

ALABAMA GAS CORPORATION

TO

CHEMICAL BANK,

Trustee

EIGHTEENTH SUPPLEMENTAL INDENTURE

Dated as of July 1, 1982

TO

FIRST MORTGAGE AND DEED OF TRUST

Dated as of April 1, 1941

As supplemented, amended and restated in a

NINTH SUPPLEMENTAL INDENTURE

Dated as of April 1, 1949

BOOK 422 PAGE 434

BOOK 422 PAGE 435
EIGHTEENTH SUPPLEMENTAL INDENTURE dated as of July 1, 1982, made and entered into by and between ALABAMA GAS CORPORATION, a corporation organized and existing under the laws of the State of Alabama, with its principal place of business in Birmingham, Jefferson County, Alabama (hereinafter called the "Company"), and CHEMICAL BANK, a corporation organized and existing under the laws of the State of New York, with its principal office in the Borough of Manhattan, City and State of New York (hereinafter called the "Trustee") as Trustee under The First Mortgage and Deed of Trust dated as of April 1, 1941 (the "Indenture dated as of April 1, 1941").

WHEREAS, the Company has from time to time executed and delivered to the Trustee seventeen separate Indentures supplemental to the Indenture dated as of April 1, 1941, including the Ninth Supplemental Indenture dated as of April 1, 1949, which supplemented, amended and restated the Indenture as of April 1, 1941 (said Indenture dated as of April 1, 1941, as so supplemented, amended and restated by said seventeen supplemental Indentures being herein called the "Indenture");

WHEREAS, the Company has outstanding its 5 1/8% Series E bonds created and issued pursuant to the Fifteenth Supplemental Indenture dated as of August 1, 1959, its 7 1/4% Series F bonds created and issued pursuant to the

Sixteenth Supplemental Indenture dated as of February 1, 1969 and its 8 3/4% Series G bonds created and issued pursuant to the Seventeenth Supplemental Indenture dated as of January 1, 1971;

WHEREAS, Section 3 of Article Eighteen of the Indenture provides in part that the holders of not less than eighty per centum in aggregate principal amount of the bonds outstanding shall have the right to consent to and approve the execution by the Company and the Trustee of such instruments supplemental to the Indenture as the board of directors of the Company by resolution shall recommend and as the Trustee shall not disapprove, for the purpose of modifying, altering, amending, adding to or rescinding any of the provisions of the Indenture;

WHEREAS, the board of directors of the Company by resolution has recommended the amendments to the Indenture hereinafter set forth and, the Company has, pursuant to the provisions of the Indenture, requested the Trustee to enter into this Eighteenth Supplemental Indenture for the purpose of amending the Indenture as herein provided;

WHEREAS, notice of such request has been given in the manner provided in the Indenture;

WHEREAS, the Company, as consideration for the consent by the holders of the bonds issued and outstanding under the Indenture to the amendment of the Indenture as hereinbelow provided, has agreed, pursuant to the provisions of Section 1 of Article Eighteen of the Indenture, to further amend the Indenture so as to increase the rate of interest on each series of bonds issued and outstanding under the Indenture in the amount of three-quarters per centum ($3/4\%$) per annum;

WHEREAS, the holders of over eighty per centum in aggregate principal amount of the bonds now outstanding have consented to and approved the execution by the Company and the Trustee does not disapprove the execution of this Eighteenth Supplemental Indenture; and

WHEREAS, the creation, execution and delivery of this Eighteenth Supplemental Indenture has been duly authorized by the Company, and all acts and things necessary to constitute the Indenture and this Eighteenth Supplemental Indenture a valid, binding and legal instrument, have been done and performed, and the creation, execution and delivery of the Indenture and this Eighteenth Supplemental Indenture have in all respects been duly authorized;

NOW, THEREFORE, in consideration of the premises and of the sum \$10.00 to it duly paid by the Trustee at or

BOOK 422 PAGE 437

before the ensealing and delivery of these presents, the receipt whereof is hereby acknowledged, and for the purpose of modifying, altering, amending or adding to the Indenture as set out below, the Company, for itself and its successors and assigns, does hereby further covenant and agree to and with the Trustee and its successor or successors in such trust, for the benefit of those who shall hold the bonds and interest coupons, or any of them as follows:

ARTICLE I

That the fifth paragraph of Section 6 of Article Eight of the said Ninth Supplemental Indenture to the Indenture be and it hereby is amended in its entirety, to read as follows:

In respect of the calendar year 1981 and in respect of each calendar year thereafter, so long as any of the bonds issued under this Indenture or any supplement thereto are outstanding, the Company shall have an obligation in respect of renewals and replacements of its property in an amount equal to two per centum (2%) of the aggregate fixed capital accounts of the Company at the end of such calendar year.

ARTICLE II

Covenants to Pay Additional Interest

Section 1. 8 3/4% Series G Due 1996. The Company hereby covenants and agrees that it will duly and punctually pay or cause to be paid interest on the First Mortgage Bonds, 8 3/4% Series G due 1996 (hereinafter referred to as

BOOK 422 PAGE 439

the Series G Bonds) in addition to interest at the rate of 8 3/4% per annum fixed and determined for the Series G Bonds prior to the authentication thereof, at the rate of 3/4% per annum, payable semi-annually on January 1st and July 1st in each year, from January 1, 1983, until the Company's obligation with respect to the payment of principal of the Series G Bonds shall have been discharged, to the registered holders of the Series G Bonds, at the office or agency of the Company in the Borough of Manhattan, The City of New York, in lawful money of the United States of America. The additional interest hereby covenanted and agreed to be paid shall be interest for all purposes of the Indenture. The Trustee shall cause to be placed by stamping, printing or otherwise upon any of the Series G Bonds outstanding and presented to the Trustee for such purpose, and upon any of the Series G Bonds authenticated and delivered by the Trustee on transfer or exchange of or in substitution for any other of the Series G Bonds, the following legend:

"The interest rate per annum payable to the registered holder of this bond has been increased to a rate of 9 1/2% per annum from January 1, 1983, pursuant to and subject to all of the terms and conditions of an Eighteenth Supplemental Indenture, dated as of July 1, 1982, to the within mentioned Indenture."

Section 2. 7 1/4% Series F Due 1994. The Company hereby covenants and agrees that it will duly and punctually pay or cause to be paid interest on the First Mortgage

Bonds, 7 1/4% Series F due 1994 (hereinafter referred to as the Series F Bonds) in addition to interest at the rate of 7 1/4% per annum fixed and determined for the Series F Bonds prior to the authentication thereof, at the rate of 3/4% per annum, payable semi-annually on February 1st and August 1st in each year, from August 1, 1982, until the Company's obligation with respect to the payment of principal of the Series F Bonds shall have been discharged, to the registered holders of the Series F Bonds, at the office or agency of the Company in the Borough of Manhattan, The City of New York, in lawful money of the United States of America. The additional interest hereby covenanted and agreed to be paid shall be interest for all purposes of the Indenture. The Trustee shall cause to be placed by stamping, printing or otherwise upon any of the Series F Bonds outstanding and presented to the Trustee for such purpose, and upon any of the Series F Bonds authenticated and delivered by the Trustee on transfer or exchange of or in substitution for any other of the Series F Bonds, the following legend:

"The interest rate per annum payable to the registered holder of this bond has been increased to a rate of 8% per annum from August 1, 1982, pursuant and subject to all of the terms and conditions of an Eighteenth Supplemental Indenture, dated as of July 1, 1982, to the within mentioned Indenture."

Section 3. 5 1/8% Series E Due 1984. The Company hereby covenants and agrees that it will duly and punctually pay or cause to be paid interest on the First Mortgage

BOOK 422 PAGE 440

Bonds, 5 1/8% Series E due 1984 (hereinafter referred to as the Series E Bonds) in addition to interest at the rate of 5 1/8% per annum fixed and determined for the Series E Bonds prior to the authentication thereof, at the rate of 3/4% per annum, payable semi-annually on February 1st and August 1st in each year, from August 1, 1982, until the Company's obligation with respect to the payment of principal of the Series E Bonds shall have been discharged, as hereinafter provided, at the office or agency of the Company in the Borough of Manhattan, The City of New York, in lawful money of the United States of America. The additional interest hereby covenanted and agreed to be paid on the Series E Bonds, if in fully registered form, shall be payable to the registered holders thereof, and if in coupon form, shall be payable upon presentation and surrender of the interest coupons attached to the Series E Bonds as they severally mature. Such additional interest shall be interest for all purposes of the Indenture. The Trustee shall cause to be placed by stamping, printing or otherwise upon any of the Series E Bonds outstanding and presented to the Trustee for such purpose, and upon any of the Series E Bonds authenticated and delivered by the Trustee on transfer or exchange of or in substitution for any other of the Series E Bonds, either of the following legends, as appropriate:

BOOK
422 PAGE 441

Fully registered bond

"The interest rate per annum payable to the registered holder of this bond has been increased to a rate of 5 7/8% per annum from August 1, 1982, pursuant and subject to all of the terms and conditions of and Eighteenth Supplemental Indenture, dated as of July 1, 1982, to the within mentioned Indenture."

Coupon bond

"The interest rate per annum payable on this bond has been increased to a rate of 5 7/8% per annum from August 1, 1982, payable in the manner and pursuant and subject to all of the terms and conditions of an Eighteenth Supplemental Indenture, dated as of July 1, 1982, to the within mentioned Indenture."

BOOK 422 PAGE 442

ARTICLE III

Miscellaneous Provisions

Section 1. As supplemented by this Eighteenth Supplemental Indenture the Indenture is in all respects ratified and confirmed and the Indenture and this Eighteenth Supplemental Indenture shall be read, taken and construed as one and the same instrument.

Section 2. Nothing in this Eighteenth Supplemental Indenture contained shall, or shall be construed to, confer upon any person other than a holder of bonds issued under the Indenture, the Company and the Trustee any right or interest to avail himself of any benefit of any provision under the Indenture or this Eighteenth Supplemental Indenture.

Section 3. Any default in the performance of the covenants, agreements, requirements and conditions contained

in this Eighteenth Supplemental Indenture shall be deemed to be a default under the Indenture as that term is used in subsection (e) of Section 1 of Article Twelve of the Indenture.

Section 4. The absence of any of the legends specified in Sections 2, 3 or 4 of Article II hereof on any Series E Bond, Series F Bond or Series G Bond shall in no way impair the right of the holder of such Bond to receive additional interest at the rates and on the dates specified in Sections 2, 3 or 4 of Article II.

BOOK 422 PAGE 443
Section 5. The Trustee assumes no responsibility for or in the respect of the validity or sufficiency of this Eighteenth Supplemental Indenture or the due execution hereof by the Company or for or in respect of the recitals and statements contained herein, all of which recitals and statements are made solely by the Company.

Section 6. This Eighteenth Supplemental Indenture may be simultaneously executed in several counterparts and all such counterparts executed and delivered, each as an original, shall constitute and be one and the same instrument.

IN WITNESS WHEREOF, said ALABAMA GAS CORPORATION has caused this Eighteenth Supplemental Indenture to be executed in its corporate name by its President or a Vice President, and its corporate seal to be hereunto affixed and

to be attested by its Secretary or an Assistant Secretary,
and said Chemical Bank to evidence its acceptance hereof has
caused this Eighteenth Supplemental Indenture to be executed
in its corporate name by one of its Vice Presidents or Trust
Officers and its corporate seal to be hereunto affixed and
to be attested by one of its Assistant Secretaries, in sev-
eral counterparts, as of the day and year first above
written.

ALABAMA GAS CORPORATION

By *R. J. Patzke*
R. J. Patzke,
Vice President

ATTEST:

A. S. Lacy
A. S. Lacy, Secretary

CHEMICAL BANK

By *W. H. Berls*
W. H. Berls,
Senior Trust Officer

ATTEST:

M. B. Johnston
M. B. Johnston

(ACKNOWLEDGEMENTS)

STATE OF NEW YORK)

COUNTY OF NEW YORK)

I, Rosemarie Hardy, a Notary Public in and for said county, in said State, certify that R. J. Patzke, whose name as Vice President of ALABAMA GAS CORPORATION, a corporation, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal this 30th day of July, 1982.

Rosemarie Hardy

ROSEMARIE HARDY
Notary Public, State of New York
No. [REDACTED]
Qualified in New York County
Commission Expires March 30, 1986

STATE OF NEW YORK)

COUNTY OF NEW YORK)

I, Rosemarie Hardy, a Notary Public in and for said county, in said State, certify that W. H. Berls, whose name as Senior Trust Officer of CHEMICAL BANK, a corporation, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal this 30th day of July, 1982.

Rosemarie Hardy

ROSEMARIE HARDY
Notary Public, State of New York
No. [REDACTED]
Qualified in New York County
Commission Expires March 30, 1986

STATE OF ALA. SHELBY CO.
I CERTIFY THIS
INSTRUMENT WAS FILED

1982 AUG -6 PM 3:40

Thomas A. Snowden, Jr.
JUDGE OF PROBATE

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Jul. 1982
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