. *Second:* To the payment of the whole amount then due and unpaid upon the Outstanding Secured Bonds for principal and interest, in respect of which or for the benefit of which such money has been collected, with interest (to the extent that such interest has been collected by the Trustee or a sum sufficient therefor has been so collected and payment thereof is legally enforceable at the respective rate or rates prescribed therefor in the Bonds) of the several series on overdue principal (and Make-Whole Amount or other premium, if any) and on overdue installments of interest; and in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid upon such Bonds, then to the payment of such principal and interest, without any preference or priority, ratably according to the aggregate amount so due (except that any money collected by the Trustee pursuant to Sections 6.08 in respect of interest or income and 9.03 shall first be applied to the payment of interest so due);

C. *Third:* To the payment of all other amounts due and unpaid on or on the Bonds including, but not limited to, penalties, premiums, costs and expenses payable to the Holders; and

D. *Fourth:* To the payment of the remainder, if any, to the Company or to whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

Section 9.08. Receiver. Upon the occurrence of an Event of Default and commencement of judicial proceedings by the Trustee to enforce any right under this Indenture, the Trustee shall be entitled, as against the Company, without notice or demand and without regard to the adequacy of the security for the Bonds or the solvency of the Company, to the appointment of a receiver of the Trust Estate, and of the rents, issues, profits, revenues and other income thereof, but, notwithstanding the appointment of any receiver, the Trustee shall be entitled to retain possession and control of, and to collect and receive the income from, cash, securities and other personal property held by, or required to be deposited or pledged with, the Trustee hereunder.

Section 9.09. Trustee May File Proofs of Claim. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Company or any other obligor upon the Bonds or the property of the Company or of such other obligor or their creditors, the Trustee (irrespective of whether the principal of the Bonds shall then be due and payable, as therein expressed or by declaration or otherwise, and irrespective of whether the Trustee shall have made any demand on the Company for the payment of overdue principal, Make-Whole Amount or other premium or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise,

A. to file and prove a claim for the whole amount of principal (and Make-Whole Amount or other premium, if any) and interest owing and unpaid in respect of the Outstanding Secured Bonds and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and of the Holders allowed in such judicial proceeding, and

B. to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee, and in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 10.07.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Bonds or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

Section 9.10. Trustee May Enforce Claims without Possession of Bonds. All rights of action and claims under this Indenture or the Bonds may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust. Any recovery of judgment shall, after provision for the

payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Holders of the Bonds in respect of which such judgment has been recovered.

Section 9.11. Limitation on Suits. No Holder of any Bond shall have any right to institute any proceeding, judicial or otherwise, under or with respect to this Indenture, or for the appointment of a receiver or trustee or for any other remedy hereunder, unless

A. such Holder has previously given written notice to the Trustee of a continuing Event of Default;

B. the Holders of not less than 25% in principal amount of the Outstanding Bonds shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee hereunder;

C. such Holder or Holders have offered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request;

D. the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and

E. no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Holders of a majority in principal amount of the Outstanding Bonds;

it being understood and intended that no one or more Holders of Bonds shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the lien of this Indenture or the rights of any other Holders of Bonds, or to obtain or to seek to obtain priority or preference over any other Holders or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all Outstanding Secured Bonds.

Section 9.12. Unconditional Right of Holders to Receive Principal, Make-Whole Amount or other Premium and Interest. Notwithstanding any other provision in this Indenture, the Holder of any Bond shall have the right which is absolute and unconditional to receive payment of the principal of (and Make-Whole Amount or other premium, if any) and interest on such Bond on the respective Stated Maturities expressed in such Bond (or, in the case of redemption, on the Redemption Date) and to institute suit for the enforcement of any such payment, and (in the case of Bonds of any series convertible into other securities) the right to convert such Bond in accordance with the provisions of this Indenture creating such series and to institute suit for its enforcement, and such rights shall not be impaired without the consent of such Holder.

Section 9.13. Restoration of Positions. If the Trustee or any Holder has instituted any proceeding to enforce any right or remedy under this Indenture by foreclosure, entry or otherwise and such proceeding has been discontinued or abandoned for any reason or has been determined adversely to the Trustee or to such Holder, then and in every such case the Company, the Trustee

and the Holders shall, subject to any determination in such proceeding, be restored to their former positions hereunder, and thereafter all rights and remedies of the Company, Trustee and the Holders shall continue as though no such proceeding had been instituted.

Section 9.14. Rights and Remedies Cumulative. No right or remedy herein conferred upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 9.15. Delay or Omission Not Waiver. No delay or omission of the Trustee or of any Holder of any Bond to exercise any right or remedy accruing upon an Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

Section 9.16. Control by Holders. The Holders of a majority in principal amount of the Outstanding Bonds shall have the right, during the continuance of an Event of Default,

A. to require the Trustee to proceed to enforce this Indenture, either by judicial proceedings for the enforcement of the payment of the Bonds and the foreclosure of this Indenture, the sale of the Trust Estate or otherwise or, at the election of the Trustee, by the exercise of the power of entry and/or sale hereby conferred; and

B. to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee except as provided in 9.04A, or exercising any trust or power conferred upon the Trustee hereunder, *provided that*

(1) such direction shall not be in conflict with any rule of law or this Indenture,

(2) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction,

(3) the Trustee shall not determine that the action so directed would be unjustly prejudicial to the Holders not taking part in such direction.

Section 9.17. Waiver of Past Defaults and Events of Default. Before any sale of any of the Trust Estate has been made under this Article or any judgment or decree for payment of money due has been obtained by the Trustee as provided in this Article, the Holders of more than 50% in aggregate principal amount of the Bonds then Outstanding may, by Act of such Holders delivered to the Trustee and the Company, on behalf of the Holders of all the Bonds waive any past Default or Event of Default hereunder and its consequences, except a default

A. in the payment of the principal of (or Make-Whole Amount or other premium, if any) or interest on any Bond, or

B. in respect of a covenant or provision hereof which under Article Thirteen cannot be modified or amended without the consent of the Holder of each Outstanding Bond affected.

Upon any such waiver, such Default or Event of Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereon.

Section 9.18. Undertaking for Costs. All parties to this Indenture agree, and each Holder of any Bond by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted by the Trustee, to any suit instituted by any Holder, or group of Holders, holding in the aggregate more than 10% in principal amount of the Outstanding Bonds, or to any suit instituted by any Holder for the enforcement of the payment of the principal of (or Make-Whole Amount or other premium, if any) or interest on any Bond on or after the respective Stated Maturities expressed in such Bond (or, in the case of redemption, on or after the Redemption Date).

Section 9.19. Waiver of Appraisal and Other Laws. To the full extent that it may lawfully so agree, the Company will not at any time insist upon, plead, claim or take the benefit or advantage of, any appraisal, valuation, stay, extension or redemption law now or hereafter in force, in order to prevent or hinder the enforcement of this Indenture or the absolute sale of the Trust Estate, or any part thereof, or the possession thereof by any purchaser at any sale under this Article; and the Company, for itself and all who may claim under it, so far as it or they now or hereafter may lawfully do so, hereby waives the benefit of all such laws. The Company, for itself and all who may claim under it, waives, to the extent that it may lawfully do so, all right to have the property in the Trust Estate marshaled upon any foreclosure hereof, and agrees that any court having jurisdiction to foreclose this Indenture may order the sale of the Trust Estate as an entirety.

If any law in this Section referred to and now in force, of which the Company or its successor or successors might take advantage despite this Section, shall hereafter be repealed or cease to be in force, such law shall not thereafter be deemed to constitute any part of the contract herein contained or to preclude the application of this Section.

Section 9.20. Suits to Protect the Trust Estate. The Trustee shall have power to institute and to maintain such proceedings as it may deem expedient to prevent any impairment of the Trust Estate by any acts which may be unlawful or in violation of this Indenture and to protect its

interests and the interests of the Holders in the Trust Estate and in the rents, issues, profits, revenues and other income arising therefrom, including power to institute and maintain proceedings to restrain the enforcement of or compliance with any governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with such enactment, rule or order would impair the security hereunder or be prejudicial to the interests of the Holders or the Trustee.

Section 9.21. Remedies Subject to Applicable Law. Notwithstanding any other provision of this Article, all rights, remedies and powers provided by this Article may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law in the premises, and all the provisions of this Article are intended to be subject to all applicable mandatory provisions of law which may be controlling in the premises and to be limited to the extent necessary so that they will not render this Indenture invalid, unenforceable or not entitled to be recorded, registered, or filed under the provisions of any applicable law. In addition to all remedies specifically enumerated herein, the Trustee shall have the right to exercise all remedies available under applicable law though not set forth in this Article or elsewhere in this Amended and Restated Indenture.

Section 9.22. Default Not Affecting All Series of Bonds. In case a Default or Event of Default affecting the rights of the Holders of Bonds of any one or more series which does not similarly affect the rights of Holders of all other series of Bonds at the time Outstanding shall have occurred and be continuing, then whatever action may or shall be taken under this Article upon the occurrence of such Default or Event of Default by or upon the request of the Holders of a specified percentage in principal amount of the Bonds then Outstanding, may or shall be taken in respect of the Bonds then Outstanding of the series as to which such Default or Event of Default shall have been made, by or upon the request of the Holders of the same percentage in principal amount of the Bonds of such series then Outstanding.

ARTICLE TEN THE TRUSTEE

Section 10.01. Certain Duties and Responsibilities.

A. Except during the continuance of any Default or Event of Default,

(1) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(2) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture.

B. In case any Default or Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

C. No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(1) this Subsection shall not be construed to limit the effect of Subsection A of this Section;

(2) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(3) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of a majority in principal amount of the Outstanding Bonds relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture; and

(4) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

D. Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section.

Section 10.02. Notice of Defaults and Events of Default. Within 90 days after the occurrence of any Default or Event of Default hereunder, the Trustee shall transmit by mail to all Holders of Bonds as their names and addresses appear in the Bond Register, notice of such Default or Event of Default hereunder known to the Trustee, unless such Default or Event of Default shall have been cured or waived; *provided, however,* that, except in the case of a default in the payment or prepayment of the principal of (or Make-Whole Amount or other premium, if any) or interest on any Bond or in the payment of any sinking or purchase fund installment, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee or a trust committee of directors and/or Responsible Officers of the Trustee in good faith determine that the withholding of such notice is in the interests of the Holders.

Section 10.03. Certain Rights of Trustee. Except as otherwise provided in Section 10.01:

A. the Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

B. any request or direction of the Company mentioned herein shall be sufficiently evidenced by a Company Request or Company Order and any resolution of the Board of Directors may be sufficiently evidenced by a Board Resolution;

C. whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officers' Certificate;

D. the Trustee may consult with counsel and the written advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by the Trustee hereunder in good faith and in reliance thereon;

E. the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders pursuant to this Indenture, unless such Holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction;

F. the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, or other paper or document but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company, personally or by agent or attorney;

G. the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder;

H. the Trustee shall not be personally liable, in case of entry by it upon the Trust Estate, for debts contracted or liabilities or damages incurred, in the management or operation of the Trust Estate;

I. The Trustee shall have no obligation to file financing statements or continuation statements;

J. The Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under this Indenture shall extend to the Trustee's officers, directors, agents, attorneys and employees. Such immunities and protections and rights to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, the discharge of this Indenture, and final payment of the Bonds; and

K. Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section.

Section 10.04. Not Responsible for Recitals or Issuance of Bonds or Application of Proceeds. The recitals contained herein and in the Bonds, except the certificate of authentication on the Bonds, shall be taken as the statements of the Company, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the value or condition of the Trust Estate or any part thereof, or as to the title of the Company thereto or as to the security afforded thereby or hereby, or as to the validity or genuineness of any securities at any time pledged and deposited with the Trustee hereunder, or as to the validity or sufficiency of this Indenture or of the Bonds. The Trustee shall not be accountable for the use or application by the Company of Bonds or the proceeds thereof or of any money paid to the Company or upon Company Order under any provision hereof.

Section 10.05. May Hold Bonds. The Trustee, any Paying Agent, Bond Registrar or any other agent of the Company, in its individual or any other capacity, may become the owner or pledgee of Bonds and, subject to Sections 10.08 and 10.14, if operative, may otherwise deal with the Company with the same rights it would have if it were not Trustee, Paying Agent, Bond Registrar or such other agent.

Section 10.06. Money Held in Trust. Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise agreed with the Company.

Section 10.07. Compensation and Reimbursement. The Company agrees:

A. to pay to the Trustee from time to time reasonable compensation for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);

B. except as otherwise expressly provided herein, to reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Indenture (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to the Trustee's negligence or bad faith; and

C. to indemnify the Trustee for, and to hold it harmless against, any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of this trust, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder.

All such payments and reimbursements shall be made with interest at the U.S. Prime Rate, as published from time to time in the "Money Rates" section of the Wall Street Journal, per annum.

As security for the performance of the obligations of the Company under this Section the Trustee shall be secured under this Indenture by a lien prior to the Bonds, and for the payment of such compensation, expenses, reimbursements and indemnity the Trustee shall have the right to use and apply any Trust Moneys held by it under Article Seven.

Section 10.08. Disqualification; Conflicting Interests. A. If the Trustee has or shall acquire any conflicting interest, as defined in the TIA, it shall, within 90 days after ascertaining that it has such conflicting interest, either eliminate such conflicting interest or resign in the manner and with the effect hereinafter specified in this Article.

B. In the event that the Trustee shall fail to comply with the provisions of Subsection A of this Section the Trustee shall, within 10 days after the expiration of such 90-day period, transmit notice of such failure to the Holders as their names appear in the Bond Register.

Section 10.09. Corporate Trustee Required; Eligibility. There shall at all times be a Trustee hereunder which shall be a corporation organized and doing business under the laws of the United States of America or of any State, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least \$100,000,000, subject to supervision or examination by Federal or State authority, and having its principal office in the United States. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of such supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect hereinafter specified in this Article.

Section 10.10. Resignation and Removal; Appointment of Successor. A. No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under Section 10.11.

B. The Trustee may resign at any time by giving written notice thereof to the Company. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

C. The Trustee may be removed at any time by Act of the Holders of a majority in principal amount of the Outstanding Bonds, delivered to the Trustee and to the Company.

D. If at any time:

(1) the Trustee shall fail to comply with Section 10.08A after written request therefor by the Company or by any Holder who has been a bona fide Holder of a Bond for at least 6 months, or

(2) the Trustee shall cease to be eligible under Section 10.09 and shall fail to resign after written request therefor by the Company or by any such Holder, or

(3) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, (a) the Company by a Board Resolution may remove the Trustee, or (b) subject to Section 9.18, any Holder who has been a bona fide Holder of a Bond for at least 6 months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

E. If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause, the Company, by a Board Resolution, shall promptly appoint a successor Trustee, *provided, however*, in no event shall such successor Trustee be an Affiliate of the Company. In case all or substantially all of the Trust Estate shall be in the possession of a receiver or trustee lawfully appointed, such receiver or trustee, by written instrument, may similarly appoint a successor to fill such vacancy until a new Trustee shall be so appointed by the Holders. If, within 1 year after such resignation, removal or incapability or the occurrence of such vacancy, a successor Trustee shall be appointed by Act of the Holders of a majority in principal amount of the Outstanding Bonds delivered to the Company and the retiring Trustee, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee and supersede the successor Trustee appointed by the Company or by such receiver or trustee. If no successor Trustee shall have been so appointed by the Company or the Holders and accepted appointment in the manner hereinafter provided, subject to Section 9.18, any Holder who has been a bona fide Holder of a Bond for at least 6 months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee.

F. The Company shall give notice of each resignation and each removal of the Trustee and each appointment of a successor Trustee by mailing written notice of such event by postage prepaid, to the Holders of Bonds as their names and addresses appear in the Bond Register. Each notice shall include the name of the successor Trustee and the address of its principal corporate trust office.

Section 10.11. Acceptance of Appointment by Successor. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to the Company and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the estates, properties, rights, powers, trusts and duties of the retiring Trustee; but, on request of the Company or the successor Trustee, such retiring Trustee shall, upon payment of its charges, execute and deliver an instrument conveying and transferring to such successor Trustee upon the trusts herein expressed all the estates, properties, rights, powers and trusts of the retiring Trustee, and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder, subject nevertheless to its lien, if any, provided for in Section 10.07. Upon request of any such successor Trustee, the Company shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such estates, properties, rights, powers and trusts.

No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article, to the extent operative.

Section 10.12. Merger, Conversion, Consolidation or Succession to Business. Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be otherwise qualified and eligible under this Article, to the extent operative, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Bonds shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such authentication and deliver the Bonds so authenticated with the same effect as if such successor Trustee had itself authenticated such Bonds.

Section 10.13. Preferential Collection of Claims against Company. A. Subject to paragraph B below, if the Trustee shall be or shall become a creditor, directly or indirectly, secured or unsecured, of the Company within three (3) months prior to a default (as defined in paragraph C below), or subsequent to such a default, then, unless and until such default shall be cured, the Trustee shall set apart and hold in a special account for the benefit of the Trustee individually, the holders of the Bonds and the holders of other indenture securities (as defined in paragraph C below);

(1) an amount equal to any and all reductions in the amount due and owing upon any claim as such creditor in respect of principal or interest, effected after the beginning of such three (3) month period and valid as against the Company and its other creditors, except any such reduction resulting from the receipt or disposition of any property described in clause (2) below, or from the exercise of any right of set-off which the Trustee could have exercised if a petition in bankruptcy had been filed by or against the Company upon the date of such default; and

(2) all property received by the Trustee in respect of any claim as such creditor, either as security therefor, or in satisfaction or composition thereof, or otherwise, after the beginning of such three (3) month period, or an amount equal to the proceeds of any such property, if disposed of, subject, however, to the rights, if any, of the Company and its other creditors in such property or such proceeds.

Nothing herein contained, however, shall affect the right of the Trustee

(a) to retain for its own account (i) payments made on account of any such claim by any Person (other than the Company) who is liable therein, and (ii) the proceeds of the bona fide sale of any such claim by the Trustee to a third person, and (iii) distributions made in cash, securities or other property in respect of claims filed against the Company in bankruptcy or receivership or in proceeding for reorganization pursuant to the Federal Bankruptcy Code or applicable state law; or

(b) to realize, for its own account, upon any property held by it as security for any such claim, if such property was so held prior to the beginning of such three (3) month period; or

(c) to realize, for its own account, but only to the extent of the claim hereinafter mentioned, upon any property held by it as security for any such claim, if such claim was created after the beginning of such three (3) month period and such property was received as security therefor simultaneously with the creation thereof, and if the Trustee shall sustain the burden of proving that at the time such property was so received the Trustee has no reasonable cause to believe that a default would occur within three (3) months; or

(d) to receive payment on any claim referred to in Subclause (b) or (c) above, against the release of any property held as security for such claim as provided in Subclause (b) or (c) above, as the case may be, to the extent of the fair value of such property.

For the purpose of Subclauses (b), (c) and (d) above, property substituted after the beginning of such three (3) month period for property held as security at the time of such substitution shall, to the extent of the fair value of the property released, have the same status as the property released, and, to the extent that any claim referred to in any of said Subclauses is created in renewal of or in substitution for or for the purpose or repaying or refunding any preexisting claim of the trustee as such creditor, such claim shall have the same status as such preexisting claim.

If the Trustee shall be required to account, the funds and property held in such special account and the proceeds thereof shall be apportioned among the Trustee, the Holders and the holders of other indenture securities in such manner that the Trustee, the Holders and the holders of other indenture securities realize, as a result of payments from such special account and payments of dividends on claims filed against the Company in bankruptcy or receivership or in proceedings for liquidation or reorganization pursuant to the Federal Bankruptcy Code or

applicable state law, the same percentage of their respective claims, figured before crediting to the claim of the trustee anything on account of the receipt by it from the Company of the funds and property in such special account and before crediting to the respective claims of the Trustee and the Holders and the holders of other indenture securities dividends on claims filed against the Company in bankruptcy or receivership or in proceedings for liquidation or reorganization pursuant to the Federal Bankruptcy Code or applicable state law, but after crediting thereon receipts on account of the indebtedness represented by their respective claims from all sources other than from such dividends and from the funds and property so held in such special account. As used in this paragraph, with respect to any claim, the term "dividends" shall include any distribution with respect to such claim, in bankruptcy or receivership or proceedings for reorganization pursuant to the Federal Bankruptcy Code or applicable state law, whether such distribution is made in cash, securities, or other property, but shall not include any such distribution with respect to the secured portion, if any, of such claim. The court in which such bankruptcy, receivership or proceeding for reorganization is pending shall have jurisdiction (i) to apportion among the Trustee, the Holders and the holders of other indenture securities, in accordance with the provisions of this paragraph, the funds and property held in such special account and proceeds thereof, or (ii) in lieu of such apportionment, in whole or in part, to give to the provisions of this paragraph due consideration in determining the fairness of the distributions to be made to the Trustee and the Holders and the holders of other indenture securities with respect to their respective claims, in which event it shall not be necessary to liquidate or to appraise the value of any securities or other property held in such special account or as security for any such claim, or to make specific allocation of such distributions as between the secured and unsecured portions of such claims, or otherwise to apply the provisions of this paragraph as a mathematical formula.

Any Trustee which has resigned or been removed after the beginning of such three (3) month period shall be subject to the provisions of this Subsection as through such resignation or removal had not occurred. If any Trustee has resigned or been removed prior to the beginning of such three (3) month period, it shall be subject to the provisions of this Subsection if and only if the following conditions exist:

(y) the receipt of property or reduction of claim, which would have given rise to the obligation to account, if such Trustee had continued as Trustee, occurred after the beginning of such three (3) month period; and

(z) such receipt of property or reduction of claim occurred within three (3) months after such resignation or removal.

B. There shall be excluded from the operation of paragraph A above a creditor relationship arising from:

(1) the ownership or acquisition of securities issued under any indenture or any security or securities having a maturity of one year or more at the time of acquisition by the Trustee; or

(2) advances authorized by a receivership or bankruptcy court of competent jurisdiction, or by this Indenture, for the purpose of preserving any property which shall at any time be subject to the lien of this Indenture or of discharging tax liens or other prior liens or encumbrances thereon, if notice of such advances and of the circumstances surrounding the making thereof is given to the Holders at the time and in the manner provided in this Indenture; or

(3) disbursements made in the ordinary course of business in the capacity of trustee under an indenture, transfer agent, registrar, custodian, payment agent, fiscal agent or depositary, or other similar capacity; or

(4) an indebtedness created as a result of services rendered or premises rented; or an indebtedness created as a result of goods or securities sold in a cash transaction (as defined in paragraph C below); or

(5) the ownership of stock or of other securities of a corporation organized under the provisions of Section 25(a) of the Federal Reserve Act, as amended, which is directly or indirectly a creditor of the Company; or

(6) the acquisition, ownership, acceptance or negotiation of any drafts, bills of exchange, acceptances or obligations which fall within the classification of self-liquidating paper (as defined in paragraph C above).

C. For the purpose of this Section only:

(1) the term "default" means any failure to make payment in full of the principal of or interest on any of the Bonds or upon the other indenture securities when and as such principal or interest become due and payable;

(2) The term "other indenture securities" means securities upon which the Company is an obligor outstanding under any other indenture (i) under which the Trustee is also trustee, (ii) which contains provisions substantially similar to the provisions of this Section, and (iii) under which a default exists at the time of the apportionment of the funds and property held in such special account;

(3) The term "cash transaction" means any transaction in which full payment for goods or securities sold is made within seven days after delivery of the goods or securities in currency or in checks or other orders drawn upon banks or bankers and payable upon demand;

(4) The term "self-liquidating paper" means any draft, bill of exchange, acceptance of obligation which is made, drawn, negotiated or incurred by the Company for the purpose of financing the purpose, processing, manufacturing, shipment, storage or sale of goods, wares or merchandise and which is secured by documents evidencing title to, possession of, or a lien upon, the goods, wares or merchandise or the receivables or proceeds arising from the sale of the goods, wares or merchandise previously constituting

the security, *provided* the security is received by the Trustee simultaneously with the creation of the creditor relationship with the Company arising from the making, drawing, negotiating or incurring of the draft, bill of exchange, acceptance or obligation;

(5) The term “Company” means any obligor upon the Bonds;

(6) The term “Federal Bankruptcy Code” means Title 11 of the United States Code, as it may be amended from time to time; and

(7) The term “Trustee” includes any separate or co-trustee appointed under Section 10.14.

Section 10.14. Co-trustees and Separate Trustees. At any time or times, for the purpose of meeting the legal requirements of any jurisdiction in which any of the Trust Estate may at the time be located, the Company and the Trustee shall have power to appoint, and, upon the written request of the Trustee or of the Holders of at least 25% in principal amount of the Bonds Outstanding, the Company shall for such purpose join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to appoint, one or more Persons approved by the Trustee either to act as co-trustee, jointly with the Trustee, of all or any part of the Trust Estate, or to act as separate trustee of any such property, in either case with such powers as may be provided in the instrument of appointment, and to vest in such Person or Persons in the capacity aforesaid, any property, title, right or power deemed necessary or desirable, subject to the other provisions of this Section. If the Company does not join in such appointment within 15 days after the receipt by it of a request so to do, or in case any Default or Event of Default has occurred and is continuing, the Trustee alone shall have power to make such appointment.

Should any written instrument from the Company be required by any co-trustee or separate trustee so appointed for more fully confirming to such co-trustee or separate trustee such property, title, right or power, any and all such instruments shall, on request, be executed, acknowledged and delivered by the Company.

Every co-trustee or separate trustee shall, to the extent permitted by law, but to such extent only, be appointed subject to the following terms, namely:

A. The Bonds shall be authenticated and delivered, and all rights, powers, duties and obligations hereunder in respect of the custody of securities, cash and other personal property held by, or required to be deposited or pledged with, the Trustee hereunder, shall be exercised solely, by the Trustee.

B. The rights, powers, duties and obligations hereby conferred or imposed upon the Trustee in respect of any property covered by such appointment shall be conferred or imposed upon and exercised or performed by the Trustee or by the Trustee and such co-trustee or separate trustee jointly, as shall be provided in the instrument appointing such co-trustee or separate trustee, except to the extent that under any law of any jurisdiction in which any particular act is to be performed, the Trustee shall be

incompetent or unqualified to perform such act, in which event such rights, powers, duties and obligations shall be exercised and performed by such co-trustee or separate trustee.

C. The Trustee at any time, by an instrument in writing executed by it, with the concurrence of the Company evidenced by a Board Resolution, may accept the resignation of or remove any co-trustee or separate trustee appointed under this Section, and, in case any Default or Event of Default has occurred and is continuing, the Trustee shall have power to accept the resignation of, or remove, any such co-trustee or separate trustee without the concurrence of the Company. Upon the written request of the Trustee, the Company shall join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to effectuate such resignation or removal. A successor to any co-trustee or separate trustee so resigned or removed may be appointed in the manner provided in this Section.

D. No co-trustee or separate trustee hereunder shall be personally liable by reason of any act or omission of the Trustee, or any other such trustee hereunder.

E. Any Act of Holders delivered to the Trustee shall be deemed to have been delivered to each such co-trustee and separate trustee.

ARTICLE ELEVEN
HOLDERS' LISTS AND REPORTS
BY TRUSTEE AND COMPANY

Section 11.01. Company to Furnish Trustee Semi-Annual Lists of Holders. The Company will furnish or cause to be furnished to the Trustee semiannually, not less than 45 days nor more than 60 days after each date (month and day) specified as a semi-annual Interest Payment Date for the Bonds of the first series issued after this Indenture is qualified under TIA (whether or not any Bonds of that series are then Outstanding), and at such other times as the Trustee may request in writing, within 30 days after receipt by the Company of any such request, a list in such form as the Trustee may reasonably require containing all the information in the possession or control of the Company, or any of its Paying Agents other than the Trustee, as to the names and addresses of the Holders of Bonds, obtained since the date as of which the next previous list, if any, was furnished, *excluding* from any such list the names and addresses received by the Trustee in its capacity as Bond Registrar. Any such list may be dated as of a date not more than 15 days prior to the time such information is furnished and need not include information received after such date.

Section 11.02. Preservation of Information; Communications, to Holders. A. The Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of Holders of Bonds (1) contained in the most recent list furnished to the Trustee as provided in Section 11.01, (2) received by the Trustee in the capacity of Paying Agent (if so acting) hereunder, (3) filed with the Trustee by Holders of Bonds within the 2 preceding years or (4) received by the Trustee in its capacity as Bond Registrar.

The Trustee may (1) destroy any list furnished to it under Section 11.01 upon receipt of a new list so furnished, (2) destroy any information received by it as Paying Agent (if so acting) hereunder upon delivering to itself as Trustee, not earlier than 45 days after a date specified as a semi-annual Interest Payment Date for the Bonds of the first series issued after this Indenture is qualified under TIA (whether or not any Bonds of that series are then Outstanding), a list containing the names and addresses of the Holders of Bonds obtained from such information since the delivery of the next previous list, if any, (3) destroy any list delivered to itself as Trustee which was compiled from information received by it as Paying Agent (if so acting) hereunder upon the receipt of a new list so delivered, and (4) destroy, not earlier than 2 years after filing, any information as to their names and addresses filed with the Trustee by Holders of Bonds.

B. If three or more Holders of Bonds (hereinafter referred to as “*applicants*”) apply in writing to the Trustee, and furnish to the Trustee reasonable proof that each such applicant has owned a Bond for a period of at least 6 months preceding the date of such application, and such application states that the applicants desire to communicate with other Holders of Bonds with respect to their rights under this Indenture or under the Bonds and is accompanied by a copy of the form of proxy or other communication which such applicants propose to transmit, then the Trustee shall, within 5 Business Days after the receipt of such application afford such applicants access to the information preserved at the time by the Trustee in accordance with Section 11.02A.

C. Every Holder of Bonds, by receiving and holding the same, agrees with the Company and the Trustee that neither the Company nor the Trustee nor any Paying Agent shall be held accountable by reason of the disclosure of any such information as to the names and addresses of the Holders of Bonds in accordance with Section 11.02B, regardless of the source from which such information was derived, and that the Trustee shall not be held accountable by reason of mailing any material pursuant to a request made under Section 11.02B.

ARTICLE TWELVE

CONSOLIDATION, MERGER, CONVEYANCE, TRANSFER OR LEASE

Section 12.01. Consolidation, Merger, Conveyance or Transfer only on Certain Terms. The Company shall not consolidate with or merge into any other Person or convey or transfer the Trust Estate substantially as an entirety to any Person, unless:

A. such consolidation, merger, conveyance or transfer shall be on such terms as shall fully preserve the lien and security hereof and the rights and powers of the Trustee and the Holders of the Bonds hereunder;

B. the Person formed by such consolidation or into which the Company is merged or the Person which acquires by conveyance or transfer the Trust Estate substantially as an entirety shall be a corporation organized and existing under the laws of the United States of America or any State or the District of Columbia and shall execute and deliver to the Trustee an indenture supplemental hereto in form recordable and satisfactory to the Trustee, meeting the requirements of Section 12.02 and containing:

(1) an assumption by such successor corporation of the due and punctual payment of the principal of (and Make-Whole Amount or other premium, if any) and interest on all the Bonds and the performance and observance of every covenant and condition of this Indenture to be performed or observed by the Company, and

(2) a grant, conveyance, transfer and mortgage complying with Section 12.02;

C. immediately after giving effect to such transaction, no Default or Event of Default hereunder shall have occurred and be continuing; and

D. the Company shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each of which shall state that such consolidation, merger, conveyance or transfer and such supplemental indenture comply with this Article and that all conditions precedent herein provided for relating to such transaction have been complied with.

Section 12.02. Successor Corporation Substituted. Upon any consolidation or merger or any conveyance or transfer of the Trust Estate substantially as an entirety in accordance with Section 12.01, the successor corporation formed by such consolidation or into which the Company is merged or to which such conveyance or transfer is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture with the same effect as if such successor corporation had been named as the Company herein; *subject, however,* to the following limitations:

A. If the supplemental indenture required by Section 12.01 shall contain a grant, conveyance, transfer and mortgage in terms sufficient to include and subject to the lien of this Indenture, subject only to Permitted Encumbrances and any Prior Liens permitted by Section 14.06, all property, rights, privileges and franchises then owned and which may be thereafter acquired by such successor corporation (other than Excepted Property), then such successor corporation may cause to be executed, in its own name or in the name of the Company prior to such succession, and delivered to the Trustee for authentication, any Bonds issuable hereunder; and upon request of such successor corporation, and subject to all the terms of this Indenture, the Trustee shall authenticate and deliver any Bonds which shall have been previously executed and delivered by the Company to the Trustee for authentication, and any Bonds which such successor corporation shall thereafter, in accordance with this Indenture, cause to be executed and delivered to the Trustee for such purpose. Such changes in phraseology and form (but not in substance) may be made in such Bonds as may be appropriate in view of such consolidation, merger, conveyance or transfer.

B. If said supplemental indenture shall not contain the grant, conveyance, transfer and mortgage described in the preceding Subsection A, then such successor corporation shall not be entitled to procure the authentication and delivery of Bonds under Article Four or Five, and this Indenture shall not, by virtue of such consolidation,

merger, conveyance, or transfer, or by virtue of said supplemental indenture, or by virtue of the Granting Clauses, become a lien upon, and the term Trust Estate shall not be deemed to include, any of the property, rights, privileges and franchises of such successor corporation owned by it at the time of such consolidation, merger, conveyance or transfer (unless such successor corporation, in its discretion shall subject the same to the lien hereof), but this Indenture shall become and be a lien, subject only to "Permitted Encumbrances" and any Prior Liens permitted by Section 14.06, upon only the following property, rights, privileges and franchises acquired by such successor corporation after the date of such consolidation, merger, conveyance or transfer, to wit:

(1) all betterments, extensions, improvements, additions, repairs, renewals, replacements, substitutions and alterations to, upon, for and of the property, rights, privileges and franchises subject to the lien hereof, and all property constituting appurtenances of the Trust Estate;

(2) all property made the basis of the withdrawal of cash from the Trustee or the release of property from the lien of this Indenture;

(3) all property acquired or constructed with the proceeds of any insurance on any part of the Trust Estate or with the proceeds of any part of the Trust Estate released from the lien of this Indenture or disposed of free from any such lien or taken by eminent domain;

(4) all property acquired pursuant to Section 14.07 to maintain and preserve and keep the Trust Estate in good condition, repair and working order and all property acquired or constructed with the proceeds of insurance on the Trust Estate not required to be paid to the Trustee under Section 14.08 or with Trust Moneys paid over upon Company Request under Section 7.06; and

(5) all property, leases, contracts, rights-of-way, franchises, licenses, permits or easements acquired by the Company in alteration, substitution, surrender or modification of any property, leases, contracts, rights-of-way, franchises, licenses, permits or easements disposed of, altered or modified pursuant to Section 6.01; and in such event said supplemental indenture shall contain a grant, conveyance, transfer and mortgage subjecting the property referred to in the preceding Clauses of this Subsection to the lien of this Indenture.

C. No such conveyance or transfer of the Trust Estate substantially as an entirety shall have the effect of releasing the Person named as "the Company" in the first paragraph of this instrument or any successor corporation which shall theretofore have become such in the manner prescribed in this Article from its liability as obligor and maker on any of the Bonds, unless such conveyance or transfer is followed by the complete liquidation of such Person or successor corporation and substantially all its assets immediately following such conveyance or transfer are the securities of such successor corporation received in such conveyance or transfer.

Section 12.03. Limitation on Lease of Trust Estate as Entirety. The Company shall not lease the Trust Estate substantially as an entirety to any Person.

ARTICLE THIRTEEN
SUPPLEMENTAL INDENTURES

Section 13.01. Supplemental Indentures without Consent of Holders. Without the consent of the Holders of any Bonds, the Company, when authorized by a Board Resolution, and the Trustee may from time to time enter into one or more indentures supplemental hereto, in form satisfactory to the Trustee, for any of the following purposes:

A. to correct or amplify the description of any property at any time subject to the lien of this Indenture, or better to assure, convey and confirm unto the Trustee any property subject or required to be subjected to the lien of this Indenture, or to subject to the lien of this Indenture additional property; or

B. to add to the conditions, limitations and restrictions on the authorized amount, terms or purposes of issue, authentication and delivery of Bonds or of any series of Bonds, as herein set forth, additional conditions, limitations and restrictions thereafter to be observed; or

C. to create any series of Bonds and make such other provisions as provided in Section 3.03; or

D. to modify or eliminate any of the terms of this Indenture; *provided, however, that:*

(1) such supplemental indenture shall expressly provide that any such modifications or eliminations shall become effective only when there is no Bond Outstanding of any series created prior to the execution of such supplemental indenture; and

(2) the Trustee may, in its discretion, decline to enter into any such supplemental indenture which, in its opinion, may not afford adequate protection to the Trustee when the same becomes operative; or

E. to evidence the succession of another corporation to the Company and the assumption by any such successor of the covenants of the Company herein and in the Bonds contained; or

F. to add to the covenants of the Company for the benefit of the Holders of all or any series of Bonds or to surrender any right or power herein conferred upon the Company; or

G. to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein or to make any other

provisions, with respect to matters or questions arising under this Indenture, which shall not be inconsistent with the provisions of this Indenture, *provided* such action shall not adversely affect the interests of the Holders of the Bonds; or

H. to modify, eliminate or add to the provisions of this Indenture to such extent as shall be necessary to effect the qualification of this Indenture under TIA or under any similar federal statute hereafter enacted, and to add to this Indenture such other provisions as may be expressly permitted by TIA, *excluding, however*, the provisions referred to in Section 316(a)(2) of TIA as in effect at the date as of which this instrument was executed or any corresponding provision in any similar federal statute hereafter enacted.

Section 13.02. Supplemental Indentures with Consent of Holders. With the consent of the Holders of more than 50% in aggregate principal amount of the Bonds then Outstanding, by Act of such Holders delivered to the Company and the Trustee, the Company, when authorized by a Board Resolution, and the Trustee may enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the rights of the Holders of the Bonds under this Indenture; *provided, however*, that no such supplemental indenture shall, without the consent of the Holder of each Outstanding Bond affected thereby,

A. change the Stated Maturity of the principal of, or any installment of interest on, any Bond, or reduce the principal amount thereof or the interest thereon or any Make-Whole Amount or other premium payable upon the redemption thereof, or change any Place of Payment where, or the coin or currency in which, any Bond, or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the Redemption Date); or

B. reduce the percentage in principal amount of the Outstanding Bonds, the consent of whose Holders is required for any such supplemental indenture, or the consent of whose Holders is required for any waiver provided for in this Indenture of compliance with certain provisions of this Indenture or certain Defaults or Events of Default hereunder and their consequences; or

C. modify or alter the provisions of the proviso to the definition of the term "Outstanding" or "Outstanding Secured Bonds"; or

D. modify any of the provisions of this Section, Section 9.12 or Section 9.17, except to increase any percentage provided thereby or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each Bond affected thereby; or

E. modify, in the case of Bonds of any series convertible into other securities, any of the provisions of this Indenture in such manner as to affect the conversion rights of the Holders of such Bonds; or

F. permit the creation of any lien ranking prior to or on a parity with the lien of this Indenture with respect to any of the Trust Estate or terminate the lien of this Indenture on any property at any time subject hereto or deprive the Holder of any Bond of the security afforded by the lien of this Indenture; or

G. modify, in the case of Bonds of any series for which a mandatory sinking fund is provided, any of the provisions of this Indenture in such manner as to affect the rights of the Holders of such Bonds to the benefits of such sinking fund.

The Trustee may in its discretion determine whether or not any Bonds would be affected by any supplemental indenture and any such determination shall be conclusive upon the Holder of all Bonds, whether theretofore or thereafter authenticated and delivered hereunder. The Trustee shall not be liable for any such determination made in good faith.

It shall not be necessary for any Act of Holders under this Section to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such Act shall approve the substance thereof.

Section 13.03. Execution of Supplemental Indentures. In executing, or accepting the additional trusts created by, any supplemental indenture permitted by this Article or the modification thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive and, subject to Section 10.01, shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture. The Trustee may, but shall not, except to the extent required in the case of a supplemental indenture entered into under Section 13.01H, be obligated to, enter into any such supplemental indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Section 13.04. Effect of Supplemental Indentures. Upon the execution of any supplemental indenture under this Article, this Indenture shall be modified in accordance therewith and such supplemental indenture shall form a part of this Indenture for all purposes; and every Holder of Bonds theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

Section 13.05. Conformity with Trust Indenture Act. Every supplemental indenture executed pursuant to this Article shall conform to the requirements of TIA as then in effect if this Indenture shall then be qualified under TIA.

Section 13.06. Reference in Bonds to Supplemental Indentures. Bonds authenticated and delivered after the execution of any supplemental indenture pursuant to this Article may, and if required by the Trustee shall, bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Company shall so determine, new Bonds so modified as to conform, in the opinion of the Trustee and the Board of Directors, to any such supplemental indenture may be prepared and executed by the Company and authenticated and delivered by the Trustee in exchange for Outstanding Bonds.

**ARTICLE FOURTEEN
COVENANTS**

Section 14.01. Payment of Principal, Make-Whole Amount or other Premium and Interest; Compliance with Agreements. The Company will duly and punctually pay the principal of (and Make-Whole Amount or other premium, if any) and interest on the Bonds in accordance with the terms of the Bonds and this Indenture. The Company will comply with and perform all covenants and agreements set forth herein, in any Bond or supplemental indenture.

Section 14.02. Maintenance of Office or Agency. The Company will maintain an office or agency in each Place of Payment where Bonds may be presented or surrendered for payment, where Bonds entitled to be registered, transferred, exchanged or converted may be presented or surrendered for registration, transfer, exchange or conversion and where notices and demands to or upon the Company in respect of the Bonds and this Indenture may be served. The Company will give prompt written notice to the Trustee of the location, and of any change in the location, of any such office or agency. If at any time the Company shall fail to maintain such an office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the principal corporate trust office of the Trustee, and the Company hereby appoints the Trustee its agent to receive all such presentations, surrenders, notices and demands.

Section 14.03. Money for Bond Payments to be Held in Trust; Repayment of Unclaimed Money. If the Company shall at any time act as its own Paying Agent, it will, on or before each due date of the principal of (and Make-Whole Amount or other premium, if any) or interest on any of the Bonds, segregate and hold in trust for the benefit of the Holders of such Bonds for such interest a sum sufficient to pay the principal (and Make-Whole Amount or other premium, if any) or interest so becoming due until such sums shall be paid to such Holders or otherwise disposed of as herein provided, and the Company will promptly notify the Trustee of its action or failure so to act.

Whenever the Company shall have one or more Paying Agents, it will, prior to each due date of the principal of (and Make-Whole Amount or other premium, if any) or interest on any Bonds, deposit with a Paying Agent a sum sufficient to pay the principal (and Make-Whole Amount or other premium, if any) or interest so becoming due, such sum to be held in trust for the benefit of the Holders of such Bonds, and (unless such Paying Agent is the Trustee) the Company will promptly notify the Trustee of its action or failure so to act.

Moneys so segregated or deposited and held in trust shall not be a part of the Trust Estate and shall not be deemed Trust Moneys but shall constitute a separate trust fund for the benefit of the Persons entitled to such principal, Make-Whole Amount or other premium or interest. Except in the case of moneys so segregated by the Company when acting as its own Paying Agent, moneys held in trust by the Trustee or any other Paying Agent for the payment of the principal (or Make-Whole Amount or other premium, if any) or interest on the Bonds need not be segregated from other funds, except to the extent required by law.

The Company will cause each Paying Agent other than the Trustee to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee, subject to the provisions of this Section, that such Paying Agent will

A. hold all sums held by it for the payment of principal of (and Make-Whole Amount or other premium, if any) or interest on Bonds in trust for the benefit of the Holders of such Bonds until such sums shall be paid to the Holders or otherwise disposed of as herein provided;

B. give the Trustee notice of any default by the Company (or any other obligor upon the Bonds) in the making of any such payment of principal (and Make-Whole Amount or other premium, if any) or interest; and

C. at any time during the continuance of any such default, upon the written request of the Trustee forthwith pay to the Trustee all sums so held in trust by such Paying Agent.

The Company may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, pay, or by Company Order direct any Paying Agent to pay, to the Trustee all money held in trust by the Company or such Paying Agent, such money to be held by the Trustee upon the same trusts as those upon which such money was held by the Company or such Paying Agent; and, upon such payment by the Company, the Company shall be discharged from such trust, and, upon such payment by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such money.

Any money deposited with the Trustee or any Paying Agent or held by the Company in trust for the Payment of the principal of (and Make-Whole Amount or other premium, if any) or interest on any Bond and remaining unclaimed for 10 years after such principal (and Make-Whole Amount or other premium, if any) or interest has become due and payable shall be paid to the Company on Company Request, or (if then held by the Company) shall be discharged from such trust; and the Holder of such Bond shall thereafter, as an unsecured general creditor, look only to the Company for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, shall thereupon cease; *provided, however*, that the Trustee or such Paying Agent, before being required to make any such payment to the Company, may at the expense of the Company cause to be published once, in an Authorized Newspaper in each Place of Payment of such Bond, notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such publication, any unclaimed balance of such money then remaining will be paid to the Company.

Section 14.04. Warranty of Title. At the time of the execution and delivery of this instrument, the Company has good and marketable title in fee simple to the real property described in Granting Clause I as owned in fee and good title to the other interests in real property specifically described in Granting Clause I, subject to no mortgage, lien, charge or encumbrance except as stated therein or in the Subject Clause to the Granting Clauses and except

for Permitted Encumbrances, and has full power and lawful authority to grant, bargain, sell, alien, remise, release, convey, assign, transfer, mortgage, pledge, set over and confirm said real property and interests in real property in the manner and form aforesaid.

The Company lawfully owns and is possessed of the personal property and securities specifically described in Granting Clause II, subject to no mortgage, lien, charge or encumbrance except as stated therein or in the Subject Clause to the Granting Clauses, and has full power and lawful authority to mortgage, assign, transfer, deliver and pledge said personal property in the manner and form aforesaid.

The Company hereby does and will forever warrant and defend the title to the property specifically described in Granting Clause I against the claims and demands of all persons whomsoever.

Section 14.05. After-Acquired Property; Further Assurances; Recording. All property of every kind, other than Excepted Property, acquired by the Company after the date hereof, shall, immediately upon the acquisition thereof by the Company, and without any further mortgage, conveyance or assignment, become subject to the lien of this Indenture; *subject, however*, to the exceptions, if any, permitted by Section 12.02. Nevertheless, the Company will do, execute, acknowledge and deliver all and every such further acts, conveyances, mortgages, financing statements and assurances as the Trustee shall require for accomplishing the purposes of this Indenture.

The Company will cause this instrument and all supplemental indentures and other instruments of further assurance, including all financing statements and continuation statements covering security interests in personal property, and all mortgages securing purchase money obligations delivered to the Trustee or to the trustee, mortgagee or other holder of a Prior Lien under Section 6.02 to be promptly recorded, registered and filed, and at all times to be kept recorded, registered and filed, and will execute and file such financing statements and cause to be issued and filed such continuation statements, all in such manner and in such places as may be required by law fully to preserve and protect the rights of the Holders and the Trustee hereunder to all property comprising the Trust Estate. The Company will furnish to the Trustee:

A. promptly after the execution and delivery of this instrument and of each supplemental indenture or other instrument of further assurance, an Opinion of Counsel stating that, in the opinion of such Counsel, this instrument and all such supplemental indentures and other instruments of further assurance have been properly recorded, registered, and filed to the extent necessary to make effective the lien intended to be created by this Indenture, and reciting the details of such action or referring to prior Opinions of Counsel in which such details are given, and stating that all financing statements and continuation statements have been executed and filed that are necessary fully to preserve and protect the rights of the Holders and the Trustee hereunder, or stating that, in the opinion of such Counsel, no such action is necessary to make such lien effective; and

B. within 120 days after the end of the Company's fiscal year in each year beginning with the year 2012, an Opinion of Counsel, dated as of such date, either stating that, in the opinion of such Counsel, such action has been taken with respect to the recording, registering, filing, re-recording, re-registering and re-filing of this instrument and of all supplemental indentures, financing statements, continuation statements or other instruments of further assurances as is necessary to maintain the lien of this Indenture (including the lien on any property acquired by the Company after the execution and delivery of this instrument and owned by the Company at the end of the preceding calendar year) and reciting the details of such action or referring to prior Opinions of Counsel in which such details are given, and stating that all financing statements and continuation statements have been executed and filed that are necessary fully to preserve and protect the rights of the Holders and the Trustee hereunder, or stating that, in the opinion of such Counsel, no such action is necessary to maintain such lien.

Section 14.06. Limitations on Liens; Payment of Taxes. The Company will not create or incur or suffer or permit to be created or incurred or to exist any mortgage, lien, charge or encumbrance on or pledge of any of the Trust Estate, prior to or upon a parity with the lien of this Indenture except Permitted Encumbrances and except that:

A. The Company may create, incur or suffer to exist purchase money mortgages or other purchase money liens upon and real property purchased by the Company or acquire real property subject to mortgages and liens existing thereon at the date of acquisition, or acquire or agree to acquire and own personal property subject to or upon chattel mortgages, security agreements, conditional sales agreements or other title retention agreements; *provided*, that

(1) the principal amount of the indebtedness secured by each such mortgage, lien or agreement shall not exceed 75% of the cost or fair value to the Company at the time of the acquisition thereof by the Company, whichever is less, of the property subject thereto, as determined by the Board of Directors.

(2) the aggregate principal amount of all indebtedness of the Company at the time outstanding secured by such mortgages, liens and agreements (including extensions, renewals and replacements thereof, as permitted by the following Subsection B, and also the Indebtedness then being incurred) shall not exceed 25% of the then Outstanding Bonds.

(3) each such mortgage, lien or agreement shall apply only to the property originally subject thereto and fixed improvements erected on such real property or affixed to such personal property or equipment used in connection with such real or personal property.

B. The Company may modify, extend, renew or replace any mortgage, lien or agreement permitted by Subsection A above upon the same property theretofore subject thereto, or modify, replace, renew or extend the indebtedness secured thereby, *provided*,

that in any such case the principal amount of such indebtedness so modified, replaced, extended or renewed shall not be increased.

The Company will pay or cause to be paid as they become due and payable all taxes, assessments and other governmental charges lawfully levied or assessed or imposed upon the Trust Estate or any part thereof or upon any income therefrom, and also (to the extent that such payment will not be contrary to any applicable laws) all taxes, assessments and other governmental charges lawfully levied, assessed or imposed upon the lien or interest of the Trustee or of the Holders in the Trust Estate, so that (to the extent aforesaid) the lien of this Indenture shall at all times be wholly preserved at the cost of the Company and without expense to the Trustee or the Holders; *provided, however*, that the Company shall not be required to pay and discharge or cause to be paid and discharged any such tax, assessment or governmental charge to the extent that the amount, applicability or validity thereof shall currently be contested in good faith by appropriate proceedings and the Company shall have established and shall maintain adequate reserves on its books for the payment of the same.

Section 14.07. Maintenance of Properties. The Company will cause all its properties used or useful in the conduct of its business to be maintained and kept in good condition, repair and working order and supplied with all necessary equipment and will cause to be made all necessary repairs, renewals, replacements, betterments and improvements thereof, all as in the judgment of the Company may be necessary so that the business carried on in connection therewith may be properly and advantageously conducted at all times; *provided, however*, that nothing in this Section shall prevent the Company from discontinuing the operation and maintenance of any of its properties if such discontinuance is, in the reasonable judgment of the Company, desirable in the conduct of its business and not disadvantageous in any material respect to the Holders.

The Company will promptly classify, and record on its books, as retired, all property that has become no longer used or useful in the business of the Company.

Section 14.08. To Insure. The Company will at all times keep all its property of an insurable nature and of the character usually insured by companies operating similar properties, insured in amounts customarily carried, and against loss or damage from such causes as are customarily insured against, by similar companies.

All such insurance shall be effected with responsible insurance carriers. All policies or other contracts for such insurance upon any part of the Trust Estate shall provide that the proceeds of such insurance (except in the case of any particular casualty resulting in damage or destruction not exceeding \$5,000,000 in the aggregate) shall be payable, subject to the requirements of any Prior Lien, to the Trustee as its interest may appear (by means of a standard mortgagee clause or other similar clause acceptable to the Trustee, without contribution). Each policy or other contract for such insurance, or such mortgagee clause, shall contain an agreement by the insurer that, notwithstanding any right of cancellation reserved to such insurer, such policy or contract shall continue in force for the benefit of the Trustee for at least 10 days after written notice to the Trustee of cancellation. As soon as practicable after the execution of this Indenture, and within 120 days after the close of each fiscal year thereafter, and at any time upon the request of the Trustee, the Company will file with the Trustee an Officers' Certificate

containing a detailed list of the insurance in force upon the Trust Estate on a date therein specified (which date shall be within 30 days of the filing of such Certificate), including the names of the insurers with which the policies and other contracts of insurance on the Trust Estate are carried, the numbers, amounts and expiration dates of such policies and other contracts and the property and hazards covered thereby, and stating that the insurance so listed complies with this Section.

Any appraisal or adjustment of any loss or damage of or to any part of the Trust Estate and any settlement in respect thereof which may be agreed upon between the Company and any insurer, as evidenced by an Officers' Certificate, shall be accepted by the Trustee.

All proceeds of insurance received by the Trustee shall be held and paid over or applied by the Trustee as provided in Article Seven.

All proceeds of any insurance on any part of the Trust Estate not payable to the Trustee or the trustee, mortgagee or other holder of a Prior Lien shall be applied by the Company to the repair, rebuilding or replacement of the property destroyed or damaged or shall be deposited with the Trustee to be held and paid over or applied by it as provided in Article Seven.

Section 14.09. Corporate Existence. Subject to Article Twelve, the Company will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence, rights (charter and statutory) and franchises; PROVIDED, HOWEVER, that the Company shall not be required to preserve any right or franchise if the Board of Directors shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Company and that the loss thereof is not disadvantageous in any material respect to the Holders.

Section 14.10. To Keep Books; Inspection by Trustee. The Company will keep proper books of record and account, in which full and correct entries shall be made of all dealings or transactions of or in relation to the Bonds and the plants, properties, business and affairs of the Company in accordance with generally accepted accounting principles. The Company will at any and all times, upon the written request of the Trustee and at the expense of the Company, permit the Trustee by its representatives to inspect the plants and properties, books of account, records, reports and other papers of the Company, and to take copies and extracts therefrom, and will afford and procure a reasonable opportunity to make any such inspection, and the Company will furnish to the Trustee any and all information as the Trustee may reasonably request, with respect to the performance by the Company of its covenants in this Indenture.

Section 14.11. Use of Trust Moneys and Advances by Trustee. If the Company shall fail to perform any of its covenants in this Indenture, the Trustee may, at any time and from time to time, use and apply any Trust Moneys held by it under Article Seven, or make advances, to effect performance of any such covenant on behalf of the Company; and all moneys so used or advanced by the Trustee, together with interest at the U.S. Prime Rate, as published from time to time in the "Money Rates" section of The Wall Street Journal, per annum, shall be repaid by the Company upon demand and such advances shall be secured under this Indenture prior to the Bonds. For the repayment of all such advances the Trustee shall have the right to use and apply

any Trust Moneys at any time held by it under Article Seven but no such use of Trust Moneys or advance shall relieve the Company from any Default or Event of Default hereunder.

Section 14.12. Statement as to Compliance. The Company will deliver to the Trustee, within 120 days after the end of each fiscal year, a written statement signed by the President or a Vice-President and by the Treasurer, an Assistant Treasurer, the Controller or an Assistant Controller of the Company, stating, as to each signer thereof, that

A. a review of the activities of the Company during such year and of performance under this Indenture has been made under his supervision, and

B. to the best of his knowledge, based on such review, the Company has fulfilled all its obligations under this Indenture throughout such year, or, if there has been a Default or Event of Default, specifying each such Default and Event of Default known to him and the nature and status thereof.

Promptly after any officer of the Company may reasonably be deemed to have knowledge of a Default or Event of Default hereunder, the Company will deliver to the Trustee a written notice specifying the nature and period of existence thereof and the action the Company is taking and proposes to take with respect thereto.

Section 14.13. Waiver of Certain Covenants. The Company may omit in any particular instance to comply with any covenant or condition set forth in this Article except Sections 14.1, 14.2, 14.3, 14.4, 14.5, 14.9, 14.10 and 14.11 if before or after the time for such compliance the holders of more than 50% in aggregate principal amount of all Bonds then Outstanding, shall, by Act of such Holders, either waive such compliance in such instance or generally waive compliance with such covenant or condition, but no such waiver shall extend to or affect such covenant or condition except to the extent so expressly waived and, until such waiver shall become effective, the obligations of the Company and the duties of the Trustee in respect of any such covenant or condition shall remain in full force and effect.

Section 14.14. Amendment and Restatement of Original Indenture and Continuing Lien. This 2011 Indenture shall become operative and effective simultaneously with the retirement of the Other Series Bonds, and amends and restates the Original Indenture as a supplemental indenture without any interruption of the Lien of the Indenture, which continues under this 2011 Indenture against the Trust Estate described herein.

ARTICLE FIFTEEN REDEMPTION OF BONDS

Section 15.01. General Applicability of Article. Bonds which are by their express terms redeemable before their Stated Maturity shall be redeemable in accordance with their terms and (except as otherwise provided with respect to the Bonds of any particular series by the provisions of a Supplemental Indenture creating such series) to the extent not in conflict with such terms in accordance with Sections 15.01 through 15.07, inclusive.

Section 15.02. Election to Redeem; Notice to Trustee. The election of the Company to redeem any Bonds shall be evidenced by a Board Resolution. In case of any redemption at the election of the Company of less than all the Outstanding Bonds of any series, the Company shall, at least 45 days prior to the Redemption Date fixed by the Company (unless a shorter notice shall be satisfactory to the Trustee) notify the Trustee of such Redemption Date and of the principal amount of Bonds of such series to be redeemed and of the numbers of any Outstanding Bonds of such series then owned by the Company.

Section 15.03. Selection by Trustee of Bonds to Be Redeemed. If less than all the Outstanding Bonds of any series are to be redeemed, the particular Bonds to be redeemed shall be selected not more than 30 days prior to the Redemption Date by the Trustee from the Outstanding Bonds of such series which have not previously been called for redemption and which are not then owned by the Company, by prorating, as nearly as may be, the principal amount of Bonds to be redeemed among the Holders of such Bonds in proportion to the aggregate principal amount of such Bonds registered in their respective names; EXCEPT that, if there shall have been previously filed with the Trustee an Act of all the Holders of such Bonds satisfactory to the Trustee specifying the method of selecting the Bonds to be redeemed, such selection shall be made by the Trustee in accordance with the terms of such Act.

In any proration pursuant to this Section, the Trustee shall make such adjustments, reallocations and eliminations as it shall deem proper to the end that the principal amount of Bonds of such series so prorated shall be equal to the greater of \$1,000 and the smallest authorized denomination of the Bonds of such series, or a multiple thereof, by increasing or decreasing or eliminating the amount which would be allocable to any Holder on the basis of exact proportion by not exceeding such prorated minimum. The Trustee in its discretion may determine the particular Bonds (if there is more than one) registered in the name of any Holder which are to be redeemed, in whole or in part.

The Trustee shall promptly notify the Company in writing of the Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed.

For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of Bonds shall relate, in the case of any Bond redeemed or to be redeemed only in part, to the portion of the principal of such Bond which has been or is to be redeemed.

If any Bond of any series which is convertible into other securities is selected for redemption and is converted during or after any selection of Bonds to be redeemed, it shall not be necessary to select another Bond for redemption in lieu of the Bond so converted. If a Bond of any series which is convertible into other securities is selected for partial redemption and is converted in part before the termination of the conversion right resulting from such selection and notice thereof, the converted portion of such Bond shall be deemed to be the portion selected for redemption.

Section 15.04. Notice of Redemption. Notice of redemption shall be given by first-class mail, postage prepaid, mailed not less than 30 nor more than 60 days prior to the Redemption Date, to each Holder of Bonds of such series to be redeemed, at his address appearing in the Bond Register.

All notices of redemption shall state:

- A. the CUSIP number (if any) of all Bonds to be redeemed,
- B. the Redemption Date,
- C. the Redemption Price,
- D. the principal amount of Bonds of each series to be redeemed, and, if less than all Outstanding Bonds of a series are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds of such series to be redeemed,
- E. that on the Redemption Date the Redemption Price of each of the Bonds to be redeemed will become due and payable and that the interest thereon shall cease to accrue from and after said Date,
- F. the place or places where the Bonds of each series to be redeemed are to be surrendered for payment of the Redemption Price, which shall be the office or agency of the Company in each Place of Payment for such series,
- G. if it be the case, that such Bonds are to be redeemed by the application of certain specified Trust Moneys, and
- H. in the case of Bonds of any series convertible into other securities, the time of the termination of the right to convert such Bonds and the current conversion price or rate.

Notice of redemption of Bonds to be redeemed at the election of the Company shall be given by the Company or, at the Company's request, by the Trustee in the name and at the expense of the Company. If the Company requests that the Trustee give such notice, the Company shall furnish such notice to the Trustee not less than five (5) Business Days prior to the date such notice is required to be given.

Section 15.05. Deposit of Redemption Price. Prior to any Redemption Date, the Company shall deposit with the Trustee or with a Paying Agent (or, if the Company is acting as its own Paying Agent, segregate and hold in trust as provided in Section 14.03) an amount of money sufficient to pay the Redemption Price of all the Bonds which are to be redeemed on that date. Such money shall be held in trust for the benefit of the Persons entitled to such Redemption Price and shall not be deemed to be part of the Trust Estate or Trust Moneys. If any Bond of any series convertible into other securities is selected for redemption and is converted, any money

deposited with the Trustee or with a Paying Agent or so segregated and held in trust for the redemption of such Bond, shall be paid to the Company on Company Request or (if then held in trust by the Company) shall be discharged from such trust.

Section 15.06. Bonds Payable on Redemption Date. Notice of redemption having been given as aforesaid, the Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified and from and after such date (unless the Company shall default in the payment of the Redemption Price) such Bonds shall cease to bear interest. Upon surrender of any such Bond for redemption in accordance with said notice, such Bond shall be paid by the Company at the Redemption Price. Installments of interest with a Stated Maturity on or prior to the Redemption Date shall be payable to the Holders of the Bonds registered as such on the relevant Record Dates according to the terms of such Bonds and the provisions of Section 3.09.

If any Bond called for redemption shall not be so paid upon surrender thereof for redemption or as otherwise provided under Section 15.07 in lieu of surrender, the principal (and Make-Whole Amount or other premium, if any) shall, until paid, bear interest from the Redemption Date at the rate prescribed therefor in the Bond.

Section 15.07. Bonds Redeemed in Part. Any Bond which is to be redeemed only in part shall be surrendered at a Place of Payment therefor (with, if the Company or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by, the Holder thereof or his attorney duly authorized in writing) and the Company shall execute and the Trustee shall authenticate and deliver to the Holder of such Bond, without service charge, a new Bond or Bonds of the same series of any authorized denomination or denominations as requested by such Holder in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

In lieu of surrender under the preceding paragraph, payment of the Redemption Price of a portion of any Bond may be made directly to the Holder thereof without surrender thereof, if there shall have been filed with the Trustee either (i) a written agreement between the Company and such Holder and, if such Holder is a nominee, the Person for whom such Holder is a nominee, that payment shall be so made and that such Holder will not sell, transfer or otherwise dispose of such Bond unless prior to delivery thereof such Holder shall present such Bond to the Trustee for notation thereon of the portion of the principal thereof redeemed or shall surrender such Bond in exchange for a new Bond or Bonds for the unredeemed balance of the principal of the surrendered Bond or (ii) a certificate of the Company that such an agreement has been entered into and remains in force.

Section 15.08. Applicability of Sections 15.08 Through 15.10. The provisions of Sections 15.08 through 15.10, inclusive, shall be applicable to any sinking fund for the retirement of Bonds except as otherwise specified as contemplated by Section 3.03 for Bonds of such series.

The minimum amount of any sinking fund payment provided for by the terms of Bonds of any series is herein referred to as a “mandatory sinking fund payment,” and any payment in excess of such minimum amount provided for by the terms of Bonds of any series is herein referred to as an “optional sinking fund payment.” If provided for by the terms of Bonds of any series, the cash amount of any sinking fund payment may be subject to reduction as provided in Section 15.09. Each sinking fund payment shall be applied to the redemption of Bonds of any series as provided for by the terms of Bonds of such series.

Section 15.09. Satisfaction of Sinking Fund Payments with Bonds. The Company (1) may deliver Outstanding Bonds of a series (other than any previously called for redemption) and (2) may apply, as a credit, Bonds of a series which have been redeemed either at the election of the Company pursuant to the term of such Bonds or through the application of permitted optional sinking fund payments pursuant to the terms of such Bonds, in each case in satisfaction of all or any part of any sinking fund payment with respect to the Bonds of such series required to be made pursuant to the terms of such Bonds as provided for by the terms of such series; *provided* that such Bonds have not been previously so credited. Such Bonds shall be received and credited for such purpose by the Trustee at the Redemption Price specified in such Bonds for redemption through operation of the sinking fund and the amount of such sinking fund payment shall be reduced accordingly.

Section 15.10. Redemption of Bonds for Sinking Fund. Not less than sixty (60) days prior to each sinking fund payment date for any series of Bonds, the Company will deliver to the Trustee an Officers’ Certificate specifying the amount of the next ensuing sinking fund payment for that series pursuant to the terms of that series, the portion thereof, if any, which is to be satisfied by payment of cash and the portion thereof, if any, which is to be satisfied by delivering and crediting Bonds of that series pursuant to Section 15.09 and will also deliver to the Trustee any Bonds to be so delivered. Not less than thirty (30) days prior to such sinking fund payment date the Trustee shall select Bonds to be redeemed in the manner specified in Section 15.03 and cause notice of the redemption thereof to be given in the name of and at the expense of the Company in the manner provided in Section 15.04. Such notice having been duly given, the redemption of such Bonds shall be made upon the terms and in the manner stated in Sections 15.06 and 15.07. The Company shall prepare each such notice of redemption and furnish it to the Trustee not less than five (5) business days prior to the date such notice is required to be given.

This instrument may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, and their respective corporate seals to be hereunto affixed and attested, all as of the day and year first above written.

MOBILE GAS SERVICE CORPORATION

By Jama M. Fine
As its: President

Attest:

G. Edgar Downing, Jr.

By: G. Edgar Downing, Jr.

Title: Assistant Secretary

REGIONS BANK

By Susan C. Cunningham
As its: Assistant Vice President

Attest:

Barbara M. Hony

By: BARBARA M. HONY

Title: VICE PRESIDENT & CORPORATE TRUST OFFICER

STATE OF ALABAMA

COUNTY OF MOBILE

I, the undersigned Notary Public in and for said County and State, hereby certify that James M. Fine, whose name as President of MOBILE GAS SERVICE CORPORATION, a corporation, is signed to the foregoing indenture, and who is known to me, acknowledged before me on this day that, being informed of the contents of said indenture, he/she, as such officer and with full authority, executed the same voluntarily for and as the act of said Corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this 26th day of September, 2011.

Maura Ann Miranda Miller
Notary Public

NOTARY PUBLIC STATE OF ALABAMA AT LARGE
MY COMMISSION EXPIRES: Dec 15, 2012
BONDED THRU NOTARY PUBLIC UNDERWRITERS

My Commission Expires

(NOTARIAL SEAL)

STATE OF ALABAMA

COUNTY OF MOBILE

I, the undersigned Notary Public in and for said County and State, hereby certify that SUSAN C. CUNNINGHAM, whose name as Assistant Vice President of REGIONS BANK, ~~a national~~ ^{an Alabama} banking association, as Trustee, is signed to the foregoing indenture, and who is known to me, acknowledged before me on this day that, being informed of the contents of said indenture, he/she, as such officer and with full authority, executed the same voluntarily for and as the act of said REGIONS BANK, acting in its capacity as trustee as aforesaid.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this 26th day of September, 2011.

Kay Landry
Notary Public

My Commission Expires MY COMMISSION EXPIRES OCTOBER 9, 2012

(NOTARIAL SEAL)

This instrument was prepared by:
Anthony D. Yager, Esq.
Chapman and Cutler LLP
111 W. Monroe Street
Chicago, Illinois 60603

GRANTOR'S ADDRESS:

Mobile Gas Service Corporation
Post Office Box 2248
Mobile, Alabama 36652

GRANTEE'S ADDRESS:

Regions Bank, as Trustee
Trust Department
11 North Water Street, 28th Floor
Mobile, Alabama 36602

APPENDIX I
TO AMENDED AND RESTATED INDENTURE
DATED AS OF JULY 1, 2011

LEGAL DESCRIPTIONS FROM 1941 INDENTURE AND SUPPLEMENTS

Indenture of Mortgage, Dated as of December 1, 1941

All properties and assets, real, personal and mixed of every kind and description (except as hereinafter otherwise provided) comprising the entire gas distributing system owned and operated by the Company in the City of Mobile and City of Prichard and in the County of Mobile in the State of Alabama and conveyed to the Company by deed dated October 29, 1934 executed by J. W. Gates, trustee in proceedings entitled "In the Matter of Mobile Gas Company, a Corporation, Debtor, in Proceedings for the Reorganization of a Corporation, No. 4760," in the District Court of the United States for the Southern District of Alabama, Southern Division, and by Mobile Gas Company, pursuant to order entered by said court in said proceedings on October 26, 1934, said deed being of record in Probate Court of Mobile County, Alabama, in Deed Book 251 (New Series), Pages 214 to 222 inclusive, including particularly, without restricting the generality of the foregoing, the pieces, parcels or tracts of land, easements and rights of way, and rights and interest in and to land situated in the County of Mobile and State of Alabama, together with all improvements of every description thereon situated or in anywise incident or appurtenant thereto, and more fully described as follows:

(a) All and singular that tract of land constituting a part of the "William Fisher claim" described as follows, viz.: Beginning at an iron pipe six feet six inches in length, set at the north-east corner of William Fisher's claim and running thence north 60 degrees west two and 08/100 chains, thence south 5 1/2 degrees west, twenty-seven 50/100 chains to Bayou Marmotte (fifty links north of Stone street), thence with the meanders of said bayou as follows: North 27 1/2 degrees east 2 90/100 chains, north 61 degrees east 1 50/100 chains, north 5 degrees east 2 chains, north 23 degrees east 1 50/100 chains, north 23 1/2 degrees east 2 27/100 chains, north 30 degrees east 2 11/100 chains, north 65 1/2 degrees west 50/100 chains, north 18 degrees east 1 13/100 chains, north 15 degrees east 1 10/100 chains, north 1 02/100 chains, north 57 1/4 degrees east 82/100 chains, north 35 degrees west 1 chain, north 41 degrees west 91/100 chains, north 11 1/4 degrees, west 1 20/100 chains, north 4 1/2 degrees east 68/100 chains, north 8 degrees west 69/100 chains, north 57 degrees west 80/100 chains north 10 1/2 degrees east 1 chain, north 26 degrees east 1 chain, north 16 degrees west 80/100 chains, north 38 degrees west 1 chain, north 10 degrees west 63/100 chains, north 49 1/2 degrees west 70/100 chains, north 33 degrees east 1 50/100 chains, north 55 degrees east 1 chain, north 34 degrees west 1 chain, north 20 1/2 degrees east 30/100 chains to the place of beginning, containing seven 23/100 acres; also the following piece and parcel, beginning at the southeast corner of the said "Fisher's claim" and running north 60 degrees west 2 08/100 chains to a stake, thence north 5 1/2 degrees east 2 50/100 chains to Bayou Marmotte and thence with the said Bayou south 48 1/2 degrees east 2 08/100 chains, thence south 2 15/100 chains to the place of beginning, containing 40/100 of an acre; the whole of the parcels above described making 7 63/100 acres; being the same property

conveyed by Joseph Krebs and wife to James H. Caldwell by deed bearing date first day of December, 1836, and of record in the Probate Court of Mobile County in Book T, pp. 78, 79; excepting, however, from the parcel last described that portion thereof South of Davis Avenue conveyed by Mobile Gas Company to Mary A. Strauss by Warranty Deed dated April 1st, 1922 and recorded in D. B. 194 N. S. page 309, Probate Records of Mobile County, Alabama, and also excepting therefrom Davis Avenue.

(b) Also the following described lots of land, viz.: Seven lots, numbered one, two, three, four, five, six and seven in square number two; lots number one, two and three, having each a front of forty-one $9/12$ feet on Stone street by a depth of one hundred and ten feet to lot number 4 of same square; lots number four, five, six and seven having each a front of forty-five $6/12$ feet on Marmotte Alley by a depth of one hundred and twenty-five $6/12$ feet to the gas works property, and bounded as follows, to wit: North by Chestnut alley, east by the gas works property, south by Stone street and west by Marmotte alley, said seven lots comprising the whole of square number two, which property was conveyed to said James H. Caldwell and others by Helair Krebs, Administrator, with the will annexed of Rene Krebs, deceased, by deed bearing date the fifth day of April, 1854, and of record in the Probate Court of Mobile County in Book No. 8, N. S., pp. 69, 70, 71.

(c) All and singular that certain piece, parcel or lot of land situate, lying and being in the City of Mobile, and described as follows, to wit: On the northeast corner or intersection of Chestnut and the street now or formerly known as Fifth street, having a front on Chestnut street of 55 feet and extending northwardly on the street now or formerly known as Fifth street for a depth of 110 feet, having the same width in rear as in front, and being the same property which was conveyed to the Mobile Gas Light & Coke Company by Thomas K. Irwin and wife, by deed dated October 5, 1868, and recorded in the office of the Judge of Probate of Mobile County, Alabama, on the 13th day of October, 1868, in Deed Book No. 24 N. S. pp. 608 and 609.

(d) Lots One (1), Two (2) and Seven (7) in Square Numbered Three (3) of the Krebs and Delmas tract according to the map thereof, recorded in Deed Book Eight (8) N. S. Page One (1), Probate Records of Mobile County, Alabama.

(e) Lots One (1), Two (2) and Three (3) in Block Four (4) of the Krebs and Delmas tract according to map thereof recorded in Book Eight (8) N. S., Page One (1), Probate Records of Mobile County, Alabama, said lots being more particularly described as commencing at the northeast corner of Marmotte alley and Walnut alley, and running thence northwardly along the east side of Marmotte alley one hundred and twenty-three (123) feet, thence eastwardly and parallel with Walnut alley one hundred twenty-five (125) feet and six (6) inches, thence southwardly and parallel with Marmotte alley one hundred twenty-three (123) feet to the north side of Walnut alley, and thence westwardly on the north side of Walnut alley one hundred twenty-five (125) feet and six (6) inches to the place of beginning.

(f) Beginning at a point on the east side of Marmotte street ninety (90) feet south of the southeast corner of Marmotte and St. Mader streets, and thence running eastwardly one hundred thirty-five (135) feet to a point, thence running southwardly and parallel with Marmotte street forty-three (43) feet to a point, running thence westwardly one hundred thirty-five (135) feet to the east line of Marmotte street, thence northwardly along the east line of Marmotte street forty-three (43) feet to the place of beginning.

(g) Beginning at a point on the northeast corner of Conception and St. Francis streets, in the City of Mobile, Alabama, thence running eastwardly along the north line of St. Francis street a distance of sixty-six (66) feet eight (8) inches to a point for the front of said lot; thence running northwardly along the west boundary line of what was formerly known as McMillan's lot (now occupied by Mobile Coal Company's offices), said line being parallel with Conception street, a distance of ninety-three (93) feet to a point for the depth of said lot; thence running westwardly and parallel with St. Francis street a distance of sixty-six (66) feet eight (8) inches to a point on the east line of Conception street for the rear width of said lot; thence running southwardly and along the east line of Conception street, a distance of ninety-three (93) feet to the place of beginning.

(h) That certain strip of land located in Square No. 352 of the Orange Grove Tract, commencing at a point on the south side of Morgan street sixty-five (65) feet west of Lawrence street, which point is on the west side of the ditch running through said square; thence running southwardly along the west side of said ditch to the north line of the Fisher tract, thence westwardly along the north line of said Fisher Tract to a point which is twenty (20) feet distant westwardly from the west line of said ditch measured at right angles therefrom, thence northwardly and parallel with said ditch to the south line of Morgan street, thence eastwardly along the south line of Morgan street twenty (20) feet, more or less, to the place of beginning.

(i) A right of way four (4) feet wide, in, through and under that certain strip of land, the center of which is described as follows:

Commencing at a point on the west side of Marmotte street fifty (50) feet south of the southwest corner of Marmotte street and Davis avenue, and running thence in a southwesterly direction to a point on the southline of the Fisher Tract, which point is thirty-nine (39) feet, more or less, west of the west line of that street known as Marmotte street, which runs south from Davis avenue.

(j) That certain lot of land in square Three Hundred and Fifty-four of the Orange Grove Tract in the City of Mobile, Alabama, described as follows: Commencing at a point on the west side of Lawrence street Forty-five feet South of the Southwest corner of Lawrence and Marion streets, thence running Southwardly along the West line of said Lawrence street Eighty feet (80') to the West line of the present drain through said square, thence Southwardly along the West line of said drain One Hundred and Eighty-five (185) feet to a point on the North line of Morgan street Sixty feet West of Lawrence street, thence Westwardly along the North side of Morgan street Twenty-five

(25') feet to a point, thence North Eastwardly Two Hundred and Seventy (270') feet more or less to the place of beginning.

(k) That certain lot or parcel of land in the County of Mobile, State of Alabama, described as follows:

That triangular piece of land bounded by a line described as beginning at the southwest corner of Lot 1 Block 4 of Mechen & Sage's Second Subdivision of LaFargue Place as per plat thereof recorded in Deed Book 121 N. S. page 511 of the records in the office of the Judge of the Probate Court of Mobile County, Alabama, thence running in an eastwardly direction along the north line of Chastang Street 150 feet, more or less, to the southwest corner of Lot 40 in said Block 4; running thence in a northwardly direction along the southwest line of said Lot 40, 100 feet, more or less, to the southeast corner of Lot 3 in said Block 4; running thence in a southwestwardly direction along the south lines of Lots 3, 2 and 1 of said Block 4, 120 feet, more or less, to the point of beginning. Being a triangular piece of land bounded on the northwest by Lots 1, 2 and 3, on northeast by Lot 40, on the south by Chastang Street all as per plat thereof recorded in Deed Book 121 N. S. page 511 of the records in the office of the Judge of the Probate Court of Mobile County, Alabama.

(l) That certain lot or parcel of land in the City and County of Mobile, State of Alabama, described as follows:

Beginning at a point on the southwest line of Davis Avenue (which point is 345 feet, more or less, northwestwardly from the northwest corner of Davis Avenue and Dulany Street), and so running thence southwestwardly and at right angles or nearly so to Davis Avenue 100 feet to a point; thence southeastwardly and parallel with Davis Avenue 50 feet to a point; thence northeastwardly 100 feet to a point on the southwest line of Davis Avenue; thence northwestwardly along said southwest line 50 feet to the point of beginning; being the same property conveyed in the deed executed by Stewart Brooks, as Executor of the last will and testament of Edna Williams, to the Mobile Gas Company, dated September 24th, 1930, and recorded in Deed Book No. 245 N. S. page 567 of the Probate Records of Mobile County, Alabama.

(m) That certain lot or parcel of land in the City and County of Mobile, State of Alabama, described as follows:

Lot Number 6 in Square 3 of the Krebs and Delmas portion of the Fisher Tract, said lot beginning on the east side of Marmotte Street forty-one (41) feet south of the southeast corner of Walnut Street, now know as St. Medar Street, and running southwardly forty-one (41) feet and extending back eastwardly between parallel lines and parallel with Walnut Street, now St. Medar Street, one hundred and twenty-five (125) feet six (6) inches for a depth. Being the same property conveyed to James B. Slade by Joseph A. Hynde by deed dated 10th Oct. 1916,

Deed Book 170 N. S. page 518, of Probate Court Records of Mobile County, Alabama.

(n) That certain lot or parcel of land in the City and County of Mobile, State of Alabama, described as follows:

Beginning 102.4 feet from the northwest corner of Old Shell Road and Bush Avenue, as now laid out, thence running northwardly along the east side of Bush Avenue 54.8 feet, more or less, to a point on the north line or the north line as extended, of lot of Azaline T. Bradford, thence eastwardly along said north line 105 feet to a point, thence southwardly 54.8 feet to a point on the south line of said lot, thence westwardly 102 feet to the place of beginning, according to map made by Adams & Ringo, engineers, dated February 22, 1927 for J. F. Maury.

(o) That certain lot or parcel of land in the City and County of Mobile, State of Alabama, described as follows:

That lot of land in the City of Mobile, Alabama, commencing on the north line of Monroe Street three hundred and fifty-one (351) feet and nine (9) inches westwardly from the northwest intersection of Wilkinson and Monroe Streets, thence westwardly along the north line of Monroe Street thirty-one (31) feet and two (2) inches, thence northwardly ninety-four (94) feet to the old cemetery wall to a point two hundred and forty-seven (247) feet and four (4) inches westwardly from the southeast corner of the old cemetery wall, thence eastwardly along the south fence of said cemetery wall thirty-three (33) feet and six (6) inches to a point two hundred and thirteen (213) feet and ten (10) inches from the southeast corner of said cemetery wall, thence southwardly ninety-one (91) feet and six (6) inches to Monroe Street and the place of beginning. Being the same property conveyed to Victorine A. Espalla by deed from E. D. Maxon and wife, dated December 21, 1923, recorded in Deed Book No. 199 N. S. page 407, Probate Court Records, Mobile County, Alabama.

(p) That certain lot or parcel of land in the City and County of Mobile, State of Alabama, described as follows:

Beginning at the southeast corner of Lot Thirty-seven (37) in Dauphin Place Number two (2), as per plat thereof recorded in Deed Book 104 N. S. page 1, in the records of the Probate Court of Mobile County, Alabama, thence in a westerly direction along the south line of said lot Thirty-seven (37) fifty (50) feet to a point, which is the southwest corner of said Lot 37, thence in a northerly direction along the west line of Lot 37 twenty (20) feet to a point, thence in an easterly direction and parallel with the south line of said Lot 37 fifty (50) feet to a point, thence in a southerly direction along the east line of said Lot 37 twenty (20) feet to the point of beginning, said lot being the south twenty (20) feet of Lot 37 in Dauphin Place Number 2, as per the aforesaid map.

(q) That certain lot or parcel of land in the City and County of Mobile, State of Alabama, described as follows:

Commencing at a point on the north side of State Street a distance of 100.5 feet, east of the east line of St. Joseph Street; thence running eastwardly and along the north line of State Street a distance of 52.6 feet to a point; thence running northwardly and parallel with St. Joseph Street, or nearly so, a distance of 135.7 feet, more or less, to a point; which is an iron pin in a brick wall, thence running westwardly and parallel with State Street, or nearly so, a distance of 53 feet to a point; thence running southwardly and parallel with St. Joseph Street, or nearly so, a distance of 135.7 feet, more or less, to the place of beginning; being the same property received by Thomas Goronwy Owen under the name of Goronwy Owen, Jr., in the partition between the heirs of Susan N. Owen, deceased, the partition deed being recorded in Deed Book 136 N. S. page 37 of the Probate Records of Mobile County, Alabama.

(r) That certain lot or parcel of land in the City of Mobile, County of Mobile, State of Alabama, more particularly described as follows:

From a point on the western line of Houston Street 212.2 feet southwardly from the southwest corner of Houston and Government Streets run westwardly along a line parallel to the south line of Government Street 60.39 feet to a point; thence with a deflection angle to the right of 99 degrees 36 minutes, run northwardly along said line 26 1/2 feet to a point; thence run eastwardly along a line parallel to the south line of Government Street, to a point on the west line of Houston Street; thence run southwardly along the west line of Houston Street, to the point of beginning; the distance between the north line of said lot and the south line thereof, which lines are parallel, being 25 feet; said lot or strip of land being bounded on the east by Houston Street, and on the west by the land now owned by E. C. Hughes, and having as its southern boundary line the present southern boundary line of the lot of land of the said Estelle P. Kirkbridge, located at the southwest corner of Houston and Government Streets, and having as its northern boundary line a line parallel to said southern boundary line, twenty-five feet distant from said southern boundary line.

First Supplemental Indenture No Real Estate Description

Second Supplemental Indenture

The following described piece, parcel or tract of land situated at the S.W. Corner of Old Shell Road and Hurlburt Street, in the City of Mobile, County of Mobile and State of Alabama, together with all improvements of every description thereon situated or in anywise incident or appurtenant thereto, and more fully described as follows:

Beginning at a point at the Northwest corner of Lot 6 in Block 1 of Homer Place, according to plat thereof recorded in Deed Book 116 N. S. page 241 of the records in the

office of the Judge of Probate Court of Mobile County, Alabama, running thence Southwardly along the West line of Lot 6, 128 feet to a point, running thence Eastwardly parallel with the South line of Lot 6, 50 feet more or less to a point on the East line of Lot 6, which is 100 feet Southwardly from the Northeast corner of Lot 6, running thence Northwardly along the East line of Lot 6, 100 feet to a point at the Northeast corner of Lot 6, running thence Westwardly along the North line of Lot 6, to the Northwest corner of Lot 6 and the place of beginning, being all of Lot 6, Block 1, of Homer Place, EXCEPT the South 40 feet thereof. Being the same premises conveyed to the Company by deed from Joseph Mendel McMillan dated April 18, 1947, recorded in Deed Book No. 246, pages 511 and 512, Probate Court Records, Mobile County, Alabama.

Third Supplemental Indenture

That certain parcel of land in the City and County of Mobile, Alabama, described as:

Beginning at a point one hundred seventy-seven and forth-six one hundredths (177.46) feet, more or less, South of Government Street along the West property line of St. Paul's Lutheran Church, which point is the present Northwest corner of the Mobile Gas Service Corporation's property and the Southwest corner of St. Paul's Lutheran Church's property, the point of beginning, thence Northwardly along this line three and twenty-five one hundredths (3.25) feet, more or less, thence turn an angle of ninety (90°) degrees, thence Eastwardly nineteen and nine tenths (19.9) feet, more or less, to a point, thence Westwardly twenty and two tenths (20.2) feet, more or less, to the point of beginning.

Fourth Supplemental Indenture No Real Estate Description

Fifth Supplemental Indenture

I.

All that real property in Mobile County, Alabama which is described as follows to-wit:

A square plot of land measuring 30 feet on each side in the Northwest corner of Lot #9 of Airport Subdivision as per survey and plat thereof made by Tunstall Bryars, Registered Land Surveyor, dated October 26, 1957, and attached to a deed from CHARLES P. POWELL and wife ROSE B. POWELL to HAROLD CASEY and wife NAOMI CASEY and recorded in Deed Book 757, Page 147, Probate Court Records, Mobile County, Alabama, and more particularly described as follows:

Commencing at an iron stake which marks the Southwest corner of Section 12, Township 4 South, Range 3 West, thence run East 141 feet to a point on the South boundary line of said Section 12; thence run North 00 degrees, 7 minutes, 15 seconds West a distance of 300 feet to a point; thence run East 24 feet to a point; thence run North 00 degrees, 7 minutes, 15 seconds West a distance of 412 feet to a point which marks the Northwest corner of said Lot #9, the point of beginning of the land herein conveyed; thence run East 30 feet to a point; thence run South 00

degrees, 7 minutes, 15 seconds East a distance of 30 feet to a point; thence run West 30 feet to the West boundary line of said Lot #9; thence run North 00 degrees, 7 minutes, 15 seconds West a distance of 30 feet.

There is excepted from the foregoing property a gas line easement granted to United Gas Pipe Line Company, and crossing the above described plot.

Being the same premises conveyed to the Company by deed from Charles P. Powell and wife Rose B. Powell dated April 15, 1959, recorded in Real Property Book 74 at Page 713, Probate Court Records, Mobile County, Alabama.

II.

All that real property in Mobile County, Alabama which is described as follows, to-wit:

Commencing at the Southwest corner of the Southeast Quarter of the Southwest Quarter, Section 28, Township 3 South, Range 2 West and running Eastwardly along the South boundary of said Section 28 a distance of 711.2 feet to a point; thence run Northwardly 30 feet, more or less, to a point on the North right of way line of Bear Fork Road, which point is the point of beginning of the property herein conveyed; run thence Northwardly 200 feet to a point; run thence South 76 degrees 12 minutes East 100 feet to a point; run thence South 200 feet to a point on the North right of way line of said Bear Fork Road; run thence Northwestwardly along said right of way 100 feet to the point of beginning.

Excepting, however, all oil, gas and minerals and/or royalties in, on and under the above described premises.

Being the same premises conveyed to the Company by deed from Ruffin Graham and wife Ruth S. Graham dated October 28, 1958, recorded in Real Property Book 141 at Page 28, Probate Court Records, Mobile County, Alabama.

III.

That certain real property in the City and County of Mobile, State of Alabama, described as follows, to-wit:

Beginning at a point on the South line of St. Michael Street 75.58 feet East of the Southeast corner of Conception and St. Michael Streets; thence running Westwardly along the South line of St. Michael Street 75.58 feet to said Southeast corner of said Conception and St. Michael Streets; thence running South along the East line of Conception Street 80 feet 5 3/4 inches to the North line of the real property of Mobile Gas Service Corporation; running thence Eastwardly along the North boundary line of said Mobile Gas Service Corporation property and along an extension of said line for an aggregate distance of 77.87 feet to a point, which point is 81.807 feet Southwardly of the

point of beginning; thence running along a straight line to said point of beginning 81.807 feet.

Said parcel being the same premises conveyed to the Company by deed from The American National Bank & Trust Company of Mobile, a National Banking Association, dated September 17, 1959, recorded in Real Property Book 98 at Page 437, Probate Court Records, Mobile County, Alabama.

Sixth Supplemental Indenture No Real Estate Description

Seventh Supplemental Indenture

All that real property in Mobile County, Alabama which is described as follows to-wit:

Commencing at a point on the East side of the Kalioka Road or the Rice Road where said road intersects the North line of the United Gas Pipeline Company 50 foot right of way easement granted said United Gas Pipeline Company by Harry F. Cessna and wife by instrument dated September 15, 1947 and recorded in Deed Book 441, page 236 in the Probate Court records of Mobile County, Alabama, for the point of beginning of the property herein described; thence run North 00 degrees 10 minutes West along the East side of Kalioka Road or Rice Road 217 feet to a point, thence North 89 degrees 50 minutes East 147.47 feet to a point on the North line of the United Gas Pipeline Company right of way line; thence South 34 degrees 02 minutes West along the North line of the United Gas Pipeline Company right of way line 262.37 feet to the point of beginning;

Excepting, however all oil, gas and other minerals in, on or under the above described property.

Being the same premises conveyed to the Company by deed from Harry F. Cessna, a divorced man, dated June 7, 1963, recorded in Real Property Book 427 at Page 495 Probate Court Records, Mobile County, Alabama.

Eighth Supplemental Indenture

All that real property in Mobile County, Alabama which is described as follows, to-wit:

Beginning at the intersection of the westerly line of Royal Street and the northerly line of State Street, thence 30.0' in a westerly direction on a line bearing S67° 06' 45" W, thence 20.0' in an northerly direction on a line bearing N23° 14' 30" W, thence 30.0' in an easterly direction on a line bearing N67° 06' 45" E, thence 20.0' in a southerly direction on a line bearing S23° 14' 30" E to the point of beginning.

Being the same premises conveyed to the Company by deed from the United States of America through the Assistant Postmaster General, Bureau of Facilities, pursuant to the provisions of Title 39, U.S. Code 2103, and Order No. 55884 of

the Postmaster General (20F.R.3598) dated June 30, 1965, Recorded in Real Property Book 610 at pages 35 and 36, Probate Court Records, Mobile County, Alabama.

Parcels 9-D-1 and 9-D-2 of the Water Street Area According to the plat thereof as Recorded in Map Book 18, Page 68-B, of the records in the Office of the Judge of Probate of Mobile County, Alabama.

Being the same premises conveyed to the Company by deed from the Mobile Housing Board, dated April 1, 1968, Recorded in Real Property Book 897 at Pages 99, 100 and 101, Probate Court Records, Mobile County, Alabama.

All of the right, title and interest of the Company in the real property situate in the County of Mobile, State of Alabama, to wit:

Northwest quarter of Northeast quarter of Section 5, Township 5 South, Range 2 West, Saint Stephens Meridian, Alabama.

Being the same premises conveyed to the Company by deed from Sadie L. Davis as Trustee under the Last Will and Testament of John B. Davis, Deceased, Dated May 12, 1970, Recorded in Real Property Book 968 at Pages 911 and 912, Probate Court Records, Mobile County, Alabama and by deed from George B. Cortelyou and Irwin F. Cortelyou, his wife, Dated May 14, 1970, Recorded in Real Property Book 968 at pages 909 and 910, Probate Court Records, Mobile County, Alabama.

Ninth Supplemental Indenture

All that real property in Mobile County, Alabama, which is described as follows, to-wit:

Commencing at the Northeast corner of Section 19, Township 4 South, Range 1 West, and run thence South 89° 40' 45" West along the Section Line dividing Sections 18 and 19, 330 feet to the point of beginning. From said point of beginning run South 00° 19' 15" East 861.81 feet to the North Right-of-Way Line of Dauphin Street; thence run North 81° 09' 15" West along the North Right-of-Way Line of Dauphin Street 855.29 feet to a point; thence run North 04° 35' 45" East 728.23 feet, more or less, to the Section Line dividing Sections 18 and 19; thence run South 89° 40' 45" West along said Section Line 200 feet, more or less, to a point where a fence line intersects said Section Line; run thence North Along said fence line 00° 19' 15" West 660 feet to a point; thence run North 89° 40' 45" East 726 feet to a point; thence run South 17° 01' 10" East 689.06 feet to a point on the Section Line dividing Sections 18 and 19; thence run North 89° 40' 45" East along said Section Line 66 feet to the point of beginning.

This conveyance and the warranty hereinafter set forth are subject to the following:

1. Easement granted to Alabama Power Company by the Most Reverend T. J. Toolen, Bishop of Mobile, by instrument dated July 12, 1949 and recorded in Deed Book 486, page 303.

2. Easement granted to Alabama Power Company by the Most Reverend T.J. Toolen, Bishop of Mobile, by instrument dated October 31, 1961 and recorded in Real Property Book 308, page 987.
3. Sixty-six foot right of way conveyed to Mobile, Jackson and Kansas City Railroad Company by Charles Compton by instrument dated October 13, 1896 and recorded in Deed Book 82, page 134.
4. Sixty-foot right of way conveyed to Mobile, Jackson and Kansas City Railroad Company by Mary A. McDonald and John T. McDonald, husband and wife, by instrument dated September 29, 1896 and recorded in Deed Book 84, page 10.
5. Sixty-six foot right of way conveyed to Mobile, Jackson, and Kansas City Railroad Company by George Strachan and Agnes M. Strachan by instrument dated September 30, 1896 and recorded in Deed Book 81, page 548.
6. Fence line encroachment along the East line to the extent of .3 foot as per Survey by Norden Engineering dated December 21, 1970.

ALL RECORDING REFERENCES REFER TO THE RECORDS IN THE OFFICE OF THE JUDGE OF PROBATE OF MOBILE COUNTY, ALABAMA.

Tenth Supplemental Indenture No Real Estate Description

Eleventh Supplemental Indenture No Real Estate Description

Twelfth Supplemental Indenture

All that real property in the County of Mobile, State of Alabama, which is described as follows, to-wit:

Beginning at an iron marker at the Northeast intersection of St. Joseph and St. Anthony Streets, Mobile, Alabama, run thence Eastwardly along the North right-of-way line of St. Anthony Street 114.0 feet to a point; thence with an interior angle of 87 degrees 35 minutes run Northwardly 64.2 feet to a point; thence with an interior angle of 92 degrees 40 minutes run Westwardly along brick wall 114.0 feet to a point; thence with an interior angle of 87 degrees 21 minutes run Southwardly along East right-of-way line of St. Joseph Street 64.7 feet to the point of beginning;

together with all and singular the rights, privileges, tenements, hereditaments and appurtenances thereunto belonging, or in anywise appertaining; but such conveyance being made subject to restrictive covenants and easements, if any, applicable to said property of record in the below mentioned Probate Court records; subject to any claim arising by reason of brick wall along North line of said property; and subject to any claim arising by reason of iron railing along East line of said property.

THE AFOREMENTIONED REAL PROPERTY IS RECORDED IN THE OFFICE OF THE JUDGE OF PROBATE OF MOBILE COUNTY, ALABAMA.

Thirteenth Supplemental Indenture

All that real property in the County of Mobile, State of Alabama, which is described as follows, to-wit:

Commencing at the Southeast corner of Section 18, T4S-R1W, Mobile County, Alabama, run S 89° 40' 45" W along the South line of said Section 18, a distance of 1320.13 feet to the Southeast corner of the Southwest Quarter of the Southeast Quarter of said Section 18; thence along the North-South centerline of the Southeast Quarter of said Section 18 and along the West line of property now or formerly of Mobile Gas Service Corp., run N 00° 18' 41" W 432.52 feet to the point of beginning of the property herein described; thence continuing N 00° 18' 41" W along said North-South centerline of the Southeast Quarter of Section 18 and along said West line of property of Mobile Gas Service Corp., run 227.48 feet to a point; thence along the North line of said Mobile Gas Service Corp. property, run N 89° 40' 45" E 273.88 feet to a point on the Southwest right of way line of the Illinois Central Gulf Railroad right of way; thence along said Southwest right of way line run N 42° 03' 36" W 893.52 feet to a point on the North line of the South Half of the Southeast Quarter of said Section 18; thence along said North line of the South Half of the Southeast Quarter of Section 18, run N 89° 18' 49" W 127.17 feet to a point; thence run S 02° 38' 49" E 897.18 feet to a point; thence run N 89° 40' 45" E 411.67 feet to the point of beginning. Being Lot 2, Mobile Gas Subdivision, Unit One according to plat recorded in Map Book 42, Page 28 of the records in the office of the Judge of Probate Court of Mobile County, Alabama, and containing 8.4672.

Fourteenth Supplemental Indenture

All that real property in the County of Mobile, State of Alabama, which is described as follows, to-wit:

- (a) From the Northwest corner of the Northeast Quarter of Section 27, Township 6 South, Range 2 West, Mobile County, Alabama, run South 89° 37' East along the North line of said Section 27 a distance of 441.16 feet to a point on the Northward projection of the West right of way line of Lancaster Road (60-foot right of way); thence South 03°-44' East along said projection and along said West line 914 feet, more or less, to the Southeast corner of property now or formerly of Waterway Communication Systems, Inc., as described in Real Property Book 2887, Page 320, Probate Court records, Mobile County, Alabama for the point of beginning of the property herein described; thence continue South 03°-44' East along the West line of Lancaster Road 20.0 feet; thence North 89°-52' West 20.0 feet; thence North 03°-44' West 20.0 feet to a point on the South line of aforementioned Waterway Communication Systems, Inc. property; thence South 89°-52' East along said South line 20.0 feet to the point of beginning.

- (b) Commencing at a point on the East right of way line of Bayou La Batre-Irvington Highway (County Road No. 19) where it is intersected by the South line of lands described in a certain deed from George Gazzier, et ux to James J. Jackson, et ux dated September 30, 1977 and recorded in the office of the Judge of Probate Court of Mobile County, Alabama, in Real Property Book 1764 Page 412, run North along the East right of way of said Bayou La Batre-Irvington Highway 94.50 feet to the point of beginning of the property herein described; thence continuing North along said East right of way line of Bayou La Batre-Irvington Highway run 50 feet to the Southwest corner of property conveyed to Jesse M. Smith and Kathleen Z. Smith by instrument recorded in Real Property Book 2621 Page 802 of the aforementioned records in the office of the Judge of Probate Court of Mobile County, Alabama; thence run S 89° 48' E along the South line of said property conveyed to Smith 60.0 feet to a point; thence run South 50 feet to a point on the North line of a 50 foot wide Transcontinental Gas Pipe Line Corporation right of way; thence run S 89° 48' 25" W along said North line of right of way 60.0 feet to the point of beginning. Containing 3,000 Square Feet.
- (c) Beginning at the intersection of the present North right of way line of Hamilton Road, sometimes knows as Island Road, and the East line of Lot 2, Block 1, Island Farms, Hollingers Island, as recorded in Map Book 3, Pages 155-158, inclusive, Probate Court Records, Mobile County, Alabama, run Westwardly along the North right of way line of Hamilton Road 20.0 feet; thence deflecting 76 degrees 06' 43" East to the right, run Northwardly and parallel to the East line of said Lot 2, Block 1 a distance of 20.0; thence Eastwardly and parallel to the North right of way line of Hamilton Road 20.0 feet to a point on the East line of aforesaid Lot 2, Block 1; thence Southeastwardly along said East line 20.0 feet to the point of beginning.
- (d) Beginning at the SW corner of the SW Quarter of Section 25, Township 7 South, Range 2 West, and run thence due East 1,050 feet along the line dividing Section 25 and Section 36 to the point of beginning of the property herein described; thence running due North 1,050 feet to a point; thence running due West 262.5 feet to a point thence running due South and parallel with the West line of Section 25, 1,050 feet to a point; thence run due East 262.5 feet to the place of beginning, and being a portion of that property conveyed to John F. Glennon by Charles LeBaron and wife, by conveyance recorded in Deed Book 209, Page 432, in the records of the Office of the Judge of Probate, Mobile County, Alabama.
- (e) Lots 4 & 5, BAYOU TERRACE, according to plat thereof recorded in Map Book 9, Page 427 of the records in the Office of the Judge of Probate, Mobile County, Alabama.

Fifteenth Supplement Indenture

All that real and other property in the County of Mobile, State of Alabama, which is described as follows, to-wit:

- (a) Commencing at the Northeast corner of Section 9, Township 6 South, Range 2 West, Mobile County, Alabama; thence run South 149 feet to a point on the Northwesternly right-of-way of the C.S.X. Railroad; thence run South 33 degrees 11 minutes 07 seconds West along said right-of-way 714.45 feet to the point of beginning of the property herein described; thence continue South 33 degrees 11 minutes 07 seconds West, along said right-of-way 100 feet to a point; thence run North 58 degrees 29 minutes 07 seconds West 328.37 feet to a point on the Southeasterly right-of-way of U. S. Highway 90; thence run North 32 degrees 22 minutes East, along said right-of-way of U. S. Highway 90, a distance of 100 feet to a point; thence run South 58 degrees 28 minutes 47 seconds East, a distance of 329.80 feet to the point of beginning; containing 0.75 acres more or less.
- (b) all property conveyed to the Company by The Utilities Board of the Town of Citronelle by that certain Deed dated May 13, 1993 and recorded on same date in Real Property Book 4047, Pages 1712-1715 in the records of the Judge of Probate of Mobile County, Alabama.

Sixteenth Supplemental Indenture No Real Estate Description**Seventeenth Supplemental Indenture** No Real Estate Description**Eighteenth Supplemental Indenture**

Those certain parcels of real estate described as follows:

- (a) The real property located in Mobile County, Alabama conveyed to the Company by Ourania Gounares Ream by deed recorded in Book 4913, page 1241 of the records of the office of the Judge of Probate of Mobile County, Alabama.
- (b) The real property located in Baldwin County, Alabama conveyed to the Company by Stimpson Forest Product, L.L.C. by deed recorded in Instrument Number 579801 of the records in the office of the Judge of Probate of Baldwin County, Alabama.

APPENDIX II
TO AMENDED AND RESTATED INDENTURE
DATED AS OF JULY 1, 2011

(1) The term “permitted liens” or words of similar import shall mean and include any of the following liens and encumbrances, namely: (a) liens and encumbrances junior to the lien of this Indenture; (b) taxes for the then current year or which are not yet delinquent; (c) taxes or liens created by assessments of governmental bodies, payment of which is due in installments over a period of years and no payment of which is overdue, and taxes and assessments payment of which is being contested in good faith by the Company; (d) any right which any municipality or other governmental body or agency may have by virtue of any franchise, license, contract or statute to purchase any property of the Company upon payment of reasonable compensation therefor or to terminate any franchise, license or other rights or to regulate the property and business of the Company; (e) undetermined liens and charges incidental to construction; (f) liens securing debt which (i) would be prior lien debt as defined in paragraph (3) below if such liens were not permitted by this item (f), and (ii) would be prior lien debt which would not be outstanding under paragraph (4) below; (g) any liens, neither assumed by the Company nor on which it customarily pays interest, existing upon real estate or rights in or relating to real estate acquired by the Company for measuring station, regulating station, transmission lines, gas transportation lines, distribution lines or right-of-way purposes; (h) the lien, if any, of judgments not exceeding, at any one time, \$25,000 in aggregate amount rendered against the Company as a result of claims for personal injuries, death or damages to property in connection with the conduct of the business of the Company where the validity or amount thereof is being contested in good faith through appropriate appellate proceedings; and (i) easements or reservations in any property of the Company for the purpose of roads, pipe lines, gas transportation and distribution lines, electric light and power transmission and distribution lines, water mains and other like purposes and zoning ordinances, regulations and restrictions which do not impair the use of such property in the operation of the business of the Company.

(2) Whenever any property of the Company or to be acquired by it shall be subject to any lien or encumbrance prior to the lien of this Indenture, securing any bonds or other obligations capable of being discharged by the payment of money, the Company may deposit with the Trustee cash and/or a principal amount of U.S. Obligations sufficient without taking into account any interest for the discharge of such lien or encumbrance with authority to apply the same, so far as necessary, to the discharge of such lien or encumbrance. In case the validity or amount of any such lien or encumbrance is disputed by the Company the terms of such deposit may be such as to authorize the Trustee to apply such cash and/or U.S. Obligations to the discharge of such lien or encumbrance only when found valid by a court of competent jurisdiction or when so directed by the Company prior to such adjudication. Any cash and/or U.S. Obligations so deposited remaining after the discharge of such lien or encumbrance shall be returned to the Company upon receipt by the Trustee of a certificate of the Company and an opinion of counsel stating that such lien or encumbrance has been discharged, and as to compliance with conditions precedent to such return. The Company may make a deposit as aforesaid to cover less than all of the bonds or other obligations secured by any such lien or encumbrance, and in such event such lien or encumbrance shall be deemed to be a “permitted

lien” only to the extent of the proportion thereof provided for by such deposit. Any prior lien or encumbrance in respect of which the Company shall have made provision, by deposit with the Trustee pursuant to this paragraph, for the discharge of all the bonds or other obligations secured thereby shall thereafter be deemed to be not outstanding and non-existent for the purposes of this Indenture. The amount deposited with and held by the Trustee under this provision at any one time shall not exceed five hundred thousand dollars (\$500,000).

(3) The term “prior lien debt” shall mean bonds (but not Bonds issued hereunder), notes or other evidences of indebtedness secured by a mortgage, lien or other encumbrance prior to the lien hereof (other than permitted liens) on public utility property acquired by the Company subsequent to December 31, 1943; and the term “prior liens” shall mean mortgages, liens or other encumbrances securing such prior lien debt.

(4) The term “outstanding” as applied to prior lien debt, shall mean as of any particular time all prior lien debt authenticated and delivered by the trustee under the lien securing the same or, if there be no such trustee, all prior lien debt theretofore issued under any such lien, except (a) prior lien debt theretofore cancelled, (b) prior lien debt pledged hereunder, (c) prior lien debt held uncanceled by the trustee under a prior lien under conditions such that no transfer of ownership or possession thereof is permissible, except upon a default under such lien, or except to the Trustee hereunder, or to the trustee of the lien securing the same for cancellation or to be held uncanceled under like conditions under the terms of such lien, and (d) prior lien debt the payment or redemption or other retirement of which shall have been provided for by the deposit of cash and/or U.S. Obligations with the Trustee hereunder as specified in paragraph (2) above or with the trustee under the lien securing the same or any other trustee meeting the requirements of the Indenture.

APPENDIX III
TO AMENDED AND RESTATED INDENTURE
DATED AS OF JULY 1, 2011

Granting Clause VIII from Original Indenture

Expressly Excepting and Excluding, However, from this Indenture and from the lien and operation hereof:

- (a) all property expressly excepted in the descriptions set forth in Appendix I;
- (b) three unused water gas manufacturing units (one with steel covering building), and appurtenant equipment, including one 160 H. P. and one 250 H. P. boiler, exhauster, feeder, water heater, purification, scrubbing and condensing equipment, tanks, wash boxes, ammonia still, relief holder and all piping, valves, connections, instruments and apparatus connected therewith, all now located on the premises of the Company, except a 20 inch cast iron main from one of the Company's gas holders to the building in which certain of the above mentioned apparatus is located, a 4 inch water main to the building in which the Company's boilers are located, one boiler of brick construction situated in such building and two oil tanks, all of which are connected to certain of the property described in Appendix I, but are not intended to be excluded from the lien hereof;
- (c) all right, title and interest of the Company in and to the northeast quarter of the northeast quarter (NE 1/4 NE 1/4) and the southwest quarter of the northeast quarter (SW 1/4 NE 1/4) Section Five (5) South, Range Two (2) West, in the County of Mobile, State of Alabama;
- (d) all bills, notes and accounts receivable and cash (other than cash required by any provision of this Indenture to be deposited with the Trustee) on hand and in banks;
- (e) all shares of stock and other certificates of interest therein and all bonds, notes and other evidences of indebtedness on certificates of interest therein and all other securities not herein or hereafter specifically mortgaged and pledged hereunder by specific delivery and assignment thereof to the Trustee or covenanted so to be, and all contracts and other choses in action;
- (f) all equipment, goods, merchandise and appliances acquired by the Company for the purpose of sale or lease in the ordinary course and conduct of the business of the Company or to its customers and all fuel, materials and supplies acquired for the purpose of consumption in the operation of any of the properties of the Company;
- (g) all motor cars, motor trucks and other vehicles;
- (h) all oil, coal and other minerals, if any, lying or being within or under any land subject to the lien of this Indenture; and

- (i) all other property acquired by the Company which is not public utility property.*

* The term "public utility property" shall mean any property (including franchises, permits and any similar rights) now owned or hereafter acquired by the Company situated in the States of Alabama, Mississippi or Florida, which is used or useful to it in the business of furnishing gas (except as provided below) for heat, light, power or refrigeration, or any other business which is incidental thereto or connected therewith, including (without limiting the generality of the foregoing) all properties necessary or appropriate for purchasing, storing, generating, manufacturing, utilizing, transmitting, supplying, distributing and/or disposing of gas, provided that such property shall be property which the Company under its charter and the laws of Alabama, shall be lawfully authorized to own and use in the business in connection with which such property is used or to be used by it.

Public utility property shall not include (1) any property of the character described in clauses (d) to (h) above; or (2) any natural gas wells or natural gas leases or natural gas lines or other works or property used in the production of natural gas or in the transmission thereof up to the point of connection with any distribution system owned by the Company except that public utility property shall be deemed to include any transmission system or systems used for the transmission of natural gas between any distribution systems owned by the Company.

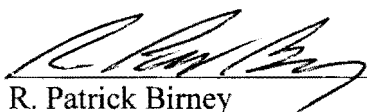
STATE OF ALABAMA)

COUNTY OF MOBILE)

AFFIDAVIT

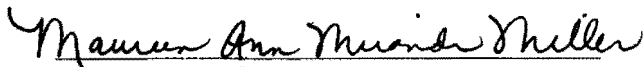
The undersigned, being first duly sworn, did depose and say as follows:

1. I am Vice President Finance and Administration of Mobile Gas Service Corporation.
2. Mobile Gas Service Corporation is granting to Regions Bank, as Trustee under that certain Amended and Restated Indenture of Mortgage dated as of September 1, 2011 (the "Indenture"), a mortgage upon the property of Mobile Gas Service Corporation located in Mobile County, Alabama and in Baldwin County, Alabama.
3. The value of the property located in Mobile County, Alabama is \$233,067,957, or 97.30% of the total value of the property covered by the Indenture. The value of the property located in Baldwin County, Alabama is \$6,470,995, or 2.70% of the total value of the property covered by the Indenture.


R. Patrick Birney

SWORN TO AND SUBSCRIBED before

me on this 26th day of Sept., 2011.


NOTARY PUBLIC

My Commission Expires: _____

NOTARY PUBLIC STATE OF ALABAMA AT LARGE
MY COMMISSION EXPIRES: Dec 15, 2012
BONDED THRU NOTARY PUBLIC UNDERWRITERS