
BOND INDENTURE

dated as of June 29, 1999

Between

**MARITIMES & NORTHEAST PIPELINE, L.L.C.,
as Issuer**

and

**THE BANK OF NEW YORK,
as Bond Trustee**

**7.70% Senior Secured Bonds due 2019
\$240,000,000**

if any, to the payment of the principal amount of such Bond remaining unpaid, ratably across all remaining installments of such principal.

SECTION 2.17. *Parity of Bonds; Ranking.* Subject to Section 6.03 and Section 7.04, (a) all Bonds issued and Outstanding hereunder rank on a parity with each other Bond, (b) each Bond shall be secured equally and ratably by this Bond Indenture and the Security Documents with each other Bond, without preference, priority or distinction of any one thereof over any other by reason of difference in time of issuance or otherwise, and (c) each Bond shall be entitled to the same benefits and security in this Bond Indenture and the Capital Markets Agreements as each other Bond. Other than in the case of certain tax or other claims which are granted preferential treatment pursuant to applicable law, the Bonds shall rank at least equally in right of payment with all Funded Indebtedness (but excluding Subordinated Indebtedness) of the Issuer from time to time outstanding and senior in right of payment to all present and future Subordinated Indebtedness of the Issuer from time to time outstanding.

ARTICLE 3 REDEMPTION OF BONDS

SECTION 3.01. *Applicability of Article.* The Bonds shall be subject to redemption or purchase before the Stated Maturity of the final installment of the principal thereof in accordance with their terms and in accordance with this Article 3.

SECTION 3.02. *Cancellation of Bonds.* All Bonds redeemed under any of the provisions of this Bond Indenture shall forthwith be canceled.

SECTION 3.03. *Redemption Without Consent of Bondholders.* The Issuer shall have the right to redeem all or any portion of the Outstanding Bonds, in whole or in part, without the consent of the Bondholders at any time, at a Redemption Price equal to the unpaid principal amount thereof plus accrued and unpaid interest thereon up to but excluding the Redemption Date, plus a Make Whole Premium (as defined below).

“**Make Whole Premium**” shall mean,

(i) with respect to all of the Bonds, an amount calculated by the Issuer as of the Redemption Date as follows:

(A) the average life of the remaining scheduled payments of principal in respect of the Outstanding Bonds (the “**Remaining Average Life**”) shall be calculated as of the Redemption Date;

(B) the yield to maturity shall be calculated for the United States Treasury security having an average life equal to the Remaining Average Life and

trading in the secondary market at the price closest to par (the “**Primary Issue**”); *provided* that if no United States Treasury security has an average life equal to the Remaining Average Life, the yields (the “**Other Yields**”) for the two maturities of the United States Treasury securities having average lives most closely corresponding to such Remaining Average Life and trading in the secondary market at the price closest to par shall be calculated, and the yield to maturity for the Primary Issue shall be the yield interpolated or extrapolated from such Other Yields on a straight-line basis, rounding in each of such relevant periods to the nearest month;

(C) the discounted net present value of the then remaining scheduled payments of principal and interest (but excluding that portion of any scheduled payment of interest that is actually due and paid on the Redemption Date) in respect of Outstanding Bonds shall be calculated as of the Redemption Date using a discount factor equal to the sum of (1) the yield to maturity of the Primary Issue, *plus* (2) 25 basis points; and

(D) the amount of premium in respect of Bonds to be redeemed shall be an amount equal to (1) the discounted net present value of such Bonds to be redeemed determined in accordance with clause (C) above minus (2) the unpaid principal amount of such Bonds; *provided* that the premium shall not be less than zero; and

(ii) with respect to any Bond, the amount obtained by multiplying (A) the aggregate Make Whole Premium determined as set forth above by (B) the ratio of the unpaid principal amount of such Bond on the Redemption Date to the aggregate unpaid principal amount of all Bonds outstanding on the Redemption Date.

The Issuer shall make such calculations in good faith, which calculations shall be conclusive in the absence of manifest error.

SECTION 3.04. *Redemption Following Receipt of Insurance Proceeds or Expropriation Compensation.* Subject to the terms and conditions of this Bond Indenture and the Common Security Agreement and the other Capital Markets Agreements, the Bonds shall, as a result of a destruction, damage, expropriation or condemnation of property as described in Section 4.16 of the Common Security Agreement, be redeemed in whole or in part (as the case may be), pursuant to Section 4.16 thereof. Such mandatory redemption shall be at a Redemption Price equal to the outstanding principal amount of the Bonds or part thereof to be redeemed plus accrued and unpaid interest thereon up to but excluding the Redemption Date, but without any premium. No Bondholder shall be entitled to require redemption or purchase of Bonds in excess of its pro rata amount (which pro rata amount shall be such Bondholder’s pro rata ownership of the entire amount of Funded Indebtedness, excluding Subordinated Indebtedness, then outstanding, but subject to adjustment as necessary so that the unredeemed portion of the principal amount of each