

SECTION 9. § 5.27 of the Indenture is amended by inserting after the words "or of the 1977 Series" the words "or of the Second 1977 Series" and by adding at the end thereof a new paragraph reading as follows:

"Prior to the earlier of December 31, 1957 or the last day on which El Paso Natural Gas Company is obligated to lend money to the Company pursuant to an Agreement, dated November 8, 1956, between the Company and El Paso Natural Gas Company providing for loans to the Company by El Paso Natural Gas Company up to an aggregate of \$15,000,000, to be evidenced by 5% Subordinated Promissory Notes of the Company due December 31, 1957, the Company will increase its borrowings under said Agreement to \$15,000,000. So long as any of the Bonds of the 1975 Series or of the 1977 Series or of the Second 1977 Series are outstanding, the Company will not, directly or indirectly, purchase or redeem or pay in cash or otherwise discharge or acquire prior to maturity any of the said 5% Subordinated Promissory Notes of the Company due December 31, 1957, and will make payment of the principal of the said 5% Subordinated Promissory Notes at the maturity date thereof by the exercise of its right to pay at maturity in shares of the Company's common stock; provided, however, that it may purchase, redeem, pay or otherwise discharge or acquire any of the said 5% Subordinated Promissory Notes at or prior to the maturity date thereof in exchange for shares of the Company's common stock (including any common stock scrip or cash issuable in lieu of fractional shares) or from the proceeds from the substantially concurrent sale of the Company's common stock".

SECTION 10. § 5.28 of the Indenture is amended by inserting after the words "or Bonds of the 1977 Series" the words "or Bonds of the Second 1977 Series".

SECTION 11. § 5.30 of the Indenture is amended by adding after the words "Bonds of the 1977 Series" the words "and not less than 66⅔% in principal amount of the Bonds of the Second 1977 Series."

SECTION 12. Paragraph (c) of § 7.02 of the Indenture is amended by adding after the words "*Granting Clause Second* hereof," the words "or any gas sales contract modifying, amending, extending, cancelling or replacing said gas sales contract,".