

with the terms of this Indenture has ceased to be subject to the lien hereof)", appearing in the first paragraph of said Section, and inserting in lieu thereof the following:

"(other than excepted property, property which consistently with the terms of this Indenture has ceased to be subject to the lien hereof and property which has been transferred by the Company to El Paso Gas Transportation Corporation subject to the continuing lien of this Indenture under the circumstances contemplated in the second paragraph of this Section)"; and

(b) by adding immediately following the first paragraph of said Section a new paragraph reading as follows:

"Nothing in this Section or elsewhere in this Indenture contained shall prohibit or otherwise restrict the transfer by the Company of mortgaged property located in or adjacent to the city limits of the City of El Paso, Texas, to El Paso Gas Transportation Corporation, at any time when said corporation is a subsidiary as defined in Section 1.02, if such transfer is made subject to the continuing lien of this Indenture. In the event of any such transfer, all covenants, agreements and provisions in this Indenture contained with respect to mortgaged property shall continue to be fully applicable to the properties so transferred."

SECTION 16. Section 7.04 of the Mortgage is hereby modified by changing the first paragraph of said Section to read as follows:

"SECTION 7.04. That it will cause this Indenture and any and all supplemental indentures and instruments of conveyance, transfer, assignment or further assurance and notices of assignment at all times to be kept recorded and filed in such manner and in such places as may in the opinion of counsel be required by law in order fully to preserve and protect the rights of the bondholders and the Trustees hereunder in respect of the lien of this Indenture as a mortgage on real estate and interests therein (including rights of way as defined in Section 1.09) and on gas leasehold estates (whether or not real estate or interests therein), and pipe lines and appurtenances thereto, gas wells and appurtenances thereto, and buildings, structures and equipment, installed thereon, and in respect of the lien of this Indenture on the right, title and interest of the Company under, in and to con-