

(a) the Company will not permit any of its subsidiaries

(1) to sell, transfer or otherwise dispose of all or substantially all of its assets and property, except to the Company or to a corporation which is or then will be a subsidiary, or to consolidate with or merge into any other corporation, except the Company or a corporation which is or then will be a subsidiary; or

(2) to issue any additional shares of its capital stock unless all such additional shares shall be issued to the Company and shall be fully paid and non-assessable;

(b) the Company will forthwith deliver to the Corporate Trustee all stock certificates representing additional shares of capital stock issued by any subsidiary, and all stock certificates representing shares of stock of any controlled corporation and all obligations or other securities of any controlled corporation which the Company may desire to pledge hereunder, and will execute and deliver to the Corporate Trustee all instruments of assignment or transfer or supplemental indentures which, in the opinion of counsel, may be necessary to subject the same to the lien of this Indenture; and

(c) the aggregate amount which the Company shall have expended on advances to or investments in all controlled corporations (other than Compania Occidental de Gas, S.A. de Capital Variable) in payment of the purchase price of stock or other securities or as loans or advances on open account, less all amounts received by the Company in payment of the principal of any such loans, advances or securities or through the redemption, sale or other disposition of any such stock or other securities, shall not at any one time exceed the sum of \$50,000,000, plus, in the case of El Paso Natural Gas Building Company, the sum of \$10,000,000; provided, however, that in any computation for the purposes of this subdivision (c) shares of stock, obligations or other securities of a controlled corporation acquired by the Company through the issuance in exchange therefor of stock of the Company of any class or classes and/or through the application of the proceeds of the substantially simultaneous sale of stock of the Company of any class or classes shall not be deemed to constitute "investments in or advances to" a controlled corporation for any purpose of this Indenture, and provided, further, that investments in or advances to controlled