UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2001

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number 1-4174

THE WILLIAMS COMPANIES, INC.

(Exact name of registrant as specified in its charter)

DELAWARE	73-0569878
(State of Incorporation)	(IRS Employer Identification Number)
ONE WILLIAMS CENTER TULSA, OKLAHOMA	74172
(Address of principal executive office)	(Zip Code)

Registrant's telephone number: (918) 573-2000

NO CHANGE

Former name, former address and former fiscal year, if changed since last report.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes [X] No [ ]

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date.

Class	Outstanding at October 31, 2001
Common Stock, $1 par value	515,362,257 Shares

The Williams Companies, Inc.
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Certain matters discussed in this report, excluding historical information, include forward-looking statements - statements that discuss Williams' expected future results based on current and pending business operations. Williams makes these forward-looking statements in reliance on the safe harbor protections provided under the Private Securities Litigation Reform Act of 1995.

Forward-looking statements can be identified by words such as "anticipates," "believes," "expects," "planned," "scheduled" or similar expressions. Although Williams believes these forward-looking statements are based on reasonable assumptions, statements made regarding future results are subject to a number of assumptions, uncertainties and risks that may cause future results to be materially different from the results stated or implied in this document. Additional information about issues that could lead to material changes in performance is contained in The Williams Companies, Inc.'s 2000 Form 8-K dated May 22, 2001.

The Williams Companies, Inc.
Consolidated Statement of Income
(Unaudited)

(Dollars in millions, except per-share amounts)	Three months ended September 30,		Nine months ended September 30,	
	2001	2000*	2001	2000*
Revenues:				
Energy Marketing & Trading	$ 524.2	$ 288.5	$ 1,586.6	$ 898.5
Gas Pipeline	432.8	437.4	1,316.9	1,410.7
Energy Services	1,992.6	1,696.1	6,365.1	4,585.1
Other	17.9	17.0	57.0	50.3
Intercompany eliminations	(157.1)	(109.6)	(606.6)	(366.2)
Total revenues	2,810.4	2,329.4	8,719.0	6,578.4
Segment costs and expenses:				
Costs and operating expenses	1,807.9	1,667.3	5,826.8	4,466.7
Selling, general and administrative expenses	243.7	178.6	666.0	571.9
Other (income) expense-net	23.1	11.3	(54.7)	27.0
Total segment costs and expenses	2,074.7	1,857.2	6,438.1	5,065.6
General corporate expenses	32.4	18.7	88.8	65.8
Operating income:				
Energy Marketing & Trading	380.5	147.1	1,138.2	497.5
Gas Pipeline	137.7	153.4	548.7	565.9
Energy Services	215.9	168.4	583.5	439.8
Other	1.6	3.3	10.5	9.6
General corporate expenses	(32.4)	(18.7)	(88.8)	(65.8)
Total operating income	703.3	453.5	2,192.1	1,447.0
Interest accrued	(194.1)	(182.3)	(555.1)	(508.1)
Interest capitalized	12.4	15.2	33.3	39.0
Investing income (loss)	(84.2)	21.0	(25.4)	59.1
Minority interest in income and preferred returns of consolidated subsidiaries	(20.4)	(13.5)	(65.0)	(40.5)
Other income (expense)-net	2.0	(5.0)	13.5	.6
Income from continuing operations before income taxes	419.0	288.9	1,593.4	997.1
Provision for income taxes	197.7	112.4	654.3	395.3
Income from continuing operations	221.3	176.5	939.1	601.8
Loss from discontinued operations	--	(55.4)	(179.1)	(29.2)
Net income	$ 221.3	$ 121.1	$ 760.0	$ 572.6
Basic earnings per common share:				
Income from continuing operations	$ .44	$ .39	$ 1.92	$ 1.36
Loss from discontinued operations	--	(.12)	(.37)	(.07)
Net income	$ .44	$ .27	$ 1.55	$ 1.29
Average shares (thousands)	502,877	445,066	489,813	443,914
Diluted earnings per common share:				
Income from continuing operations	$ .44	$ .39	$ 1.91	$ 1.35
Loss from discontinued operations	--	(.12)	(.37)	(.07)
Net income	$ .44	$ .27	$ 1.54	$ 1.28
Average shares (thousands)	506,165	450,294	493,812	449,010
Cash dividends per common share	$ .18	$ .15	$ .48	$ .45

* Certain amounts have been restated or reclassified as described in Note 2 of Notes to Consolidated Financial Statements.

See accompanying notes.

The Williams Companies, Inc.
Consolidated Balance Sheet
(Unaudited)

(Dollars in millions, except per-share amounts)	September 30, 2001	December 31, 2000
ASSETS		
Current assets:		
Cash and cash equivalents	$ 413.9	$ 996.8
Accounts and notes receivable less allowance of $25.3 ($9.8 in 2000)	4,189.6	3,357.3
Inventories	861.6	848.4
Energy trading assets	6,259.4	7,879.8
Deferred income taxes	--	64.9
Margin deposits	307.9	730.9
Other	544.3	319.3
Total current assets	12,576.7	14,197.4
Net assets of discontinued operations	--	2,290.2
Investments	1,586.3	1,368.6
Property, plant and equipment, at cost	22,754.7	19,028.8
Less accumulated depreciation and depletion	(5,057.5)	(4,589.5)
	17,697.2	14,439.3
Goodwill and other intangible assets, net	1,142.4	42.5
Energy trading assets	3,808.9	1,831.1
Other assets and deferred charges	1,401.6	746.5
Total assets	$ 38,213.1	$ 34,915.6
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Notes payable	$ 719.9	$ 2,036.7
Accounts payable	3,371.4	3,088.0
Accrued liabilities	2,249.1	1,560.4
Deferred income taxes	162.7	--
Energy trading liabilities	5,258.7	7,597.3
Long-term debt due within one year	1,736.5	1,634.1
Total current liabilities	13,498.3	15,916.5
Long-term debt	8,821.4	6,830.5
Deferred income taxes	3,826.8	2,863.9
Energy trading liabilities	2,569.6	1,302.8
Other liabilities and deferred income	967.0	944.0
Contingent liabilities and commitments (Note 12)		
Minority and preferred interests in consolidated subsidiaries	1,075.0	976.0
Williams obligated mandatorily redeemable preferred securities of Trust holding only Williams indentures	--	189.9
Stockholders' equity:		
Preferred stock, $1 per share par value, 30 million shares authorized	--	--
Common stock, $1 per share par value, 960 million shares authorized, 518.4 million issued in 2001, 447.9 million issued in 2000	518.4	447.9
Capital in excess of par value	4,901.1	2,473.9
Retained earnings	1,763.8	3,065.7
Accumulated other comprehensive income	377.2	28.2
Other	(65.8)	(81.2)
	7,494.7	5,934.5
Less treasury stock (at cost), 3.4 million shares of common stock in 2001 and 3.6 million in 2000	(39.7)	(42.5)
Total stockholders' equity	7,455.0	5,892.0
Total liabilities and stockholders' equity	$ 38,213.1	$ 34,915.6

See accompanying notes.

The Williams Companies, Inc.
Consolidated Statement of Cash Flows
(Unaudited)

(Millions)	Nine months ended September 30, 2001	2000*
OPERATING ACTIVITIES:		
Income from continuing operations	$ 939.1	$ 601.8
Adjustments to reconcile to cash provided by operations:		
Depreciation, depletion and amortization	562.2	475.5
Provision for deferred income taxes	389.9	245.4
Provision for loss on property and other assets	117.8	16.4
Net gain on dispositions of assets	(88.9)	(15.6)
Minority interest in income and preferred returns of consolidated subsidiaries	65.0	40.5
Tax benefit of stock-based awards	26.3	22.4
Cash provided (used) by changes in assets and liabilities:		
Accounts and notes receivable	(785.7)	(430.6)
Inventories	(8.2)	(312.0)
Margin deposits	423.0	(58.9)
Other current assets	(31.4)	(48.1)
Accounts payable	165.9	510.9
Accrued liabilities	509.0	(20.1)
Changes in current energy trading assets and liabilities	(783.2)	(342.8)
Changes in non-current energy trading assets and liabilities	(711.1)	(291.2)
Other, including changes in non-current assets and liabilities	52.3	93.3
Net cash provided by operating activities	842.0	486.9
FINANCING ACTIVITIES:		
Proceeds from notes payable	1,830.0	1,126.0
Payments of notes payable	(3,925.7)	(150.6)
Proceeds from long-term debt	4,013.8	900.0
Payments of long-term debt	(1,440.2)	(732.0)
Proceeds from issuance of common stock	1,397.2	65.4
Dividends paid	(237.9)	(199.1)
Proceeds from sale of limited partner units of consolidated partnership	92.5	--
Payment of Williams obligated mandatorily redeemable preferred securities of Trust holding only Williams indentures	(194.0)	--
Other--net	(134.5)	(2.3)
Net cash provided by financing activities	1,401.2	1,007.4
INVESTING ACTIVITIES:		
Property, plant and equipment:		
Capital expenditures	(1,307.4)	(1,102.4)
Proceeds from dispositions	30.6	25.0
Changes in accounts payable and accrued liabilities	8.3	(14.1)
Acquisition of business, net of cash acquired	(1,321.8)	(147.8)
Purchases of investments/advances to affiliates	(417.8)	(129.7)
Proceeds from disposition of investments and other assets	406.1	20.2
Purchase of assets subsequently leased to seller	(276.0)	--
Other--net	32.2	17.1
Net cash used by investing activities	(2,845.8)	(1,331.7)
DISCONTINUED OPERATIONS:		
Net cash provided by operating activities	7.6	23.6
Net cash provided by financing activities	1,343.4	1,775.0
Net cash used by investing activities	(1,448.7)	(2,027.7)
Cash of discontinued operations at spinoff	(96.5)	--
Net cash used by discontinued operations	(194.2)	(229.1)
Decrease in cash and cash equivalents	(796.8)	(66.5)
Cash and cash equivalents at beginning of period**	1,210.7	1,081.6
Cash and cash equivalents at end of period**	$ 413.9	$ 1,015.1

* Amounts have been restated or reclassified as described in Note 2 of Notes to Consolidated Financial Statements.

** Includes cash and cash equivalents of discontinued operations of $213.9 million, $483.9 million and $162.5 million at December 31, 2000 and 1999 and September 30, 2000, respectively.

See accompanying notes.

The Williams Companies, Inc.
Notes to Consolidated Financial Statements
(Unaudited)

1. General

The accompanying interim consolidated financial statements of The Williams Companies, Inc. (Williams) do not include all notes in annual financial statements and therefore should be read in conjunction with the consolidated financial statements and notes thereto in Williams' Current Report on Form 8-K dated May 22, 2001. The accompanying financial statements have not been audited by independent auditors, but include all normal recurring adjustments and others, which, in the opinion of Williams' management, are necessary to present fairly its financial position at September 30, 2001, its results of operations for the three and nine months ended September 30, 2001 and 2000, and cash flows for the nine months ended September 30, 2001 and 2000.

Segment profit of operating companies may vary by quarter. Based on current rate structures and/or historical maintenance schedules of certain of its pipelines, Gas Pipeline generally experiences lower segment profits in the second and third quarters as compared to the first and fourth quarters.

While the amounts recorded in the Consolidated Balance Sheet related to certain receivables from California power sales reflect management's best estimate of collectibility, future events or circumstances could change those estimates either positively or negatively.

2. Basis of presentation

Effective September 2001, the Energy Marketing & Trading segment is presented as Williams' third industry group joining Gas Pipeline and Energy Services. Energy Marketing & Trading was previously reported as an operating segment within the Energy Services industry group.

As a result of the April 23, 2001, tax-free spinoff of Williams Communications Group, Inc. (WCG), WCG has been accounted for as discontinued operations and, accordingly, the accompanying consolidated financial statements and notes have been restated to reflect the results of operations, net assets and cash flows of WCG as discontinued operations. Unless indicated otherwise, the information in the Notes to Consolidated Financial Statements relates to the continuing operations of Williams (see Note 7).

During first-quarter 2001, Williams Energy Partners L.P. (WEP) completed an initial public offering. WEP, including Williams' general partnership interest, is now reported as a separate segment within Energy Services and consists primarily of certain terminals and an ammonia pipeline previously reported within Petroleum Services and Midstream Gas & Liquids, respectively. Also during first-quarter 2001, management of international activities, previously reported in Other, was transferred and the international activities are now reported as a separate segment within Energy Services.

Effective February 2001, management of certain operations, previously conducted by Energy Marketing & Trading, was transferred to Petroleum Services. These operations included the procurement of crude oil and marketing of refined products produced from the Memphis refinery for which prior year segment information has been restated to reflect the transfer. Additionally, the refined product sales activities surrounding certain terminals located throughout the United States were transferred. This sales activity was previously included in the trading portfolio of Energy Marketing & Trading and was therefore reported net of related costs of sales. Following the transfer, these sales are reported on a "gross" basis.

Prior year segment information has been restated to reflect the above mentioned changes.

Certain other income statement, balance sheet and cash flow amounts have been reclassified to conform to the current classifications.

3. Asset sales, impairments and other accruals

Included in other (income) expense-net within segment costs and expenses and Petroleum Services' segment profit for the nine months ended September 30, 2001, is a pre-tax gain of $72.1 million from the sale of certain convenience stores.

Included in other (income) expense-net within segment costs and expenses and Gas Pipeline's segment profit for the nine months ended September 30, 2001, is a pre-tax gain of $27.5 million for the sale of Williams' limited partnership interest in Northern Border Partners, L.P. Williams retained a general partnership interest.

Included in other (income) expense-net within segment costs and expenses and Energy Marketing & Trading's segment profit for the nine months ended September 30, 2000, are guarantee loss accruals and impairments of $30.3 million. The impairment charges result from the decision to discontinue mezzanine lending services, and the accruals represent the estimated liabilities associated with guarantees of third-party lending activities.

Notes (Continued)

4. Investing income (loss)

In accordance with certain accounting guidelines governing the valuation of investments, including publicly traded marketable equity securities, Williams recognized a $94.2 million charge in third-quarter 2001. This charge represents declines in the value of certain investments, including $70.9 million related to Williams' investment in WCG, which were determined to be other than temporary. This determination was primarily based on the continued depressed market values of these investments and the overall market value decline experienced by related industry sectors. The $94.2 million charge is included in investing income (loss) and is reflected in net income with no associated tax benefit. Approximately $23.3 million of the write-down is also included in Energy Marketing & Trading's segment profit for the three and nine months ended September 30, 2001.

5. Barrett acquisition

Through a series of transactions, Williams acquired all of the outstanding stock of Barrett Resources Corporation (Barrett). On June 11, 2001, Williams acquired 50 percent of Barrett's outstanding common stock in a cash tender offer of $73 per share for a total of approximately $1.2 billion. Williams acquired the remaining 50 percent of Barrett's outstanding common stock on August 2, 2001, through a merger by exchanging each remaining share of Barrett common stock for 1.767 shares of Williams common stock for a total of approximately 30 million shares of Williams common stock valued at $1.2 billion. The value of the 30 million shares of Williams common stock was based on the average market price of Williams common stock for the 2 days before and after the May 7, 2001 announcement of the terms of the acquisition. This acquisition has been accounted for as a purchase business combination with a purchase price, including transaction fees and other related costs, of approximately $2.5 billion, excluding $312 million of debt obligations of Barrett. The allocation of the purchase price is preliminary; however, it is not expected to materially change.

Williams' 50 percent share of Barrett's results of operations for the period June 11, 2001 to August 1, 2001, as well as amortization of the excess of Williams' investment over the underlying equity in Barrett's net assets for that period, is included in equity earnings within Exploration & Production's revenues and segment profit in the Consolidated Statement of Income. Beginning August 2, 2001, 100 percent of Barrett's results of operations are included in Exploration & Production's revenues and segment profit in the Consolidated Statement of Income.

Barrett is an independent natural gas and oil exploration and production company with producing properties located principally in the Rocky Mountain and Mid-Continent regions of the United States. As of August 2, 2001, Barrett's estimated proved gas and oil reserves were 1.9 trillion cubic feet of gas equivalents. Barrett's assets include long-lived reserves that offer opportunity for long-term and steady growth and align strategically with Williams' other assets in those regions. Williams is a major gatherer and processor in the Rockies and has natural gas pipelines and gas liquids pipelines that move product out of the Rockies. In addition, these new gas reserves help to balance the risk profile of Williams' growing power portfolio by providing a physical and natural hedge against a short natural gas position.

The following unaudited pro forma information combines the results of operations of Williams and Barrett as if the purchase of 100 percent of Barrett occurred January 1, 2000.

(Millions, except per-share amounts)	Three months ended September 30,		Nine months ended September 30,	
	2001	2000	2001	2000
Unaudited				
Revenues	$ 2,853.0	$ 2,424.3	$ 9,085.0	$ 6,792.5
Income from continuing operations	$ 228.6	$ 179.5	$ 1,020.8	$ 573.2
Net income	$ 228.6	$ 124.1	$ 841.7	$ 544.0
Basic earnings per common share:				
Income from continuing operations	$ .44	$ .38	$ 1.98	$ 1.21
Net income	$ .44	$ .26	$ 1.64	$ 1.15
Diluted earnings per common share:				
Income from continuing operations	$ .44	$ .37	$ 1.97	$ 1.20
Net income	$ .44	$ .26	$ 1.62	$ 1.14

Pro forma financial information is not necessarily indicative of results of operations that would have occurred if the acquisition had occurred on January 1, 2000, or of future results of operations of the combined companies.

Notes (Continued)

6. Provision for income taxes

The provision (benefit) for income taxes includes:

(Millions)	Three months ended September 30,		Nine months ended September 30,	
	2001	2000	2001	2000
Current:				
Federal	$ 25.4	$ 23.6	$ 219.4	$ 118.7
State	.8	10.2	35.9	28.7
Foreign	2.8	3.4	9.1	2.5
	29.0	37.2	264.4	149.9
Deferred:				
Federal	142.2	77.6	345.3	218.7
State	20.7	6.1	36.6	47.8
Foreign	5.8	(8.5)	8.0	(21.1)
	168.7	75.2	389.9	245.4
Total provision	$ 197.7	$ 112.4	$ 654.3	$ 395.3

The effective income tax rate for the three and nine months ended September 30, 2001, is greater than the federal statutory rate due primarily to valuation allowances associated with the tax benefits for investment write-downs for which ultimate realization is uncertain and the effect of state income taxes.

The effective income tax rate for the three and nine months ended September 30, 2000, is greater than the federal statutory rate due primarily to the effect of state income taxes.

7. Discontinued operations

On March 30, 2001, Williams' board of directors approved a tax-free spinoff of WCG to Williams' shareholders. Williams distributed 398.5 million shares, or approximately 95 percent of the WCG common stock held by Williams, to holders of record on April 9 of Williams common stock. Distribution of .822399 of a share of WCG common stock for each share of Williams common stock occurred on April 23, 2001. The distribution was recorded as a dividend and resulted in a decrease to stockholders' equity of approximately $1.8 billion, which included an increase to accumulated other comprehensive income of approximately $21.3 million. The WCG shares retained by Williams are included in investments in the Consolidated Balance Sheet. In third-quarter 2001, Williams recognized a $70.9 million loss related to the write-down of this investment due to the decline in value which was determined to be other than temporary (see Note 4). Additionally, receivables include amounts due from WCG of approximately $120 million at September 30, 2001. Williams has extended the payment term of up to $100 million of the outstanding balance which was due March 31, 2001 to March 15, 2002.

Williams is providing indirect credit support for $1.4 billion of WCG's structured notes through a commitment to make available proceeds of a Williams equity issuance in the event any one of the following were to occur: (1) a WCG default; (2) downgrading of Williams' senior unsecured debt to Ba1 or below by Moody's, BB or below by S&P, or BB+ or below by Fitch, if Williams' common stock closing price is below $30.22 for ten consecutive trading days while such downgrade is in effect; or (3) to the extent proceeds from WCG's refinancing or remarketing of certain structured notes prior to March 2004 produces proceeds of less than $1.4 billion. The ability of WCG to make payments on the notes is dependent on its ability to raise additional capital and its subsidiaries' ability to dividend cash to WCG. Williams' current senior unsecured debt ratings are as follows: Moody's-Baa2, S&P-BBB and Fitch-BBB. WCG is obligated to reimburse Williams for any payment Williams is required to make in connection with these notes.

Williams has provided a guarantee of WCG's obligations under a 1998 transaction in which WCG entered into an operating lease agreement covering a portion of its fiber-optic network. The total cost of the network assets covered by the lease agreement is $750 million. The lease terms initially totaled five years and, if renewed, could extend to seven years. WCG has an option to purchase the covered network assets during the lease term at an amount approximating lessor's cost. As a result of an agreement between Williams and WCG's revolving credit facility lenders, if Williams gains control of the network assets covered by the lease, Williams is obligated to return the assets to WCG and the liability of WCG to compensate Williams for such property must be subordinated to the interests of WCG's revolving credit facility lenders and may not mature any earlier than one year after the maturity of WCG's revolving credit facility.

In third-quarter 2001, Williams purchased the WCG headquarters building and other ancillary assets from WCG for $276 million. Williams then entered into a long-term lease arrangement under which WCG is the sole lessee of these assets. As a result of this transaction, Williams' Consolidated Balance Sheet includes $28 million in accounts and notes receivable and $248 million in other assets and deferred charges relating to amounts due from WCG.

Williams has received an initial private letter ruling from the Internal Revenue Service (IRS) stating that the distribution of WCG common stock would be tax-free to Williams and its stockholders. Although private letter rulings are generally binding on the IRS, Williams' will not be able to rely on this ruling if any of the factual representations or assumptions that were made to obtain the ruling are, or become, incorrect or untrue in any material respect. However, Williams is not aware of any facts or circumstances that would cause any of the

representations or assumptions to be incorrect or untrue in any material respect. The distribution could also become taxable to Williams, but not Williams shareholders, under the Internal Revenue Code (IRC) in the event that Williams' or WCG's business combinations were deemed to be part of a plan contemplated at the time of distribution and would constitute a total cumulative change of more than 50 percent of the equity interest in either company.

Williams, with respect to shares of WCG's common stock that Williams retained, has committed to the IRS to dispose of all of the WCG common stock that it retains as soon as market conditions allow, but in any event not longer than five years after the spinoff. As part of a separation agreement, and subject to an additional favorable ruling by the IRS that such a limitation is not inconsistent with any ruling issued to Williams regarding the tax-free treatment of the spinoff, Williams has agreed not to dispose of the retained WCG shares for three years from the date of distribution and must notify WCG of an intent to dispose of such shares.

Summarized results of discontinued operations are as follows:

(Millions)	Period ending April 23, 2001	Three months ended September 30, 2000	Nine months ended September 30, 2000
Revenues	$ 329.5	$ 206.7	$ 542.3
Loss from operations:			
Loss before income taxes	(271.3)	(104.9)	(28.5)
Benefit for income taxes	92.2	49.5	20.9
Cumulative effect of change in accounting principle	--	--	(21.6)
Total loss from discontinued operations	$ (179.1)	$ (55.4)	$ (29.2)

8. Earnings per share

Basic and diluted earnings per common share are computed as follows:

(Dollars in millions, except per-share amounts; shares in thousands)	Three months ended September 30, 2001	Three months ended September 30, 2000	Nine months ended September 30, 2001	Nine months ended September 30, 2000
Income from continuing operations for basic and diluted earnings per share	$ 221.3	$ 176.5	$ 939.1	$ 601.8
Basic weighted-average shares	502,877	445,066	489,813	443,914
Effect of dilutive securities:				
Stock options	3,288	5,228	3,999	5,096
Diluted weighted-average shares	506,165	450,294	493,812	449,010
Earnings per common share from continuing operations:				
Basic	$ .44	$ .39	$ 1.92	$ 1.36
Diluted	$ .44	$ .39	$ 1.91	$ 1.35

9. Inventories

(Millions)	September 30, 2001	December 31, 2000
Raw materials:		
Crude oil	$ 104.3	$ 70.0
Other	1.5	1.6
	105.8	71.6
Finished goods:		

Refined products	265.6	269.6
Natural gas liquids	194.3	200.2
General merchandise	10.8	12.5
	470.7	482.3
Materials and supplies	136.1	122.9
Natural gas in underground storage	147.4	169.0
Other	1.6	2.6
	$ 861.6	$ 848.4

10. Debt and banking arrangements

Notes payable

During 2001, Williams increased its commercial paper program to $2.2 billion, backed by a short-term bank-credit facility. At September 30, 2001, $70 million of commercial paper was outstanding under the program. Interest rates vary with current market conditions.

In June 2001, Williams entered into a $200 million (amended in July to $300 million) short-term debt obligation expiring January 2002. The interest rate varies based on LIBOR plus .875 percent and was 3.5 percent at September 30, 2001.

In July 2001, Williams issued $300 million in floating rate notes due July 2002. The interest rate varies based on LIBOR plus .875 percent and was 4.6 percent at September 30, 2001.

Notes (Continued)

Debt

(Millions)	Weighted-average interest rate*	September 30, 2001	December 31, 2000
Revolving credit loans	4.7%	$ 187.4	$ 350.0
Debentures, 6.25%-10.25%, payable 2003-2031	7.4	1,591.2	1,103.5
Notes, 5.1%-9.45%, payable through 2031(1)	7.2	7,358.8	4,856.8
Notes, adjustable rate, payable through 2004	4.3	1,355.3	2,080.4
Other, payable through 2016	7.3	65.2	73.9
		10,557.9	8,464.6
Current portion of long-term debt		(1,736.5)	(1,634.1)
		$ 8,821.4	$ 6,830.5

* At September 30, 2001.

(1) $240 million, 6.125% notes, payable 2012, are subject to redemption at par at the option of the debtholder in 2002 and $400 million of 6.75% notes, payable 2016, putable/callable in 2006.

Under the terms of Williams' $700 million revolving credit agreement, Northwest Pipeline, Transcontinental Gas Pipe Line and Texas Gas Transmission have access to varying amounts of the facility, while Williams (parent) has access to all unborrowed amounts. Interest rates vary with current market conditions. Additionally, certain Williams subsidiaries have revolving credit facilities with a total capacity of $102 million at September 30, 2001.

In January 2001, Williams issued $1.1 billion in debt obligations consisting of $700 million of 7.5 percent debentures due 2031 and $400 million of 6.75 percent Putable Asset Term Securities due 2016, putable/callable in 2006.

In June 2001, Williams issued $480 million of 7.75 percent notes due 2031.

In August 2001, Williams issued $1.5 billion in debt obligations consisting of $750 million of 7.125 percent notes due 2011 and $750 million of 7.875 percent notes due 2021. A portion of the proceeds was used to repay $1.2 billion outstanding under a short-term credit agreement entered into for the cash portion of the Barrett acquisition (see Note 5).

In August 2001, Transcontinental Gas Pipe Line issued $300 million of 7 percent notes due 2011, and Kern River Gas Transmission issued $510 million of 6.676 percent senior notes due 2016.

In connection with the Barrett acquisition (see Note 5), Williams' September 30, 2001 Consolidated Balance Sheet includes $310 million of debt obligations of Barrett. Barrett's debt obligations include $150 million of 7.55 percent notes due 2007, which are guaranteed by Williams, and $155 million of debt obligations under Barrett's revolving credit agreement maturing December 2001. Interest rates on the revolving credit agreement vary with market conditions.

11. Derivative instruments and hedging activities

On January 1, 2001, Williams adopted Statement of Financial Accounting Standards (SFAS) No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended by SFAS No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities."

This standard requires that all derivative financial instruments be recorded on the balance sheet at their fair value. Changes in the fair value of derivatives will be recorded each period in earnings if the derivative is not a hedge. If a derivative is a hedge, changes in the fair value of the derivative will either be recognized in earnings, along with the change in the fair value of the hedged asset, liability or firm commitment also recognized in earnings, or recognized in other comprehensive income until the hedged item is recognized in earnings. For a derivative recognized in other comprehensive income, the ineffective portion of the derivative's change in fair value will be recognized immediately in earnings.

At adoption, Williams recorded a cumulative effect of an accounting change associated with the adoption of SFAS No. 133 to record all derivatives at fair value. The cumulative effect of the accounting change was not material to net income, but resulted in a $95 million reduction of other comprehensive income (net of income tax benefits of $59 million) related to derivatives which hedge the variable cash flows of certain forecasted commodity transactions. Of the transition adjustment recorded in other comprehensive income at January 1, 2001, net losses of approximately $90 million (net of income tax benefits of $56 million) will be reclassified into earnings during 2001 (including approximately $12 million and $78 million of net after-tax losses reclassified for the three and nine months ended September 30, 2001, respectively) offsetting net gains expected to be realized in earnings from favorable market movements associated with the underlying transactions being hedged.

12. Contingent liabilities and commitments

Rate and regulatory matters and related litigation

Williams' interstate pipeline subsidiaries have various regulatory proceedings pending. As a result of rulings in certain of these proceedings, a portion of the revenues of these subsidiaries has been collected subject to refund. The natural gas pipeline subsidiaries have accrued approximately $50 million for potential refund as of September 30, 2001.

In 1997, the Federal Energy Regulatory Commission (FERC) issued orders addressing, among other things, the authorized rates of return for three of Williams' interstate natural gas pipeline subsidiaries. All of the orders involve rate cases that became effective between 1993 and 1995 and, in each instance, these cases were superseded by more recently filed rate cases. In the three orders, the FERC continued its practice of utilizing a methodology for calculating rates of return that incorporates a long-term growth rate component. However, the long-term growth rate component used by the FERC is now a projection of U.S. gross domestic product growth rates. Generally, calculating rates of return utilizing a methodology which includes a long-term growth rate component results in rates of return that are lower than they would be if the long-term growth rate component were not included in the methodology. Each of the three pipeline subsidiaries challenged its respective FERC order in an effort to have the FERC change its rate-of-return methodology with respect to these and other rate cases. On January 30, 1998, the FERC convened a public conference to consider, on an industry-wide basis, issues with respect to pipeline rates of return. In July 1998, the FERC issued orders in two of the three pipeline subsidiary rate cases, again modifying its rate-of-return methodology by adopting a formula that gives less weight to the long-term growth component. Certain parties appealed the FERC's action, because the most recent formula modification results in somewhat higher rates of return compared to the rates of return calculated under the FERC's prior formula. The appeals have been denied. Similarly, in July 2001, the Court of Appeals denied a petition for review, attaching the application of the weighting of the growth factors to a still pending rate proceeding involving a Williams interstate pipeline. In June and July 1999, the FERC applied the new methodology in the third pipeline subsidiary rate case, as well as in a fourth case involving the same pipeline subsidiary. In March 2000, the FERC applied the new methodology in a fifth case involving a Williams interstate pipeline subsidiary, and certain parties sought rehearing before the FERC in this proceeding. In January 2001, the FERC denied the rehearing requests in this proceeding.

As a result of FERC Order 636 decisions in prior years, each of the natural gas pipeline subsidiaries has undertaken the reformation or termination of its respective gas supply contracts. None of the pipelines has any significant pending supplier take-or-pay, ratable take or minimum take claims.

Williams Energy Marketing & Trading subsidiaries are engaged in power marketing in various geographic areas, including California. Prices charged for power by Williams and other traders and generators in California and other western states have been challenged in various proceedings including those before the FERC. In December 2000, the FERC issued an order which provided that, for the period between October 2, 2000 and December 31, 2002, it may order refunds from Williams and other similarly situated companies if the FERC finds that the wholesale markets in California are unable to produce competitive, just and reasonable prices or that market power or other individual seller conduct is exercised to produce an unjust and unreasonable rate. Beginning on March 9, 2001, the FERC issued a series of orders directing Williams and other similarly situated companies to provide refunds for any prices charged in excess of FERC established proxy prices in January, February, March, April and May 2001, or to provide justification for the prices charged during those months. According to the FERC, Williams' total potential refund liability for January through May 2001 is approximately $30 million. Williams has filed justification for its prices with the FERC and calculated its refund liability under the methodology used by the FERC to compute refund amounts at approximately $11 million. However, in its FERC filings, Williams continues its objections to refunds in any amount.

Certain entities have also asked the FERC to revoke Williams' authority to sell power from California-based generating units at market-based rates to limit Williams to cost-based rates for future sales from such units and to order refunds of excessive rates, with interest, back to May 1, 2000, and possibly earlier. Although Williams believes these requests are ill-founded and will be rejected by the FERC, there can be no assurance of such action.

In an order issued June 19, 2001, the FERC has implemented a revised price mitigation and market monitoring plan for wholesale power sales by all suppliers of electricity, including Williams, in spot markets for a region that includes California and ten other western states (the "Western Systems Coordinating Council," or "WSCC"). In general, the plan, which will be in effect from June 20, 2001 through September 30, 2002, establishes a market clearing price for spot sales in all hours of the day that is based on the bid of the highest-cost gas-fired California generating unit that is needed to serve the California Independent System Operator's load. When generation operating reserves fall below 7 percent in California (a "reserve deficiency period"), absent cost-based justification for a higher price, the maximum price that Williams may charge for wholesale spot sales in the WSCC is the market clearing price. When generation operating reserves rise to 7 percent or above in California, absent cost-based justification for a higher price, Williams' maximum price will be limited to 85 percent of the highest hourly price that was in effect during the most recent reserve deficiency period. The June 19 order also implemented multi-party settlement talks

regarding refunds for past periods that concluded without resolution of the issues. Absent settlement, the presiding administrative law judge issued a report to the FERC that, with some variations, recommends applying the methodology of the June 19 order to determine refunds for prior periods. On July 25, 2001, the FERC issued an order adopting, to a significant extent, the Judge's recommendation and establishing an expedited hearing to establish the facts necessary to determine refunds under the approved methodology. Refunds under this order will cover the period of October 2, 2000 through June 20, 2001. They will be paid as offsets against outstanding bills and are inclusive of any amounts previously noticed for refund for that period.

On March 14, 2001, the FERC issued a Show Cause Order directing Williams Energy Marketing & Trading Company and AES Southland, Inc. to show cause why they should not be found to have engaged in violations of the Federal Power Act and various agreements, and they were directed to make refunds in the aggregate of approximately $10.8 million, and have certain conditions placed on Williams' market-based rate authority for sales from specific generating facilities in California for a limited period. On April 30, 2001, the FERC issued an Order approving a settlement of this proceeding. The Settlement terminated the proceeding without making any findings of wrongdoing by Williams. Pursuant to the Settlement, Williams agreed to refund $8 million to the California Independent System Operator by crediting such amount against outstanding invoices. Williams also agreed to prospective conditions on its authority to make bulk power sales at market-based rates for certain limited facilities under which it has call rights for a one-year period. Williams also has been informed that the facts underlying this proceeding are also under investigation by a California Grand Jury.

On September 27, 2001, the FERC issued a Notice of Proposed Rulemaking proposing to adopt uniform standards of conduct for transmission providers. The proposed rules define transmission providers as interstate natural gas pipelines and public utilities that own, operate or control electric transmission facilities. The proposed standards would regulate the conduct of transmission providers with their energy affiliates. The FERC proposes to define energy affiliates broadly to include any transmission provider affiliate that engages in or is involved in transmission (gas or electric) transactions, or manages or controls transmission capacity, or buys, sells, trades or administers natural gas or electric energy or engages in financial transactions relating to the sale or transmission of natural gas or electricity. Current rules affecting Williams regulate the conduct of Williams' natural gas pipelines and their natural gas marketing affiliates. If adopted, these new standards would require the adoption of new compliance measures by certain Williams subsidiaries.

Environmental matters

Since 1989, Texas Gas and Transcontinental Gas Pipe Line have had studies under way to test certain of their facilities for the presence of toxic and hazardous substances to determine to what extent, if any, remediation may be necessary. Transcontinental Gas Pipe Line has responded to data requests regarding such potential contamination of certain of its sites. The costs of any such remediation will depend upon the scope of the remediation. At September 30, 2001, these subsidiaries had accrued liabilities totaling approximately $33 million for these costs.

Certain Williams subsidiaries, including Texas Gas and Transcontinental Gas Pipe Line, have been identified as potentially responsible parties (PRP) at various Superfund and state waste disposal sites. In addition, these subsidiaries have incurred, or are alleged to have incurred, various other hazardous materials removal or remediation obligations under environmental laws. Although no assurances can be given, Williams does not believe that these obligations or the PRP status of these subsidiaries will have a material adverse effect on its financial position, results of operations or net cash flows.

Transcontinental Gas Pipe Line, Texas Gas and Williams Gas Pipelines Central (Central) have identified polychlorinated biphenyl (PCB) contamination in air compressor systems, soils and related properties at certain compressor station sites. Transcontinental Gas Pipe Line, Texas Gas and Central have also been involved in negotiations with the U.S. Environmental Protection Agency (EPA) and state agencies to develop screening, sampling and cleanup programs. In addition, negotiations with certain environmental authorities and other programs concerning investigative and remedial actions relative to potential mercury contamination at certain gas metering sites have been commenced by Central, Texas Gas and Transcontinental Gas Pipe Line. As of September 30, 2001, Central had accrued a liability for approximately $9 million, representing the current estimate of future environmental cleanup costs to be incurred over the next six to ten years. Texas Gas and Transcontinental Gas Pipe Line likewise had accrued liabilities for these costs which are included in the $33 million liability mentioned above. Actual costs incurred will depend on the actual number of contaminated sites identified, the actual amount and extent of contamination discovered, the final cleanup standards mandated by the EPA and other governmental authorities and other

factors. Texas Gas, Transcontinental Gas Pipe Line and Central have deferred these costs as incurred pending recovery through future rates and other means.

In July 1999, Transcontinental Gas Pipe Line received a letter stating that the U.S. Department of Justice (DOJ), at the request of the EPA, intends to file a civil action against Transcontinental Gas Pipe Line arising from its waste management practices at Transcontinental Gas Pipe Line's compressor stations and metering stations in 11 states from Texas to New Jersey. The DOJ stated in the letter that its complaint will seek civil penalties and injunctive relief under federal environmental laws. The DOJ offered to discuss settlement of the claims, and discussions began in September 1999 and have continued throughout 2000 and into 2001. However, Transcontinental Gas Pipe Line believes it has substantially addressed environmental concerns on its system through ongoing voluntary remediation and management programs.

Williams Energy Services (WES) and its subsidiaries also accrue environmental remediation costs for its natural gas gathering and processing facilities, petroleum products pipelines, retail petroleum and refining operations and for certain facilities related to former propane marketing operations primarily related to soil and groundwater contamination. In addition, WES owns a discontinued petroleum refining facility that is being evaluated for potential remediation efforts. At September 30, 2001, WES and its subsidiaries had accrued liabilities totaling approximately $42 million. WES accrues receivables related to environmental remediation costs based upon an estimate of amounts that will be reimbursed from state funds for certain expenses associated with underground storage tank problems and repairs. At September 30, 2001, WES and its subsidiaries had accrued receivables totaling $2 million.

Williams Field Services (WFS), a WES subsidiary, received a Notice of Violation (NOV) from the EPA in February 2000. WFS received a contemporaneous letter from the DOJ indicating that the DOJ will also be involved in the matter. The NOV alleged violations of the Clean Air Act at a gas processing plant. WFS, the EPA and the DOJ agreed to settle this matter for a penalty of $850,000. In the course of investigating this matter, WFS discovered a similar potential violation at the plant and disclosed it to the EPA and the DOJ. The EPA is currently evaluating the violation and is expected to propose a monetary penalty.

In connection with the 1987 sale of the assets of Agrico Chemical Company, Williams agreed to indemnify the purchaser for environmental cleanup costs resulting from certain conditions at specified locations, to the extent such costs exceed a specified amount. At September 30, 2001, Williams had approximately $11 million accrued for such excess costs. The actual costs incurred will depend on the actual amount and extent of contamination discovered, the final cleanup standards mandated by the EPA or other governmental authorities, and other factors.

On July 2, 2001, the EPA issued an information request asking for information on oil releases and discharges in any amount from Williams' pipelines, pipeline systems, and pipeline facilities used in the movement of oil or petroleum products, during the period July 1, 1998 through July 2, 2001. Williams is in the process of responding to the request.

Other legal matters

In connection with agreements to resolve take-or-pay and other contract claims and to amend gas purchase contracts, Transcontinental Gas Pipe Line and Texas Gas each entered into certain settlements with producers which may require the indemnification of certain claims for additional royalties which the producers may be required to pay as a result of such settlements. As a result of such settlements, Transcontinental Gas Pipe Line is currently defending three lawsuits brought by producers. In one of the cases, a jury verdict found that Transcontinental Gas Pipe Line was required to pay a producer damages of $23.3 million including $3.8 million in attorneys' fees. In addition, through September 30, 2001, post-judgement interest was approximately $9.7 million. Transcontinental Gas Pipe Line's appeals have been denied by the Texas Court of Appeals for the First District of Texas, and on April 2, 2001, the company filed an appeal to the Texas Supreme Court which is pending. In the other cases, producers have asserted damages, including interest calculated through September 30, 2001, of $9.5 million. Producers have received and may receive other demands, which could result in additional claims. Indemnification for royalties will depend on, among other things, the specific lease provisions between the producer and the lessor and the terms of the settlement between the producer and either Transcontinental Gas Pipe Line or Texas Gas. Texas Gas may file to recover 75 percent of any such additional amounts it may be required to pay pursuant to indemnities for royalties under the provisions of Order 528.

On June 8, 2001, 14 Williams entities were named as defendants in a nationwide class action lawsuit which has been pending against other defendants, generally pipeline and gathering companies, for more than one year. The plaintiffs allege that the defendants, including the Williams defendants, have engaged in mismeasurement techniques that distort the heating content of natural gas, resulting in an alleged underpayment of royalties to the class of producer plaintiffs. The Williams entities will join

other defendants in filing at least two dispositive motions, along with contesting class certification in the next several months. In September 2001, the plaintiffs voluntarily dismissed two of the 14 Williams entities named as defendants in the lawsuit.

In 1998, the United States Department of Justice informed Williams that Jack Grynberg, an individual, had filed claims in the United States District Court for the District of Colorado under the False Claims Act against Williams and certain of its wholly owned subsidiaries including Central, Kern River Gas Transmission, Northwest Pipeline, Williams Gas Pipeline Company, Transcontinental Gas Pipe Line Corporation, Texas Gas, Williams Field Services Company and Williams Production Company. Mr. Grynberg has also filed claims against approximately 300 other energy companies and alleges that the defendants violated the False Claims Act in connection with the measurement and purchase of hydrocarbons. The relief sought is an unspecified amount of royalties allegedly not paid to the federal government, treble damages, a civil penalty, attorneys' fees, and costs. On April 9, 1999, the United States Department of Justice announced that it was declining to intervene in any of the Grynberg qui tam cases, including the action filed against the Williams entities in the United States District Court for the District of Colorado. On October 21, 1999, the Panel on Multi-District Litigation transferred all of the Grynberg qui tam cases, including the ones filed against Williams, to the United States District Court for the District of Wyoming for pre-trial purposes. Motions to dismiss the complaints filed by various defendants, including Williams, were denied on May 18, 2001.

Williams and certain of its subsidiaries are named as defendants in various putative, nationwide class actions brought on behalf of all landowners on whose property the plaintiffs have alleged WCG installed fiber-optic cable without the permission of the landowners. Williams believes that WCG's installation of the cable containing the single fiber network that crosses over or near the putative class members' land does not infringe on their property rights. Williams also does not believe that the plaintiffs have sufficient basis for certification of a class action. It is likely that Williams will be subject to other putative class action suits challenging WCG's railroad or pipeline rights of way. However, Williams has a claim for indemnity from WCG for damages resulting from or arising out of the businesses or operations conducted or formerly conducted or assets owned or formerly owned by any subsidiary of WCG.

In November 2000, class actions were filed in San Diego, California Superior Court by Pamela Gordon and Ruth Hendricks on behalf of San Diego rate payers against California power generators and traders including Williams Energy Services Company and Williams Energy Marketing & Trading Company, subsidiaries of Williams. Three municipal water districts also filed a similar action on their own behalf. Other class actions have been filed on behalf of the people of California and on behalf of commercial restaurants in San Francisco Superior Court. These lawsuits result from the increase in wholesale power prices in California that began in the summer of 2000. Williams is also a defendant in other litigation arising out of California energy issues. The suits claim that the defendants acted to manipulate prices in violation of the California antitrust and unfair business practices statutes and other state and federal laws. Plaintiffs are seeking injunctive relief as well as restitution, disgorgement, appointment of a receiver, and damages, including treble damages. The defendants removed these cases to federal district courts. The multi-district litigation panel consolidated the cases in the Southern District of California before Judge Whaley. Judge Whaley subsequently ruled in favor of the plaintiffs in their petitions to remand and the cases are now pending in San Diego and San Francisco Superior Courts.

On May 2, 2001, the Lieutenant Governor of the State of California and Assemblywoman Barbara Matthews, acting in their individual capacities as members of the general public, filed suit against five companies including Williams Energy Marketing & Trading and fourteen executive officers, including Keith Bailey, Chairman and CEO of Williams, Steve Malcolm, President and CEO of Williams Energy Services and an Executive Vice President of Williams, and Bill Hobbs, Senior Vice President of Williams Energy Marketing & Trading, in Los Angeles Superior State Court alleging State Antitrust and Fraudulent and Unfair Business Act Violations and seeking injunctive and declaratory relief, civil fines, treble damages and other relief, all in an unspecified amount. This case is being coordinated with the other class actions.

On May 17, 2001, the DOJ advised Williams that it had commenced an antitrust investigation relating to an agreement between a subsidiary of Williams and AES Southland alleging that the agreement limits the expansion of electric generating capacity at or near the AES Southland plants that are subject to a long-term tolling agreement between Williams and AES. In connection with that investigation, the DOJ has issued two Civil Investigative Demands to Williams requesting answers to certain interrogatories and the production of documents. Williams is cooperating with the investigation.

On October 5, 2001, suit was filed on behalf of California taxpayers and electric ratepayers in the Superior Court for the County of San Francisco against the Governor of California and 22 other defendants consisting of other state officials, utilities and generators, including Energy Marketing & Trading. The suit alleges that the long-term power contracts entered into by the state with generators are illegal and unenforceable on the basis of fraud, mistake, breach of duty, conflict of interest, failure to comply with law, commercial impossibility and change in circumstances. Remedies sought include rescission, reformation, injunction, and recovery of funds.

On October 19, 2001, Williams settled a $42 million claim for coal royalty payments relating to a discontinued activity by agreeing to pay $9.5 million.

In addition to the foregoing, various other proceedings are pending against Williams or its subsidiaries which are incidental to their operations.

Summary

While no assurances may be given, Williams, based on advice of counsel, does not believe that the ultimate resolution of the foregoing matters, taken as a whole and after consideration of amounts accrued, insurance coverage, recovery from customers or other indemnification arrangements, will have a materially adverse effect upon Williams' future financial position, results of operations or cash flow requirements.

Commitments

Energy Marketing & Trading has entered into certain contracts giving Williams the right to receive fuel conversion services as well as certain other services associated with electric generation facilities that are either currently in operation or are to be constructed at various locations throughout the continental United States. At September 30, 2001, annual estimated committed payments under these contracts range from approximately $20 million to $462 million, resulting in total committed payments over the next 21 years of approximately $8 billion.

13. Williams obligated mandatorily redeemable preferred securities

On April 6, 2001, an affiliate of Ferrellgas Partners, L.P. (Ferrellgas) purchased the Ferrellgas Partners L.P. senior common units from Williams for $199.1 million. Williams recognized no gain or loss associated with this transaction as the purchase price of the units sold approximated their carrying value. The proceeds of this sale were used primarily to redeem the Williams obligated mandatorily redeemable preferred securities of Trust holding only Williams indentures.

14. Equity offering

In January 2001, Williams issued approximately 38 million shares of common stock in a public offering at $36.125 per share. The impact of this issuance resulted in increases of approximately $38 million to common stock and $1.3 billion to capital in excess of par value.

Notes (Continued)

15. Comprehensive income

Comprehensive income is as follows:

(Millions)	Three months ended September 30,		Nine months ended September 30,	
	2001	2000	2001	2000
Net income	$ 221.3	$ 121.1	$ 760.0	$ 572.6
Other comprehensive income:				
Unrealized gains (losses) on securities	(18.1)	272.3	(71.3)	635.8
Realized (gains) losses on securities in net income	20.3	(40.2)	(.4)	(323.0)
Cumulative effect of a change in accounting for derivative instruments	--	--	(153.4)	--
Unrealized gains on derivative instruments	408.5	--	865.6	--
Net reclassification into earnings of derivative instrument gains	(120.3)	--	(74.6)	--
Foreign currency translation adjustments	(11.6)	(14.9)	(36.0)	(30.4)
Other comprehensive income before taxes and minority interest	278.8	217.2	529.9	282.4
Income tax provision on other comprehensive income	(112.1)	(90.2)	(212.2)	(121.4)
Minority interest in other comprehensive income	--	(19.0)	10.0	(21.9)
Other comprehensive income	166.7	108.0	327.7	139.1
Comprehensive income	$ 388.0	$ 229.1	$ 1,087.7	$ 711.7

Components of other comprehensive income (loss) before minority interest and taxes related to discontinued operations are as follows:

(Millions)	Three months ended September 30,		Nine months ended September 30,	
	2001	2000	2001	2000
Unrealized gains (losses) on securities	$ --	$ 275.0	$ (56.2)	$ 614.9
Realized gains on securities in net income	--	(40.2)	(20.7)	(323.0)
Foreign currency translation adjustments	--	(14.2)	(22.1)	(29.1)
Other comprehensive income (loss) before minority interest and taxes related to discontinued operations	$ --	$ 220.6	$ (99.0)	$ 262.8

Notes (Continued)

16. Segment disclosures

Williams evaluates performance based upon segment profit (loss) from operations which includes revenues from external and internal customers, equity earnings (losses), operating costs and expenses, depreciation, depletion and amortization and income (loss) from investments. Intersegment sales are generally accounted for as if the sales were to unaffiliated third parties, that is, at current market prices.

Williams' reportable segments are strategic business units that offer different products and services. The segments are managed separately, because each segment requires different technology, marketing strategies and industry knowledge. Other includes corporate operations.

The increase in Exploration & Production's total assets, as noted on page 18, is due primarily to the assets and preliminary purchase price allocation related to the Barrett acquisition (see Note 5) and to the increased value of hedge contracts on natural gas production.

The following table reflects the reconciliation of operating income as reported in the Consolidated Statement of Income to segment profit (loss), per the tables on pages 17 and 18:

	Three months ended September 30, 2001			Three months ended September 30, 2000		
(Millions)	Operating Income	Loss from Investments	Segment Profit	Operating Income	Loss from Investments	Segment Profit
Energy Marketing & Trading	$ 380.5	$ (23.3)	$ 357.2	$ 147.1	$ --	$ 147.1
Gas Pipeline	137.7	--	137.7	153.4	--	153.4
Energy Services	215.9	--	215.9	168.4	--	168.4
Other	1.6	--	1.6	3.3	--	3.3
Total segments	735.7	$ (23.3)	$ 712.4	472.2	$ --	$ 472.2
General corporate expenses	(32.4)			(18.7)		
Total operating income	$ 703.3			$ 453.5		

	Nine months ended September 30, 2001			Nine months ended September 30, 2000		
(Millions)	Operating Income	Loss from Investments	Segment Profit	Operating Income	Loss from Investments	Segment Profit
Energy Marketing & Trading	$ 1,138.2	$ (23.3)	$ 1,114.9	$ 497.5	$ --	$ 497.5
Gas Pipeline	548.7	--	548.7	565.9	--	565.9
Energy Services	583.5	--	583.5	439.8	--	439.8
Other	10.5	--	10.5	9.6	--	9.6
Total segments	2,280.9	$ (23.3)	$ 2,257.6	1,512.8	$ --	$ 1,512.8
General corporate expenses	(88.8)			(65.8)		
Total operating income	$ 2,192.1			$ 1,447.0		

16. Segment disclosures (continued)

(Millions)	Revenues: External Customers	Revenues: Inter-segment	Revenues: Equity Earnings (Losses)	Revenues: Total	Segment Profit (Loss)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2001					
ENERGY MARKETING & TRADING	$ 705.1	$ (180.6)*	$ (.3)	$ 524.2	$ 357.2
GAS PIPELINE	408.5	12.4	11.9	432.8	137.7
ENERGY SERVICES					
Exploration & Production	46.6	104.7	2.6	153.9	56.9
International	36.0	--	--	36.0	7.8
Midstream Gas & Liquids	257.9	147.1	(1.6)	403.4	81.1
Petroleum Services	1,317.9	59.6	--	1,377.5	66.1
Williams Energy Partners	17.6	4.2	--	21.8	4.0
Merger-related costs and non-compete amortization	--	--	--	--	--
TOTAL ENERGY SERVICES	1,676.0	315.6	1.0	1,992.6	215.9
OTHER	8.2	9.7	--	17.9	1.6
ELIMINATIONS	--	(157.1)	--	(157.1)	--
TOTAL	$ 2,797.8	$ --	$ 12.6	$ 2,810.4	$ 712.4
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2000					
ENERGY MARKETING & TRADING	$ 475.2	$ (186.8)*	$ .1	$ 288.5	$ 147.1
GAS PIPELINE	413.2	17.0	7.2	437.4	153.4
ENERGY SERVICES					
Exploration & Production	4.9	62.1	--	67.0	18.0
International	18.1	--	.6	18.7	4.2
Midstream Gas & Liquids	170.7	173.4	(1.0)	343.1	83.2
Petroleum Services	1,219.9	30.2	(.1)	1,250.0	60.2
Williams Energy Partners	13.0	4.3	--	17.3	4.2
Merger-related costs and non-compete amortization	--	--	--	--	(1.4)
TOTAL ENERGY SERVICES	1,426.6	270.0	(.5)	1,696.1	168.4
OTHER	7.6	9.4	--	17.0	3.3
ELIMINATIONS	--	(109.6)	--	(109.6)	--
TOTAL	$ 2,322.6	$ --	$ 6.8	$ 2,329.4	$ 472.2

* Energy Marketing & Trading intercompany cost of sales, which are netted in revenues consistent with fair-value accounting, exceed intercompany revenue.

16. Segment disclosures (continued)

(Millions)	Revenues: External Customers	Revenues: Inter-segment	Revenues: Equity Earnings (Losses)	Revenues: Total	Segment Profit (Loss)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2001					
ENERGY MARKETING & TRADING	$ 2,065.8	$ (480.6)*	$ 1.4	$ 1,586.6	$ 1,114.9
GAS PIPELINE	1,257.0	29.8	30.1	1,316.9	548.7
ENERGY SERVICES					
Exploration & Production	65.7	316.5	8.5	390.7	147.8
International	87.1	--	(1.1)	86.0	2.8
Midstream Gas & Liquids	1,027.9	467.6	(14.3)	1,481.2	159.7
Petroleum Services	4,111.5	231.8	.1	4,343.4	258.4
Williams Energy Partners	51.9	11.9	--	63.8	16.3
Merger-related costs and non-compete amortization	--	--	--	--	(1.5)
TOTAL ENERGY SERVICES	5,344.1	1,027.8	(6.8)	6,365.1	583.5
OTHER	27.8	29.6	(.4)	57.0	10.5
ELIMINATIONS	--	(606.6)	--	(606.6)	--
TOTAL	$ 8,694.7	$ --	$ 24.3	$ 8,719.0	$ 2,257.6
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2000					
ENERGY MARKETING & TRADING	$ 1,378.6	$ (480.3)*	$ .2	$ 898.5	$ 497.5
GAS PIPELINE	1,345.3	45.9	19.5	1,410.7	565.9
ENERGY SERVICES					
Exploration & Production	29.3	165.2	-	194.5	39.4
International	51.1	-	1.1	52.2	9.2
Midstream Gas & Liquids	504.2	485.8	(.8)	989.2	236.8
Petroleum Services	3,189.5	107.4	(.3)	3,296.6	146.1
Williams Energy Partners	38.9	13.7	--	52.6	13.9
Merger-related costs and non-compete amortization	--	--	--	--	(5.6)
TOTAL ENERGY SERVICES	3,813.0	772.1	--	4,585.1	439.8
OTHER	21.8	28.5	--	50.3	9.6
ELIMINATIONS	--	(366.2)	--	(366.2)	--
TOTAL	$ 6,558.7	$ --	$ 19.7	$ 6,578.4	$ 1,512.8

(Millions)	TOTAL ASSETS: September 30, 2001	TOTAL ASSETS: December 31, 2000
ENERGY MARKETING & TRADING	$ 15,728.1	$ 14,609.7
GAS PIPELINE	9,199.7	8,956.2
ENERGY SERVICES		
Exploration & Production	4,970.5	671.5
International	2,209.1	2,214.4
Midstream Gas & Liquids	4,425.5	4,293.5
Petroleum Services	2,974.2	2,666.5
Williams Energy Partners	366.4	349.8
TOTAL ENERGY SERVICES	14,945.7	10,195.7
OTHER	6,281.3	7,019.9
ELIMINATIONS	(7,941.7)	(8,156.1)
	38,213.1	32,625.4
NET ASSETS OF DISCONTINUED OPERATIONS	--	2,290.2
TOTAL	$ 38,213.1	$ 34,915.6

* Energy Marketing & Trading intercompany cost of sales, which are netted in revenues consistent with fair-value accounting, exceed intercompany revenue.

17. Recent accounting standards

In June 2001, the Financial Accounting Standards Board (FASB) issued SFAS No. 141, "Business Combinations" and SFAS No. 142, "Goodwill and Other Intangible Assets." SFAS No. 141 establishes accounting and reporting standards for business combinations and requires all business combinations to be accounted for by the purchase method. The Statement is effective for all business combinations initiated after June 30, 2001, and any business combinations accounted for using the purchase method for which the date of acquisition is July 1, 2001, or later. SFAS No. 142 addresses accounting and reporting standards for goodwill and other intangible assets. Under this Statement, goodwill and intangible assets with indefinite useful lives will no longer be amortized, but will be tested annually for impairment. The Statement becomes effective for all fiscal years beginning after December 15, 2001.

Williams will apply the new rules on accounting for goodwill and other intangible assets beginning January 1, 2002. Application of the nonamortization provisions of the Statement will not be material. During first-quarter 2002, Williams will perform an initial impairment test of goodwill as of January 1, 2002. The effect of this test on the results of operations and financial position of Williams has not been determined. The acquisition of Barrett Resources was completed on August 2, 2001 (see Note 5). Approximately $1 billion of goodwill recorded as a result of this acquisition is not being amortized.

In June 2001, the FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations." This Statement addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs and amends FASB Statement No. 19, "Financial Accounting and Reporting by Oil and Gas Producing Companies." The Statement requires that the fair value of a liability for an asset retirement obligation be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made, and that the associated asset retirement costs be capitalized as part of the carrying amount of the long-lived asset. The Statement is effective for financial statements issued for fiscal years beginning after June 15, 2002. The effect of this standard on Williams' results of operations and financial position is being evaluated.

In August 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." This Statement supersedes SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of" and amends Accounting Principles Board Opinion No. 30, "Reporting the Results of Operations - Reporting the Effects of Disposal of a Segment of a Business and Extraordinary, Unusual and Infrequently Occurring Events and Transactions." The Statement retains the basic framework of SFAS No. 121, resolves certain implementation issues of SFAS No. 121, extends applicability to discontinued operations, and broadens the presentation of discontinued operations to include a component of an entity. The Statement will be applied prospectively and is effective for financial statements issued for fiscal years beginning after December 15, 2001. Adoption of the Statement is not expected to have any initial impact on Williams' results of operations or financial position.

ITEM 2
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATION

In March 2001, the board of directors of Williams approved a tax-free spinoff of Williams' communications business, Williams Communications Group, Inc. (WCG), to Williams' shareholders. On April 23, 2001, Williams distributed 398.5 million shares, or approximately 95 percent of the WCG common stock held by Williams, to holders of record of Williams common stock. As a result, the consolidated financial statements have been restated to present WCG as discontinued operations (see Note 7 of Notes to Consolidated Financial Statements). Unless otherwise indicated, the following discussion and analysis of results of operations, financial condition and liquidity relates to the continuing operations of Williams and should be read in conjunction with the consolidated financial statements and notes thereto.

RESULTS OF OPERATIONS

THIRD QUARTER 2001 VS. THIRD QUARTER 2000

OVERVIEW

Williams' revenues increased $481 million, or 21 percent, due primarily to higher gas and electric power trading and services revenues, the $126 million impact of reporting certain revenues net of the related costs in 2000 related to sales activity surrounding certain terminals (see Note 2), revenues from Canadian operations acquired in fourth-quarter 2000, higher petroleum products revenues and the revenues of Barrett Resources Corporation (Barrett) acquired in August 2001, partially offset by $122 million decrease in revenues related to the convenience stores sold in May 2001.

Segment costs and expenses increased $217.5 million, or 12 percent, due primarily to the impact of reporting certain sales activity costs net with related revenues in 2000, higher costs associated with Canadian operations acquired in fourth-quarter 2000, higher petroleum product costs, costs associated with Barrett acquired in August 2001 and higher charitable contribution commitments. These increases were partially offset by a $119 million decrease in costs related to the convenience stores sold in May 2001.

Operating income increased $249.8 million, or 55 percent, due primarily to higher gas and electric power trading and services margins (including $164 million from the recognition of power sales made in previous 2001 quarters -- see Energy Marketing & Trading's third quarter discussion) and the impact of Barrett, partially offset by charitable contribution commitments.

Income from continuing operations before income taxes increased $130.1 million from $288.9 million in 2000 to $419 million in 2001, due primarily to $249.8 million higher operating income. These increases were partially offset by a $105.2 million decrease in investing income (loss) primarily from write-downs of certain investments and $14.6 million higher net interest expense reflecting increased debt in support of continued expansion and new projects.

ENERGY MARKETING & TRADING

ENERGY MARKETING & TRADING'S revenues increased $235.7 million, or 82 percent, due to a $287 million increase in trading revenues and a $52 million decrease in non-trading revenues. The $287 million increase in trading revenues is due primarily to $249 million higher gas and electric power trading and services margins and $23 million higher crude and refined trading margins as well as $15 million higher natural gas liquids margins. The higher gas and electric power trading and services margins primarily reflect favorable results from proprietary trading activities in natural gas, partially offset by net unfavorable changes in existing power portfolios. In addition, the increased gas and electric power trading and services margins include $180 million from the recognition of power sales, $164 million of which related to previous quarters in 2001, due to additional guidance regarding California's credit responsibility for power sales to major utilities. The higher crude and refined trading margins and higher natural gas liquids margins result from favorable price movements in relation to current trading positions.

The $52 million decrease in non-trading revenues is due primarily to $51 million lower natural gas liquids revenues resulting from lower sales prices.

Costs and operating expenses decreased $34 million, or 47 percent, due primarily to $39 million lower natural gas liquids costs. This variance is associated with the corresponding change in non-trading revenues discussed above.

Segment profit increased $210.1 million to $357.2 million in 2001 as compared to $147.1 million of segment profit in 2000. The increase is due primarily to $287 million higher trading revenues discussed above partially offset by $12 million lower margins from non-trading natural gas liquids operations, $42 million increase in selling, general and administrative expenses, and a $23.3 million loss from the write-downs of marketable equity securities and a cost-based investment (see Note 4). The higher selling, general and administrative costs reflect higher variable compensation levels associated with the increased operating performance as well as charitable contribution commitments to state universities.

CALIFORNIA

At September 30, 2001, Energy Marketing & Trading had net accounts receivable recorded of approximately $477 million for power sales to the California Independent System Operator (ISO) and the California Power Exchange Corporation (CPEC). The increase from June 30, 2001 in the net accounts receivable is due to $180 million revenues recognized primarily for previous 2001 quarter power sales as discussed above. While the amount recorded reflects management's best estimate of collectibility, future events or circumstances could change those estimates. In March and April of 2001, two California power related entities, the CPEC and Pacific Gas and Electric Company (PG&E), filed for bankruptcy under Chapter 11. On September 20, 2001, PG&E filed a reorganization plan as part of its Chapter 11 bankruptcy proceeding that seeks to pay all of its creditors in full. California utility regulators agreed on October 2, 2001, to a settlement in which Edison International (EIX) unit Southern California Edison will repay its back debt out of existing rates by 2005. The agreement settles a federal-court lawsuit in which the utility sought to force the California Public Utilities Commission to raise rates and allows the utility to recover an estimated $3 billion in back debt. Both the reorganization plan and the settlement agreement are subject to current challenges, further legal proceedings and regulatory approvals. Williams does not believe its credit exposure to these utilities will result in a materially adverse effect on its results of operations or financial condition.

The prices charged for power by Williams and other traders and generators in California and other western markets have been challenged in various proceedings, including those before the Federal Energy Regulatory Commission (FERC). In December 2000, the FERC issued an order which provided that for the period between October 2, 2000 and December 31, 2002, it may order refunds from Williams and other similarly situated companies if the FERC finds that the wholesale markets in California are unable to produce competitive, just and reasonable prices, or that market power or other individual seller conduct is exercised to produce an unjust and unreasonable rate. Beginning on March 9, 2001, the FERC issued a series of orders directing Williams and other similarly situated companies to provide refunds for any prices charged in excess of FERC established proxy prices in January, February, March, April and May 2001 or to provide justification for the prices charged during those months. According to the FERC, Williams' total potential refund liability for January through May, 2001, is approximately $30 million. Williams has filed justification for its prices with the FERC and calculated its refund liability under the methodology used by the FERC to compute refund amounts at approximately $11 million. However, in its FERC filings, Williams continues its objections to refunds in any amount.

Certain entities have also asked the FERC to revoke Williams' authority to sell power from California-based generating units at market-based rates; to limit Williams to cost-based rates for future sales from such units and to order refunds of excessive rates, with interest, retroactive to May 1, 2000, and possibly earlier. Although Williams believes these requests are ill-founded and will be rejected by the FERC, there can be no assurance of such action.

In an order issued June 19, 2001, the FERC has implemented a revised price mitigation and market monitoring plan for wholesale power sales by all suppliers of electricity, including Williams, in spot markets for a region that includes California and ten other western states (the "Western Systems Coordinating Council," or "WSCC"). In general, the plan, which will be in effect from June 20, 2001 through September 30, 2002, establishes a market clearing price for spot sales in all hours of the day that is based on the bid of the highest-cost gas-fired California generating unit that is needed to serve the California ISO's load. When generation operating reserves fall below 7 percent in California (a "reserve deficiency period"), absent cost based justification for a higher price, the maximum price that Williams may charge for wholesale spot sales in the WSCC is the market clearing price. When generation operating reserves rise to 7 percent or above in California, absent cost-based justification for a higher price, Williams' maximum price will be limited to 85 percent of the highest hourly price that was in effect during the most recent reserve deficiency period. The June 19 order also implemented multi-party settlement talks regarding refunds for past periods that concluded without resolution of the issues. Absent settlement, the presiding administrative law judge issued a report to the FERC that, with some variations, recommends applying the methodology of the June 19 order to determine refunds for prior periods. On July 25, 2001, the FERC issued an order adopting, to a significant extent, the Judge's recommendation and establishing an expedited hearing to establish the facts necessary to determine refunds under the approved methodology. Refunds under this order will cover the period of October 2, 2000 through June 20, 2001. They will be paid as offsets against outstanding bills and are inclusive of any amounts previously noticed for refund for that period.

In March 2001, FERC issued a Show Cause Order directing Williams Energy Marketing & Trading and AES Southland, Inc. to show cause why they should not be found to have engaged in violations of the Federal Power Act and various agreements, they were directed to make refunds in the aggregate of approximately $10.8 million, and have certain conditions placed on Williams' market-based rate authority for sales from specific generating facilities in California for a limited period. On April 30, 2001, the FERC issued an Order approving a settlement of this proceeding. The Settlement terminated the proceeding without making any findings of wrongdoing by Williams. Pursuant to the Settlement, Williams agreed to refund $8 million to

the California ISO by crediting such amount against outstanding invoices. Williams also agreed to prospective conditions on its authority to make bulk power sales at market-based rates for certain limited facilities under which it has call rights for a one-year period. Williams also has been informed that the facts underlying this proceeding are also under investigation by a California Grand Jury.

In May 2001, the Department of Justice advised Williams that it had commenced an antitrust investigation relating to an agreement between a subsidiary of Williams and AES Southland alleging that the agreement limits the expansion of electric generating capacity at or near the AES Southland plants that are subject to a long-term tolling agreement between Williams and AES. In connection with that investigation, the Department of Justice issued a Civil Investigative Demand to Williams requesting answers to certain interrogatories and the production of documents. Williams is cooperating with the investigation.

In addition to these federal agency actions, a number of federal and state initiatives addressing the issues of the California electric power industry are also ongoing and may result in restructuring of various markets in California and elsewhere. Discussions in California and other states have ranged from threats of re-regulation to suspension of plans to move forward with deregulation. Allegations have also been made that the wholesale price increases resulted from the exercise of market power and collusion of the power generators and sellers, such as Williams. These allegations have resulted in multiple state and federal investigations as well as the filing of class-action lawsuits in which Williams is a named defendant (see "Other Legal Matters" in Note 12). Most of these initiatives, investigations and proceedings are in their preliminary stages and their likely outcome cannot be estimated. There can be no assurance that these initiatives, investigations and proceedings will not have an adverse effect on Williams' results of operations or financial condition.

GAS PIPELINE

GAS PIPELINE'S revenues decreased $4.6 million, or 1 percent, due primarily to $13 million lower gas exchange imbalance settlements (offset in costs and operating expenses), $4 million lower transportation revenues at Texas Gas due primarily to discounting and $3 million reduction of rate refund liabilities in 2000 following the settlement of a prior rate proceeding. Partially offsetting these decreases were $14 million higher transportation demand revenues at Transco and Kern River and $5 million higher equity investment earnings from pipeline joint venture projects.

Costs and operating expenses decreased $5.2 million, or 2 percent. The decrease reflects $13 million lower gas exchange imbalance settlements (offset in revenues), partially offset by $12 million in higher depreciation expense due to increased property, plant and equipment placed into service.

Other (income) expense-net includes $14 million of charitable contribution commitments primarily related to the Williams 2001 United Way campaign held during the quarter. Last year's Williams United Way campaign commitments were made in the fourth quarter.

Segment profit decreased $15.7 million, or 10 percent, due primarily to the $14 million charitable contribution commitments.

Based on current rate structures and/or historical maintenance schedules of certain of its pipelines, Gas Pipeline generally experiences lower segment profits in the second and the third quarters as compared with the first and fourth quarters.

ENERGY SERVICES

EXPLORATION & PRODUCTION'S revenues increased $86.9 million, to $153.9 million in 2001 from $67 million in 2000, due primarily to $69 million of revenues related to Barrett, which became a consolidated entity on August 2, 2001 (see Note 5 for further discussion of Barrett). Included in the $69 million is the favorable impact of hedge contracts placed on Barrett production by Williams. Revenues also increased $11 million from increased average realized natural gas sales prices (including the effect of hedge positions). Approximately 80 percent of production in third-quarter 2001 was hedged.

Segment profit increased $38.9 million, to $56.9 million in 2001 from $18.0 million in 2000, due primarily to the higher revenues discussed above, partially offset by $41 million of segment costs and expenses related to Barrett and $7 million higher general and administrative expenses.

INTERNATIONAL'S revenues increased $17.3 million, from $18.7 million in 2000. The increase is attributable to $10.2 million of revenue from a new gas compression facility in Venezuela which began operations in August 2001, $6.6 million of revenue from Colorado soda ash production which began in October 2000, and $1.3 million increase in revenues from the existing Venezuelan gas compression facility. Equity earnings of $2.9 million from a new NGL extraction and processing joint venture in Venezuela were offset by $2.8 million higher equity losses from the Lithuanian refinery, pipeline and terminal investment.

Costs and operating expenses increased $13.3 million, due primarily to $11.7 million related to soda ash production which began in October 2000 and $2.5 million related to the new gas compression facility in Venezuela which began operations in 2001.

Segment profit increased $3.6 million from $4.2 million in 2000. The increase in segment profit is primarily related to $7.8 million from the new gas compression facility in Venezuela partially offset by $5.1 million higher segment loss related to the soda ash project.

MIDSTREAM GAS & LIQUIDS' revenues increased $60.3 million, or 18 percent, due primarily to $99 million in revenues from Canadian operations acquired in October 2000. Domestic natural gas liquids revenues decreased $44 million reflecting a $25 million decrease from 20 percent lower average domestic natural gas liquids sales prices and a $19 million decrease due to a 13 percent decrease in domestic liquids volumes sold.

Costs and operating expenses increased $55 million to $291 million in the third-quarter 2001, due primarily to $85 million of costs and operating expenses related to the Canadian operations and increased domestic operating and maintenance costs. Substantially offsetting those increased costs were $41 million lower product costs related to domestic natural gas liquids sales.

Included in other (income) expense-net within segment costs and expenses for 2001 is a $4.2 million impairment loss related to management's third-quarter 2001 decision to sell certain south Texas non-regulated gathering assets. The $4.2 million charge represents the impairment of the assets to fair value based on expected proceeds from a sale.

Segment profit decreased $2.1 million, or 2.5 percent due primarily to the $4.2 million impairment loss discussed above, a $3 million decrease from domestic natural gas liquids sales activities and an increase in domestic operating and maintenance costs. These decreases were partially offset by a $10 million segment profit from the Canadian operations.

PETROLEUM SERVICES' revenues increased $127.5 million, or 10 percent, due primarily to $118 million higher refining and marketing revenues (excluding an increase of $59 million as a result of lower intra-segment sales to the travel center/convenience stores which are eliminated), partially offset by $80 million lower travel center/convenience store sales. Effective February 2001, management of refined product sales activities surrounding certain terminals throughout the United States was transferred to Petroleum Services from Energy Marketing & Trading (see Note 2). The sales activity was previously included in the trading portfolio of Energy Marketing & Trading and was therefore reported net of related cost of sales along with other refined product trading gains and losses within Energy Marketing & Trading prior to February 2001. After the transfer of management of these activities to Petroleum Services, these sales activities are reported "gross" within the Petroleum Services segment. Energy Marketing & Trading's revenue for the three months ended September 30, 2000 includes approximately $126 million for both the sales and cost of sales related to this activity. The $118 million increase in refining and marketing revenues includes the $126 million impact previously discussed and $128 million from a 13 percent increase in refined product volumes sold, partially offset by $137 million resulting from 13 percent lower average refined product sales prices. The $80 million decrease in travel center/convenience store sales reflects $122 million of revenues in 2000 related to the 198 convenience stores sold in May 2001, partially offset by a $42 million increase in revenues related to travel centers and Alaska convenience stores. The $42 million increase in the travel centers/convenience stores retained reflects $49 million from a 25 percent increase in gasoline and diesel sales volumes and $11 million higher merchandise sales, partially offset by $18 million lower average gasoline and diesel sales prices. In addition, revenues increased due to $29 million higher bio-energy sales reflecting an increase in ethanol volumes sold and average ethanol sales prices.

Costs and operating expenses increased $120.5 million, or 10 percent, due primarily to $111 million higher refining and marketing costs and $74 million lower travel center/convenience store costs (excluding a $59 million increase due to lower intra-segment purchases from the refineries which are eliminated). The $111 million increase in refining and marketing costs includes the $126 million impact of the transfer of management from Energy Marketing & Trading to Petroleum Services discussed above and a $66 million increase in the costs related to refined product purchased for resale and a $10 million increase in other operating costs at the refineries, offset by a $91 million decrease from lower crude supply cost and other per unit cost of sales from the refineries. The refining and marketing costs include the impact of price risk management activities that are used to manage the economic exposure of fluctuations in commodity prices of crude oil and refined products. The $74 million decrease in travel center/convenience store costs reflects $119 million of costs in 2000 related to the 198 convenience stores sold in May 2001, partially offset by a $45 million increase in costs related to travel centers and Alaska convenience stores. The $45 million increase in costs for the travel centers/convenience stores retained reflect $47 million from increased diesel and gasoline sales volumes, $13 million from higher store operating costs and $6 million higher merchandise costs, partially offset by $21 million lower gasoline and diesel sale prices. In

addition, costs and operating expenses increased due to $21 million higher bio-energy operating costs.

Segment profit increased $5.9 million, to $66.1 million in 2001 from $60.2 million in 2000, due primarily to $7 million from refining and marketing operations and $6 million higher operating profit from bio-energy operations, partially offset by $5 million higher operating losses for the travel center/convenience stores retained.

WILLIAMS ENERGY PARTNERS' revenue increased $4.5 million from $17.3 million to $21.8 million, due primarily to acquisition of a marine terminal facility acquired in September 2000 and additional ammonia revenues. Segment profit decreased $.2 million from $4.2 million to $4 million, due primarily to increased revenues being substantially offset by increased selling, general and administrative costs.

CONSOLIDATED

GENERAL CORPORATE EXPENSES increased $13.7 million, or 73 percent, primarily due to an increase in advertising costs (which includes a branding campaign of $8 million) and charitable contribution commitments of $5 million. Interest accrued increased $11.8 million, or 6 percent, due primarily to the $25 million effect of higher borrowing levels slightly offset by the $15 million effect of lower interest rates. The increased borrowing levels reflect an increase in long-term debt levels partially offset by a decrease in commercial paper levels as compared to 2000. Long-term debt includes $1.1 billion long-term senior unsecured debt securities issued in January 2001 and $1.5 billion of long-term debt securities issued in August 2001 primarily for the replacement of $1.2 billion borrowed under a $1.5 billion short-term credit agreement originated in June 2001 related to the cash portion of the Barrett acquisition. Investing income (loss) decreased $105.2 million, from $21 million of investing income in 2000 to an investing loss of $84.2 million in 2001, due primarily to write-downs of investments in certain publicly traded and marketable equity securities and a cost based investment totaling $94.2 million including $70.9 million related to the write-down of Williams' investment in WCG (see Note 4). In addition, the decrease in investing income (loss) reflects a $5 million decrease in dividend income due to the sale of the Ferrellgas Senior common units in second-quarter 2001 and $5 million resulting from a settlement of a note receivable from a foreign investee for less than the carrying amount. Minority interest in income and preferred returns of consolidated subsidiaries increased $6.9 million, or 51 percent, due primarily to preferred returns of Snow Goose LLC, formed in December 2000 and minority interest in income of Williams Energy Partners L.P. and certain of International's consolidated subsidiaries partially offset by a $4 million decrease related to the preferred returns of Williams obligated mandatorily redeemable preferred securities of Trust which were redeemed by Williams in second-quarter 2001.

The provision for income taxes increased $85.3 million, or 76 percent, primarily as a result of higher pre-tax income and the valuation allowances associated with the tax benefits for investment write-downs for which ultimate realization is uncertain. The effective tax rate for 2001 is greater than the federal statutory rate due primarily to the valuation allowances discussed above and the effect of state income taxes. The effective income tax rate for 2000 is greater than the federal statutory rate due primarily to the effects of state income taxes.

NINE MONTHS ENDED SEPTEMBER 30, 2001 VS.
NINE MONTHS ENDED SEPTEMBER 30, 2000

CONSOLIDATED OVERVIEW

Williams' revenues increased $2,140.6 million, or 33 percent, due primarily to higher gas and electric power trading and services margins, revenues from Canadian operations acquired in fourth-quarter 2000, higher petroleum products revenues, higher natural gas sales prices, revenues from Barrett and the $442 million impact of reporting certain revenues net of the related costs in 2000 related to sales activity surrounding certain terminals. These revenues are reported "gross" subsequent to the transfer of management over the sales activity from Energy Marketing & Trading to Petroleum Services effective February 2001 (see Note 2). Partially offsetting these increases was a decrease of $185 million in revenues related to convenience stores sold in May 2001 and the effect in 2000 of a $74 million reduction of Gas Pipeline's rate refund liabilities.

Segment costs and expenses increased $1,372.5 million, or 27 percent, due primarily to higher petroleum product costs, costs associated with Canadian operations acquired in fourth-quarter 2000, costs associated with Barrett acquired in August 2001 and the impact of reporting certain sales activity costs net with related revenues in 2000 (discussed above). These increases were partially offset by a $178 million decrease in costs as a result of the sale of 198 convenience stores in May 2001 and the $72.1 million gain on the sale of these convenience stores.

Operating income increased $745.1 million, or 51 percent, due primarily to higher gas and electric power service margins, the $72.1 million pre-tax gain on the sale of the convenience stores in May 2001, higher margins at refining and marketing operations, increased realized natural gas sales prices, the impact of Barrett and the effect in 2000 of $30.3 million in guarantee loss accruals and impairment charges at Energy Marketing & Trading. Partially offsetting these increases were lower per-unit natural gas liquids margins and the

$74 million effect in 2000 of rate refund liabilities and approximately $26 million of impairment charges within Energy Services.

Income from continuing operations before income taxes increased $596.3 million from $997.1 million in 2000 to $1,593.4 million in 2001, due primarily to $745.1 million higher operating income, partially offset by $85 million decrease in investing income (loss) primarily from write-downs of investments, $52.7 million higher net interest expense reflecting increased debt in support of continued expansion and new projects and $24.5 million higher minority interest in income and preferred returns of subsidiaries related primarily to the preferred returns of Snow Goose LLC, formed in December 2000.

ENERGY MARKETING & TRADING

ENERGY MARKETING & TRADING'S revenues increased $688.1 million, or 77 percent, due to a $748 million increase in trading revenues offset by a $60 million decrease in non-trading revenues. The $748 million increase in trading revenues is due primarily to $731 million higher gas and electric power trading and services margins and $29 million increased natural gas liquids margins slightly offset by $11 million lower crude and refined trading margins. The higher gas and electric power trading and services margins primarily result from a net favorable change in the overall fair value of the gas and electric portfolio resulting from proprietary trading activities around existing portfolio positions, including power sales in California. In addition, the increased gas and electric power trading and services margins reflect the benefit of additional price risk management services offered through structured transactions. These new structured transactions included the addition of approximately 3,710 megawatts of notional volumes to Energy Marketing & Trading in the mid-continent, northeast and southeast regions of the United States. These contracts include agreements to market capacity of electricity generation facilities, as well as agreements to provide load following and/or full requirements services.

The $60 million decrease in non-trading revenues is due primarily to $72 million lower natural gas liquids revenues primarily from lower sales prices partially offset by $11 million higher non-trading power services revenues.

Costs and operating expenses decreased $26 million, or 13 percent, due primarily to lower natural gas liquids costs, partially offset by higher cogeneration costs of sales and increased operating expenses. These variances are associated with the corresponding changes in non-trading revenues discussed above.

Other (income) expense-net in 2000 includes $30.3 million in guarantee loss accruals and impairment charges (see Note 3) and a $12.4 million gain on the sale of certain natural gas liquids contracts.

Segment profit increased $617.4 million, from $497.5 million in 2000 to $1,114.9 million in 2001, due primarily to the $748 million higher trading revenues discussed above and the effect of the $30.3 million guarantee loss accruals and impairment charges in 2000. Partially offsetting these increases were $93 million higher selling, general and administrative costs, $32 million lower margins from non-trading natural gas liquids operations, a $23.3 million loss from the write-downs of marketable equity securities and a cost-based investment (see Note 4), and the $12.4 million effect of the 2000 gain on sale of certain natural gas liquids contracts. The higher selling, general and administrative costs primarily reflect higher variable compensation levels associated with improved operating performance, $10 million of bad debt expense related to California electric power sales to a customer that had unexpectedly filed for bankruptcy, increased outside service costs, as well as increased charitable contribution commitments to state universities.

GAS PIPELINE

GAS PIPELINE'S revenues decreased $93.8 million, or 7 percent, due primarily to the effect of a $74 million reduction of rate refund liabilities in 2000 following the settlement of prior rate proceedings and $51 million lower gas exchange imbalance settlements (offset in costs and operating expenses). Partially offsetting these decreases were $17 million higher transportation demand revenues at Transco and Kern River, $11 million higher equity investment earnings from pipeline joint venture projects and $8 million higher revenues from a liquefied natural gas storage facility acquired in June 2000.

Costs and operating expenses decreased $52.2 million, or 8 percent, due primarily to the $51 million lower gas exchange imbalance settlements (offset in revenues) and $15 million resulting from the FERC's approval for recovery of fuel costs incurred in prior periods by Transco. Partially offsetting these decreases was $24 million in higher depreciation expense due to increased property, plant and equipment placed into service.

Other (income) expense-net includes a $27.5 million pre-tax gain from the sale of Williams' limited partnership interest in Northern Border Partners L.P. and a $3 million insurance settlement in 2001 for storage gas losses, partially offset by charitable contribution commitments of $14 million related to the Williams

2001 United Way campaign. Last year's Williams United Way campaign commitments were made during the fourth quarter.

Segment profit decreased $17.2 million, or 3 percent, due primarily to the lower revenues discussed previously, partially offset by the lower costs and expenses, the items discussed previously in other (income) expense-net, and $11 million lower general and administrative expenses. The lower general and administrative costs result primarily from lower tracked costs which are passed through to customers and costs in 2000 related to the headquarters consolidation of two of the gas pipelines.

Based on current rate structures and/or historical maintenance schedules of certain of its pipelines, Gas Pipeline generally experiences lower segment profits in the second and third quarters as compared to the first and fourth quarters.

ENERGY SERVICES

EXPLORATION & PRODUCTION'S revenues increased $196.2 million from $194.5 million in 2000, due primarily to $94 million from increased realized average natural gas sales prices (including the effect of hedge positions) and $15 million associated with an increase in volumes from production and marketing activities. Revenues also include $77 million related to Barrett which became a consolidated entity on August 2, 2001 (see Note 5 for further discussion of Barrett). Included in the $77 million is the impact of hedge contracts placed on Barrett production by Williams and $8.5 million in equity earnings from the 50 percent investment in Barrett held by Williams for the period from June 11, 2001 through August 1, 2001. Approximately 74 percent of production through third-quarter 2001, including Barrett production during August 2, 2001 to September 30, 2001, was hedged. Exploration & Production has entered into contracts that hedge approximately 81 percent of estimated production for the remainder of the year. At September 30, 2001, the contracted future hedges are at prices that averaged above the spot market, resulting in an unrealized gain reflected in other comprehensive income. In addition, revenues in 2001 included $22 million related to recognition of income from transactions which transferred certain non-operating economic benefits to a third party, compared to $9 million in 2000.

Segment costs and operating expenses increased $88 million, including an $8 million increase in selling, general and administrative expenses. Gas purchase costs related to the marketing of natural gas from the Williams Coal Seam Royalty Trust and royalty interest owners increased $22 million. Segment costs and operating expenses related to Barrett operations were approximately $41 million and were comprised primarily of depletion, depreciation and amortization and operating and maintenance costs. In addition, the increase in costs and operating expenses related to existing Williams properties included $8 million higher production-related taxes, $8 million higher operating and maintenance expenses and $7 million higher depreciation and amortization expenses, slightly offset by $9 million lower unproved lease amortization expense.

Segment profit increased $108.4 million, to $147.8 million in 2001 from $39.4 million in 2000, due primarily to the higher revenues in excess of costs discussed previously, including segment profit related to Barrett of $28.2 million for the period from August 2, 2001 to September 30, 2001.

INTERNATIONAL'S revenues increased $33.8 million, or 65 percent, from $52.2 million in 2000. The increase is attributable to $17.8 million of revenue from Colorado soda ash production which began in October 2000, $10.2 million of revenue from a new gas compression facility in Venezuela which began operations in 2001, and $4.8 million in revenues from an existing Venezuelan gas compression facility. Equity earnings decreased $2.2 million from income of $1.1 million in 2000 to a loss of $1.1 million in 2001. The decrease is due primarily to a $4 million increase in equity losses from the Lithuanian refinery, pipeline and terminal investment, slightly offset by equity earnings of $2.8 million from a NGL extraction and processing joint venture acquired in 2001.

Costs and operating expenses increased $43.1 million due primarily to $39.3 million related to soda ash production which began in October 2000 and $3.7 million related to the new gas compression facility in Venezuela which began operations in 2001.

Segment profit decreased $6.4 million, or 70 percent, from $9.2 million in 2000. The soda ash project had a higher segment loss of $21.5 million reflecting initial operations start up costs, and operational complications. Partially offsetting the loss from soda ash production was an $11.7 million increase from Venezuelan gas compression facilities, including the new gas compression facility, and lower general and administrative costs.

MIDSTREAM GAS & LIQUIDS' revenues increased $492 million, or 50 percent, due primarily to $564 million in revenues from Canadian operations acquired in October 2000. The $564 million of revenues from Canadian operations consist primarily of $270 million of natural gas liquids sales from processing activities, $205 million of natural gas liquids sales from fractionation activities, and $81 million of processing revenues. Domestic natural gas liquids revenues decreased $70 million reflecting a $85 million decrease from a 22 percent decrease in volumes sold, partially offset by a $15 million

increase due to higher average natural gas liquids sales prices. In addition, equity method investments had $13.5 million higher equity losses in 2001, primarily from the Discovery pipeline project.

Costs and operating expenses increased $563 million to $1.2 billion, due primarily to $549 million of costs and operating expenses related to the Canadian operations, $16 million higher general operating and maintenance costs, and $8 million higher power costs related to the natural gas liquids pipelines, partially offset by the effect in 2000 of $12 million of losses associated with certain propane storage transactions.

General and administrative expenses decreased $11 million, or 13 percent, due primarily to $12 million of reorganization and early retirement costs occurring in 2000 and a $12 million reduction in overall expenses, partially offset by $11 million of general and administrative expenses related to the Canadian operations.

Included in other (income) expense-net within segment costs and expenses for 2001 is $15 million of impairment charges related to management's 2001 decisions and commitments to sell certain south Texas non-regulated gathering and processing assets. The $15.1 million in impairment charges represent the impairment of the assets to fair value based on expected proceeds from the sales.

Segment profit decreased $77.1 million, or 33 percent, due primarily to $35 million from lower average per-unit domestic natural gas liquids margins, $25 million from decreased domestic natural gas liquids volumes sold, $8 million decrease associated with higher power costs of the natural gas liquids pipeline system, $13.5 million from higher equity investment losses, and $15 million due to the impairment charges discussed above. Partially offsetting these decreases to segment profit were $11 million lower general and administrative expenses and $12 million of losses associated with certain propane storage transactions in first-quarter 2000.

PETROLEUM SERVICES' revenues increased $1,046.8 million, or 32 percent, due primarily to $754 million higher refining and marketing revenues (excluding an increase of $120 million as a result of lower intra-segment sales to the travel centers/convenience stores which are eliminated) and $66 million higher travel center/convenience store sales. The $754 million increase in refining and marketing revenues includes the $442 million impact of the transfer of management from Energy Marketing & Trading to Petroleum Services effective February 2001 of refined product sales activities surrounding certain terminals, $289 million resulting from an 11 percent increase in refined product volumes sold and $23 million from higher average refined product sales prices. The $66 million increase in travel center/convenience store sales reflects $251 million increase in revenues related to travel centers and Alaska convenience stores offset by a $185 million decrease in revenues related to the 198 convenience stores sold in May 2001. The $251 million increase in revenues of the travel centers/convenience stores retained reflects $215 million from a 38 percent increase in gasoline and diesel sales volumes, $5 million from higher average gasoline sales prices and $37 million higher merchandise sales, partially offset by $6 million from lower average diesel sales prices. In addition, revenues increased due to $90 million higher bio-energy sales reflecting increases in ethanol volumes sold and average ethanol sales prices, $25 million higher revenues from Williams' 3.1 percent undivided interest in TAPS acquired in late June 2000 and $9 million higher commodity sales from transportation activities. Slightly offsetting these increases were $12 million lower revenues related to the petrochemical plant due to a plant turnaround in first-quarter 2001.

Costs and operating expenses increased $996.3 million, or 33 percent, due primarily to $691 million higher refining and marketing costs and $86 million higher travel center/convenience store costs (excluding a $120 million increase in costs due to lower intra-segment purchases from the refineries which are eliminated). The $691 million increase in refining and marketing costs includes the $442 million impact of the transfer of management from Energy Marketing & Trading to Petroleum Services effective February 2001 of refined product sales activities surrounding certain terminals (see discussion above) while the remaining increase reflects a $277 million increase in the cost of refined product purchased for resale and $19 million increase in other operating costs at the refineries, partially offset by a $47 million decrease from lower crude supply cost and other per unit cost of sales from the refineries. The refining and marketing costs include the impact of price risk management activities that are used to manage the economic exposure of fluctuations in commodity prices of crude oil and refined products. The $86 million increase in travel center/convenience store costs reflects a $264 million increase in costs related to the travel centers and Alaska convenience stores, partially offset by a $178 million decrease in costs related to the 198 convenience stores sold in May 2001. The $264 million increase in costs for the travel centers/convenience stores retained reflect $204 million from increased diesel and gasoline sales volumes, $26 million higher merchandise costs, $37 million from higher store operating costs and $4 million higher gasoline sales prices, partially offset by $7 million lower diesel sales prices. In addition, costs and operating expenses increased due to $76 million higher bio-energy raw product and operating costs, $10 million higher commodity sales from transportation activities and $8 million of cost related to Williams' 3.1 percent undivided interest in TAPS.

Included in other (income) expense-net within segment costs and expenses for 2001, is a $72.1 million pre-tax gain from the sale of 198 convenience stores, primarily in the Tennessee metropolitan areas

of Memphis and Nashville. Revenues related to the stores which were sold approximated $183 million and $368 million for 2001 and 2000. Also included in other (income) expense-net within segment costs and expenses is an $11 million impairment charge related to an end-to-end mobile computing systems business.

Segment profit increased $112.3 million, or 77 percent, due primarily to an increase of $64 million from refining and marketing operations and $15 million from Williams interest in TAPS acquired in late June 2000. In addition, segment profit increased due to a $72.1 million gain on the sale of convenience stores in May 2001. Partially offsetting these increases were an $11 million impairment charge related to an end-to-end mobile computing systems business, a $23 million increase in operating losses from the travel centers/convenience stores retained and $13 million lower revenues from activities at the petrochemical plant.

WILLIAMS ENERGY PARTNERS' revenue increased $11.2 million to $63.8 million and segment profit increased $2.4 million from $13.9 million to $16.3 million, due primarily to acquisition of a marine terminal facility acquired in September 2000.

CONSOLIDATED

GENERAL CORPORATE EXPENSES increased $23 million, or 35 percent, primarily due to an increase in advertising costs (which includes a branding campaign of $9 million), charitable contribution commitments of $7 million, an increase in outside legal costs and higher compensation levels. Interest accrued increased $47 million, or 9 percent, due primarily to the $38 million effect of higher borrowing levels slightly offset by the $9 million effect of lower average interest rates. Interest accrued also increased due to a $12 million increase in interest expense related to deposits received from customers relating to energy trading and hedging activities, a $6 million increase in amortization of debt expense, and a $4 million increase in interest expense on rate refund liabilities. The increased borrowing levels reflect an increase in long-term debt levels partially offset by a decrease in commercial paper levels as compared to 2000. Long-term debt includes $1.1 billion of long-term debt securities issued in January 2001 and $1.5 billion of long-term debt securities issued in August 2001 primarily to replace $1.2 billion borrowed under a $1.5 billion short-term agreement originated in June 2001 related to the cash portion of the Barrett acquisition. Investing income (loss) decreased $84.5 million, from investing income of $59.1 million in 2000 to an investing loss of $25.4 million in 2001, due primarily to write-downs of investments in certain publicly traded marketable equity securities of $94.2 million including $70.9 million related to the write-down of Williams' investment in WCG (see Note 4). In addition, the decrease in investing income (loss) reflects a decrease in dividend income of $8 million due to the sale of Ferrellgas Senior common units in second-quarter 2001. The decreases to investing income (loss) were slightly offset by interest income on margin deposits of $20 million. Minority interest in income and preferred returns of consolidated subsidiaries increased $24.5 million, or 60 percent, due primarily to preferred returns of Snow Goose LLC, formed in December 2000 and minority interest in income of Williams Energy Partners L.P., partially offset by a $6 million decrease related to the preferred returns of Williams obligated mandatorily redeemable preferred securities of Trust which were redeemed by Williams in second-quarter 2001.

The provision for income taxes increased $259 million, or 66 percent, primarily as a result of higher pre-tax income and the valuation allowances associated with the tax benefits for investment write-downs for which ultimate realization is uncertain. The effective tax rate for 2001 is greater than the federal statutory rate due primarily to the valuation allowances discussed above and the effect of state income taxes. The effective income tax rate for 2000 is greater than the federal statutory rate due primarily to the effects of state income taxes.

Loss from discontinued operations for the nine months ended September 30, 2001, includes $179.1 million after-tax loss from operations of WCG (see Note 7). The $29.2 income from operations for the nine months ended September 30, 2000, represents the after-tax income from the operations of WCG.

FINANCIAL CONDITION AND LIQUIDITY

Liquidity

Williams considers its liquidity to come from both internal and external sources. Certain of those sources are available to Williams (parent) and certain of its subsidiaries. Williams' unrestricted sources of liquidity, which can be utilized without limitation under existing loan covenants, consist primarily of the following:

- Available cash-equivalent investments of $240 million at September 30, 2001, as compared to $854 million at December 31, 2000.

- $700 million available under Williams' $700 million bank-credit facility at September 30, 2001, as compared to $350 million at December 31, 2000.

- $2.1 billion available under Williams' $2.2 billion commercial paper program at September 30, 2001, as compared to $4 million at December 31, 2000 under a $1.7 billion commercial paper program.

- Cash generated from operations.

- Short-term uncommitted bank lines of credit can also be used in managing liquidity.

In June 2001, Williams filed a $1.9 billion shelf registration statement with the Securities and Exchange Commission to issue a variety of debt and equity securities. This registration statement became effective in July 2001. At November 1, 2001, approximately $400 million of shelf availability remains under this registration statement. In addition, there are outstanding registration statements filed with the Securities and Exchange Commission for Northwest Pipeline, Texas Gas Transmission and Transcontinental Gas Pipe Line (each a wholly owned subsidiary of Williams). At November 1, 2001, approximately $450 million of shelf availability remains under these outstanding registration statements and may be used to issue a variety of debt securities. Interest rates and market conditions will affect amounts borrowed, if any, under these arrangements. Williams believes additional financing arrangements, if required, can be obtained on reasonable terms.

Capital and investment expenditures for the fourth quarter of 2001 are estimated to be approximately $1 billion. Williams expects to fund capital and investment expenditures, debt payments and working-capital requirements through (1) cash generated from operations, (2) the use of the available portion of Williams' $700 million bank-credit facility, (3) commercial paper, (4) short-term uncommitted bank lines, (5) private borrowings and/or (6) public debt offerings.

WCG Separation

Currently, Williams does not believe that the separation of WCG and Williams will negatively impact liquidity or the financial condition of Williams. Since the initial equity offering by WCG in October 1999, the sources of liquidity for WCG had been separate from Williams' sources of liquidity. The reduction to Williams' stockholders' equity as a result of the separation in April 2001 was approximately $1.8 billion. Williams, with respect to shares of WCG's common stock that Williams retained, has committed to the Internal Revenue Service (IRS) to dispose of all of the WCG shares that it retains as soon as market conditions allow, but in any event not longer than five years after the spinoff. As part of a separation agreement and subject to a favorable ruling by the IRS that such a limitation is not inconsistent with any ruling issued to Williams regarding the tax-free treatment of the spinoff, Williams has agreed not to dispose of the retained WCG shares for three years from the date of distribution and must notify WCG of an intent to dispose of such shares. For further discussion of separation agreements and potential tax exposure as a result of the WCG separation, see Note 7.

Additionally, Williams, prior to the spinoff and in an effort to strengthen WCG's capital structure, entered into an agreement under which Williams contributed an outstanding promissory note from WCG of approximately $975 million and certain other assets, including a building under construction. In return, Williams received 24.3 million newly issued common shares of WCG. Williams is providing indirect credit support for $1.4 billion of WCG's structured notes through a commitment to issue Williams' equity in the event of any one of the following: (1) WCG's default; (2) downgrading of Williams' senior unsecured debt to Ba1 or below by Moody's, BB or below by S&P, or BB+ or below by Fitch if Williams' common stock closing price is below $30.22 for ten consecutive trading days while such downgrade is in effect; or (3) to the extent proceeds from WCG's refinancing or remarketing of certain structured notes prior to March 2004 produces proceeds of less than $1.4 billion. The ability of WCG to make payments on the notes is dependent on its ability to raise additional capital and its subsidiaries' ability to dividend cash to WCG. Williams' current senior unsecured debt ratings are as follows: Moody's-Baa2, S&P-BBB and Fitch-BBB. WCG is obligated to reimburse Williams for any payment Williams is required to make in connection with these notes.

Williams has provided a guarantee of WCG's obligations under a 1998 transaction in which WCG entered into an operating lease agreement covering a portion of its fiber-optic network. The total cost of the network assets covered by the lease agreement is $750 million. The lease terms initially totaled five years and, if renewed, could extend to seven years. WCG has an option to purchase the covered network assets during the lease term at an amount approximating lessor's cost. As a result of an agreement between Williams and WCG's revolving credit facility lenders, if Williams gains control of the network assets covered by the lease, Williams is obligated to return the assets to WCG and the liability of WCG to compensate Williams for such property must be subordinated to the interests of WCG's revolving credit facility lenders and may not mature any earlier than one year after the maturity of WCG's revolving credit facility.

In third-quarter 2001, Williams purchased the WCG headquarters building and other ancillary assets from WCG for $276 million. Williams then entered into a long-term lease arrangement under which WCG is the sole lessee of these assets. As a result of this transaction, Williams' Consolidated

Balance Sheet includes $28 million in accounts and notes receivable and $248 million in other assets and deferred charges relating to amounts due from WCG. Additionally, receivables include amounts due from WCG of approximately $120 million at September 30, 2001. Williams has extended the payment term of up to $100 million of the outstanding balance due March 31, 2001 to March 15, 2002.

Financing Activities

In January 2001, Williams issued $1.1 billion of senior unsecured debt securities, of which $500 million in proceeds was used to retire temporary financing obtained in September 2000. Also in January 2001, Williams issued approximately 38 million shares of common stock in a public offering at $36.125 per share. Net proceeds were $1.33 billion. Williams has and will continue to use the remaining proceeds that were received from the debt offering and equity offerings to expand Williams' capacity for funding of the energy-related capital program, repay commercial paper, repay debt, including a portion of floating rate notes due December 15, 2001, and other general corporate purposes.

Williams Energy Partners L.P. (WEP) owns and operates a diversified portfolio of energy assets. The partnership is principally engaged in the storage, transportation and distributions of refined petroleum products and ammonia. On February 9, 2001, WEP completed an initial public offering of approximately 4.6 million common units at $21.50 per unit for net proceeds of approximately $92 million. The initial public offering represents 40 percent of the units, and Williams retained a 60 percent interest in the partnership, including its general partner interest.

In April 2001, Williams redeemed the Williams obligated mandatorily redeemable preferred securities of Trust holding only Williams indentures for $194 million. Proceeds from the sale of the Ferrellgas Partners L.P. senior common units held by Williams were used for this redemption.

In June 2001, Williams issued $480 million of 7.75 percent notes due 2031. Also in June 2001, Williams issued a $200 million (amended in July to $300 million) short-term debt obligation expiring January 2002. Interest rates are based on LIBOR plus .875 percent. The proceeds from these issuances will be used for general corporate purposes.

In July 2001, Williams entered into a $300 million short-term debt obligation expiring July 2002. Interest rates are based on LIBOR plus .875 percent. The proceeds from this issuance are being used for general corporate purposes.

In August 2001, Williams issued $750 million of 7.125 percent notes due 2011 and $750 million of 7.875 percent notes due 2021. A portion of the proceeds were used to repay $1.2 billion outstanding under a short-term credit agreement entered into for the cash portion of the Barrett acquisition (see Note 5). Also in connection with the Barrett acquisition, Williams' Consolidated Balance Sheet includes $310 million of debt obligations of Barrett. Barrett's debt obligations include $150 million of 7.55 percent notes due 2007, which is guaranteed by Williams, and $155 million of debt obligations under Barrett's revolving credit agreement maturing December 2001. Interest rates on the revolving credit agreement vary with market conditions. For further discussion of the Barrett Resources Corporation acquisition, see Note 5.

In August 2001, Transcontinental Gas Pipe Line issued $300 million of 7 percent notes due 2011. Also in August 2001, Kern River Gas Transmission issued $510 million of 6.676 percent senior notes due 2016. The proceeds from the Kern River notes were primarily used to repay $435 million of notes which matured September 2001.

The long term debt to debt-plus-equity ratio was 54.2 percent at September 30, 2001, compared to 53.5 percent at December 31, 2000 (63.7 percent at December 31, 2000 if WCG debt is included). If short-term notes payable and long-term debt due within one year are included in the calculations, these ratios would be 60.2 percent at September 30, 2001 and 63.9 percent at December 31, 2000 (70.5 percent at December 31, 2000 if WCG debt had been included).

Investing Activities

On June 11, 2001, Williams acquired 50 percent of Barrett Resources' outstanding common stock in a cash tender offer of $73 per share for a total of approximately $1.2 billion. On August 2, 2001, Williams completed the acquisition of Barrett Resources by exchanging each remaining share of Barrett Resources for 1.767 shares of Williams common stock.

Recent Accounting Standards

For a discussion of recent accounting standards issued and any potential impact to Williams, See Note 17.

ITEM 3
QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

INTEREST RATE RISK

Williams' interest rate risk exposure associated with the debt portfolio was impacted by new debt issuances in first-quarter 2001. In January 2001, Williams issued $1.1 billion in debt obligations consisting of $700 million of 7.5 percent debentures due 2031 and $400 million of 6.75 percent Putable Asset Term Securities, putable/callable in 2006. A portion of the proceeds was used to retire $500 million of temporary financing obtained in September 2000. In June 2001, Williams issued $480 million of 7.75 percent notes due 2031. Also in June 2001, Williams issued a $200 million short-term debt obligation expiring June 2002. Interest rates are based on the adjusted Eurodollar rate. During July 2001, Williams issued a $300 million floating rate short-term debt obligation expiring July 2002. The interest rate is based on LIBOR plus spread. During August 2001, Williams issued $750 million of 7.125 percent notes due 2011 and $750 million 7.875 percent notes due 2021. Proceeds from the August issuance were used to retire $1.2 billion outstanding under a $1.5 billion short-term credit agreement entered into second quarter 2001 in advance of the cash tender of Barrett.

COMMODITY PRICE RISK

At September 30, 2001, the value at risk for the trading operations was $56 million compared to $90 million at December 31, 2000. This decrease of approximately 38 percent reflects the impact of the additional price risk management services offered in 2001 through structured transactions. These structured transactions decrease risk on an aggregated portfolio basis. Value at risk requires a number of key assumptions and is not necessarily representative of actual losses in fair value that could be incurred from the trading portfolio. Energy Marketing & Trading's value-at-risk model includes all financial instruments and physical positions and commitments in its trading portfolio and assumes that as a result of changes in commodity prices and market interest rates, there is a 95 percent probability that the one-day loss in the fair value of the trading portfolio will not exceed the value at risk. The value-at-risk model uses historical simulations to estimate hypothetical movements in future market prices assuming normal market conditions based upon historical market prices. Value at risk does not consider that changing our trading portfolio in response to market conditions could affect market prices and could take longer to execute than the one-day holding period assumed in the value-at-risk model.

FOREIGN CURRENCY RISK

As it relates to the continuing operations of Williams, international investments accounted for under the cost method totaled approximately $146 million and $144 million at September 30, 2001 and December 31, 2000, respectively. These international investments could affect the financial results if the investments incur a permanent decline in value as a result of changes in foreign currency exchange rates and the economic conditions in foreign countries.

In addition, the net assets of continuing consolidated foreign operations, located primarily in Canada, are approximately 10 percent and 11 percent of Williams' net assets at September 30, 2001 and December 31, 2000, respectively. These foreign operations, whose functional currency is the local currency, do not have significant transactions or financial instruments denominated in other currencies. However, these investments do have the potential to impact Williams' financial position, due to fluctuations in these local currencies arising from the process of re-measuring the local functional currency into the U.S. dollar. As an example, a 20 percent change in the respective functional currencies against the U.S. dollar could have changed stockholders' equity by approximately $145 million at September 30, 2001.

EQUITY PRICE RISK

Equity price risk primarily arises from investments in WCG and energy-related companies. The investments in energy-related companies are carried at fair value and approximated $7 million at September 30, 2001. Williams' remaining basis in WCG after the third quarter write-down of $70.9 million was approximately $25 million at September 30, 2001.

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) The exhibits listed below are filed as part of this report:

Exhibit 4.1 Form of Limited Waiver and Second Amendment to Credit Agreement dated as of July 23, 2001, among Williams, as Borrower, the Banks, the Co-Syndication Agents, the Co-Documentation Agents and Citibank, N.A., as Agent for the Banks.

*Exhibit 4.2 Revised Form of Indenture between Barrett Resources Corporation, as Issuer, and Bankers Trust Company, as Trustee, with respect to Senior Notes including specimen of 7.55% Senior Notes (filed as Exhibit 4.1 to Barrett Resources Corporation's Amendment No. 2 to Registration Statement on Form S-3 filed February 10, 1997).

Exhibit 4.3 First Supplemental Indenture dated 2001, between Barrett Resources Corporation, as Issuer, and Bankers Trust Company, as Trustee.

Exhibit 4.4 Second Supplemental Indenture dated as of August 2, 2001, among Barrett Resources Corporation, as Issuer, Resources Acquisition Corp., The Williams Companies, Inc. and Bankers Trust Company, as Trustee.

Exhibit 10.1 Form of Membership Interest Purchase Agreement dated as of September 11, 2001, between Williams Communications, LLC and Williams Aircraft, Inc.

Exhibit 10.2 Form of Aircraft Dry Lease, N352WC, dated as of September 13, 2001, between Williams Communications Aircraft, LLC and Williams Communications, LLC.

Exhibit 10.3 Form of Aircraft Dry Lease, N358WC, dated as of September 13, 2001, between Williams Communications Aircraft, LLC and Williams Communications, LLC.

Exhibit 10.4 Form of Aircraft Dry Lease, N359WC, dated as of September 13, 2001, between Williams Communications Aircraft, LLC and Williams Communications, LLC.

Exhibit 10.5 Form of Agreement of Purchase and Sale dated as of September 13, 2001, among Williams Technology Center, LLC, Williams Headquarters Building Company and Williams Communications, LLC.

Exhibit 10.6 Form of Master Lease dated as of September 13, 2001, among Williams Technology Center, LLC, Williams Headquarters Building Company and Williams Communications, LLC.

Exhibit 10.7 Intercreditor Agreement dated as of September 8, 1999, among Williams, Williams Communications Group, Inc, Williams Communications, LLC and Bank of America N.A.

Exhibit 10.8 Indenture dated as of March 28, 2001, among WCG Note Trust, Issuer, WCG Note Trust, Issuer, WCG Note Corp., Inc., Co-Issuer, and United States Trust Company of New York, Indenture Trustee and Securities Intermediary.

Exhibit 12 Computation of Ratio of Earnings to Fixed Charges

(b) During third-quarter 2001, the Company filed a Form 8-K on July 30, 2001; August 2, 2001; September 17, 2001 and September 25, 2001, which reported significant events under Item 5 of the Form and included the Exhibits required by Item 7 of the Form.

* Exhibit has heretofore been filed with the Securities and Exchange Commission as part of the filing indicated and is incorporated herein by reference.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

THE WILLIAMS COMPANIES, INC.

(Registrant)

/s/ Gary R. Belitz

Gary R. Belitz
Controller
(Duly Authorized Officer and
Principal Accounting Officer)

November 13, 2001

INDEX TO EXHIBITS

EXHIBIT NUMBER	DESCRIPTION
4.1	Form of Limited Waiver and Second Amendment to Credit Agreement dated as of July 23, 2001, among Williams, as Borrower, the Banks, the Co-Syndication Agents, the Co-Documentation Agents and Citibank, N.A., as Agent for the Banks.
*4.2	Revised Form of Indenture between Barrett Resources Corporation, as Issuer, and Bankers Trust Company, as Trustee, with respect to Senior Notes including specimen of 7.55% Senior Notes (filed as Exhibit 4.1 to Barrett Resources Corporation's Amendment No. 2 to Registration Statement on Form S-3 filed February 10, 1997).
4.3	First Supplemental Indenture dated 2001, between Barrett Resources Corporation, as Issuer, and Bankers Trust Company, as Trustee.
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12	Computation of Ratio of Earnings to Fixed Charges

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* Exhibit has heretofore been filed with the Securities and Exchange Commission as part of the filing indicated and is incorporated herein by reference.

EXHIBIT 4.1

FORM OF

LIMITED WAIVER AND SECOND AMENDMENT TO CREDIT AGREEMENT

THIS LIMITED WAIVER AND SECOND AMENDMENT TO CREDIT AGREEMENT (herein called this "Amendment"), dated as of July 23, 2001, is entered into by and among The Williams Companies, Inc., a Delaware corporation, as Borrower pursuant to the Credit Agreement (as hereinafter defined), the Banks from time to time party to the Credit Agreement, the Co-Syndication Agents as named therein, the Co-Documentation Agents as named therein and Citibank, N.A., as agent for the Banks (in such capacity, the "Agent"). Except as otherwise defined or as the context requires, terms defined in the Credit Agreement are used herein as therein defined.

WITNESSETH:

WHEREAS, The Williams Companies, Inc. ("TWC" or the "Borrower") has entered into a certain Credit Agreement dated as of July 25, 2000 with the financial institutions from time to time party thereto (the "Banks"), The Chase Manhattan Bank and Commerzbank AG, as Co-Syndication Agents, Credit Lyonnais New York Branch, as Documentation Agent, and Citibank, N.A., as Agent (the "Original Credit Agreement"), which Credit Agreement has been amended by a Waiver and First Amendment to Credit Agreement dated as of January 31, 2001 (the Original Credit Agreement, as so amended, the "Credit Agreement");

WHEREAS, the Borrower and the Banks now desire to amend the Credit Agreement in certain respects, as hereinafter provided;

WHEREAS, the Borrower has requested waivers of certain provisions of the Credit Agreement; and

WHEREAS, the Banks wish to name Bank of America, N.A. and Credit Lyonnais as Co-Documentation Agents and to replace the Documentation Agent with the Co-Documentation Agents for purposes of the Credit Agreement and each document related thereto;

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the Borrower and the Banks hereby agree as follows:

SECTION 1. Amendment of Section 1.1 of the Credit Agreement. Section 1.1 of the Credit Agreement is hereby amended as follows:

(a) The following definitions of "B of A" and "Co-Documentation Agent" are added to such Section 1.1 in appropriate alphabetical order:

"B of A" means Bank of America, National Association.

"Co-Documentation Agent" means either of B of A or Credit Lyonnais, together with the successors and assigns of each in such capacity.

(b) The definition of "Commitment" in such Section 1.1 is hereby amended and restated to read in its entirety as follows:

"Commitment" of any Bank means at any time the amount set opposite such Bank's name on Schedule IV or as reflected for such Bank in the relevant Transfer Agreement to which it is a party, as such amount may be terminated, reduced or increased after the date hereof pursuant to Section 2.4, Section 2.17, Section 6.1 or Section 8.6(a).

(c) The definition of "Consolidated" in such Section 1.1 is hereby amended and restated to read in its entirety as follows:

"Consolidated" refers to the consolidation of the accounts of any Person and its subsidiaries in accordance with generally accepted accounting principles.

(d) The definition of "Consolidating" in such Section 1.1 is hereby deleted in its entirety.

(e) The definition of "Designated Minority Interests" in such Section 1.1 is hereby amended and restated to read in its entirety as follows:

"Designated Minority Interests" of the Borrower means, as of any date of determination, the total of the minority interests in the following Subsidiaries: (i) El Furrial, (ii) PIGAP II, (iii) Nebraska Energy, (iv) Seminole, (v) American Soda, (vi) the Midstream Asset MLP, and (vii) other Subsidiaries, as presented in the Consolidated balance sheet of the Borrower, in an amount not to exceed in the aggregate $9,000,000 for such other Subsidiaries not referred to in items (i) through (vi); provided that minority interests which provide for a stated preferred cumulative return shall not be included in "Designated Minority Interests."

(f) The definition of "Designating Bank" in such Section 1.1 is amended and restated in its entirety to read as follows:

"Designating Bank" has the meaning specified in Section 8.6(g).

(g) The definition of "Documentation Agent" in such Section 1.1 is hereby deleted.

(h) The definition of "Domestic Lending Office" in such Section 1.1 is amended and restated in its entirety to read as follows:

"Domestic Lending Office" means, with respect to any Bank, the office of such Bank specified as its "Domestic Lending Office" opposite its name on Schedule I hereto or in the relevant Transfer Agreement delivered pursuant to Section 8.6(a), or such other office of such Bank as such Bank may from time to time specify to the Borrower and the Agent.

(i) The following definition of "Eligible Assignee" is added to Section 1.1 of the Credit Agreement in appropriate alphabetical order:

"Eligible Assignee" means (i) any Bank, (ii) any affiliate of any Bank, and (iii) any other Person not covered by clause (i) or (ii) of this definition (A) so long as no Event of Default has occurred and is continuing, with the consent of the Borrower and the Agent (which consents shall not be unreasonably withheld) or (B) if (x) any Event of Default has occurred and is continuing or (y) any event or condition which, upon the giving of notice or passage of time or both, would constitute an Event of Default has occurred or exists and is continuing, without any requirement for consent by the Agent or the Borrower; provided, however, that neither the Borrower nor any affiliate of the Borrower shall be an Eligible Assignee.

(j) The definition of "Eurodollar Lending Office" in such Section 1.1 of the Credit Agreement is amended and restated to read in its entirety, as follows:

"Eurodollar Lending Office" means, with respect to any Bank, the office of such Bank specified as its "Eurodollar Lending Office" opposite its name on Schedule I hereto or in the relevant Transfer Agreement delivered pursuant to Section 8.6(a) (or, if no such office is specified, its Domestic Lending Office) or such other office of such Bank as such Bank may from time to time specify to the Borrower and the Agent.

(k) The following definition of "Register" is added to Section 1.1 of the Credit Agreement in appropriate alphabetical order:

"Register" shall mean the books and accounts maintained by the Agent of the interests of each Bank under this Agreement and its Commitments and Advances, including records of transfers of any interests in this Agreement and the Commitment and Advances (if any) of any Bank pursuant to Section 8.6 and the records maintained by the Agent pursuant to Section 2.9.

(l) The definition of "SPC" in such Section 1.1 is hereby amended and restated to read in its entirety as follows:

"SPC" has the meaning specified in Section 8.6(g).

(m) The definition of "Subsidiary" in such Section 1.1 is hereby amended and restated in its entirety to read as follows:

"Subsidiary" of any Person means any corporation, partnership, joint venture or other entity of which more than 50% of the outstanding capital stock or other equity interests having ordinary voting power to elect a majority of the board of directors of such corporation, partnership, joint venture or other entity or others performing similar functions (irrespective of whether or not at the time capital stock or other equity interests of any other class or classes of such

corporation, partnership, joint venture or other entity shall or might have voting power upon the occurrence of any contingency) is at the time directly or indirectly owned by such Person.

(n) The definition of "Transfer Agreement" in such Section 1.1 is amended and restated in its entirety to read as follows:

"Transfer Agreement" means an agreement executed pursuant to Section 8.6 by an assignor Bank and assignee Bank substantially in the form of Exhibit F, which agreement shall be executed by the Borrower and the Agent to evidence the consent of each if such consent is required pursuant to the terms of Section 8.6.

SECTION 2. Amendment of Section 2.11. Clause (c) of Section 2.11 of the Credit Agreement is hereby amended by replacing the phrase "all of the provisions of the last sentence of Section 8.6(a)" in such clause (c) with the phrase "all of the provisions of the second and third sentences of Section 8.6(a), and clauses (b) and (d) of Section 8.6."

SECTION 3. Amendment of Section 4.1(e). Section 4.1(e) of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

(e) The Consolidated balance sheets of the Borrower and its Subsidiaries as at December 31, 2000, and the related Consolidated statements of income and cash flows of the Borrower and its Subsidiaries for the fiscal year then ended, copies of which have been furnished to each Bank, and the Consolidated balance sheet of the Borrower and its Subsidiaries as at March 31, 2001, and the related Consolidated statements of income and cash flows of the Borrower and its Subsidiaries for the three months then ended, duly certified by an authorized financial officer of the Borrower, copies of which have been furnished to each Bank, fairly present, (in the case of such balance sheets as at March 31, 2001, and such statements of income and cash flows for the three months then ended, subject to year-end audit adjustments) the Consolidated financial condition of the Borrower and its Subsidiaries as at such dates and the Consolidated results of operations of the Borrower and its Subsidiaries for the year and three month period, respectively, ended on such dates, all in accordance with generally accepted accounting principles consistently applied. Since March 31, 2001, there has been no material adverse change in the condition or operations of the Borrower or its Subsidiaries.

SECTION 4. Amendment of Section 4.1(h). The last sentence of Section 4.1(h) of the Credit Agreement is hereby amended by deleting the parenthetical "(including the WCG Subsidiaries)" therefrom.

SECTION 5. Amendment of Section 4.1(j). Section 4.1(j) of the Credit Agreement is hereby amended by deleting the parenthetical "(including any material WCG Subsidiaries)" wherever it appears in such Section.

SECTION 6. Amendment of Section 4.1(k). [Intentionally Blank.]

SECTION 7. Amendment of Section 4.1(m). Section 4.1(m) of the Credit Agreement is hereby amended by deleting the last sentence thereof.

SECTION 8. Amendment of Section 5.1(b)(ii). Section 5.1(b)(ii) of the Credit Agreement is hereby amended and restated in its entirety as follows:

> (ii) as soon as available and in any event not later than 60 days after the end of each of the first three quarters of each fiscal year of the Borrower, the Consolidated balance sheets of the Borrower and its Subsidiaries as of the end of such quarter and the Consolidated statements of income and cash flows of the Borrower and its Subsidiaries for the period commencing at the end of the previous year and ending with the end of such quarter, all in reasonable detail and duly certified (subject to year-end audit adjustments) by an authorized financial officer of the Borrower as having been prepared in accordance with generally accepted accounting principles; provided that, if any financial statement referred to in this clause (ii) of Section 5.1(b) is readily available on-line through EDGAR as of the date on which such financial statement is required to be delivered hereunder, the Borrower shall not be obligated to furnish copies of such financial statement. An authorized financial officer of the Borrower shall furnish a certificate (a) stating that he has no knowledge that an Event of Default, or an event which, with notice or lapse of time or both, would constitute an Event of Default has occurred and is continuing or, if an Event of Default or such an event has occurred and is continuing, a statement as to the nature thereof and the action, if any, which the Borrower proposes to take with respect thereto, and (b) showing in detail the calculation supporting such statement in respect of Section 5.2(b).

SECTION 9. Amendment of Section 5.1(b)(iii). Section 5.1(b)(iii) of the Credit Agreement is hereby amended and restated in its entirety as follows:

> (iii) as soon as available and in any event not later than 105 days after the end of each fiscal year of the Borrower, a copy of the annual audit report for such year for the Borrower and its Subsidiaries, including therein Consolidated balance sheets of the Borrower and its Subsidiaries as of the end of such fiscal year and Consolidated statements of income and cash flows of the Borrower and its Subsidiaries for such fiscal year, in each case prepared in accordance with generally accepted accounting principles and certified by Ernst & Young, LLP or other independent certified public accountants of recognized standing acceptable to the Majority Banks; provided that if any financial statement referred to in this clause (iii) of Section 5.1(b) is readily available on-line through EDGAR as of the date on which such financial statement is required to be delivered hereunder, the Borrower shall not be obligated to furnish copies of such financial statement. The Borrower shall also deliver in conjunction with such financial statements, a certificate of such accounting firm to the Banks (a) stating that, in the course of the regular audit of the business of the Borrower and its Subsidiaries, which audit was conducted by such accounting firm in accordance with generally accepted

auditing standards, such accounting firm has obtained no knowledge that an Event of Default or an event which, with notice or lapse of time or both, would constitute an Event of Default, has occurred and is continuing, or if, in the opinion of such accounting firm, an Event of Default or such an event has occurred and is continuing, a statement as to the nature thereof, and (b) showing in detail the calculations supporting such statement in respect of Section 5.2(b).

SECTION 10. Amendment of Section 5.1(b)(vi). Section 5.1(b)(vi) of the Credit Agreement is hereby amended and restated in its entirety as follows:

(vi) as soon as possible and in any event within 30 Business Days after the Borrower or any ERISA Affiliate knows or has reason to know (A) that any Termination Event described in clause (i) of the definition of Termination Event with respect to any Plan has occurred that could have a material adverse effect on the Borrower or any material Subsidiary of the Borrower or any ERISA Affiliate or (B) that any other Termination Event with respect to any Plan has occurred or is reasonably expected to occur that could have a material adverse effect on the Borrower or any material Subsidiary of the Borrower or any ERISA Affiliate, a statement of the chief financial officer or chief accounting officer of the Borrower describing such Termination Event and the action, if any, which the Borrower or such Subsidiary or ERISA Affiliate proposes to take with respect thereto;

SECTION 11. Amendment of Section 5.2(g) of the Credit Agreement. Section 5.2(g) of the Credit Agreement is hereby amended by deleting the parenthetical "(including any material WCG Subsidiary)" in each of clauses (i) and (ii) thereof.

SECTION 12. Amendment of Section 7.2. Clause (i) of Section 7.2 of the Credit Agreement is hereby amended by replacing the reference to "the last sentence of Section 8.6(a)" in such clause (i) with a reference to "the second and third sentences of Section 8.6(a)."

SECTION 13. Amendment of Section 8.2. Section 8.2 is hereby amended by replacing the phrase "specified pursuant to Section 8.6(a)" each time it appears therein with "specified in a Transfer Agreement for any assignee Bank delivered pursuant to Section 8.6(a)."

SECTION 14. Amendment of Section 8.6. Clause (d) of Section 8.6 of the Credit Agreement is redesignated clause (g). Clauses (a) through (c) of Section 8.6 of the Credit Agreement shall be amended, restated and replaced in their entirety as follows:

SECTION 8.6 Binding Effect; Transfers. (a) This Agreement shall become effective when it shall have been executed by the Borrower, the Co-Syndication Agents, Credit Lyonnais in its former capacity as the documentation agent and the Agent and when each Bank listed on the signature pages hereof has delivered an executed counterpart hereof to the Agent, has sent to the Agent a facsimile copy of its signature hereon or has notified the Agent that such Bank has executed this Agreement and thereafter shall be binding upon and inure to the benefit of the Borrower, the Agent and each Bank and their respective successors and assigns; provided that the Borrower shall not have the right to assign any of

its rights hereunder or any interest herein without the prior written consent of all of the Banks. Each Bank may assign to one or more banks, financial institutions or other entities all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitments, the Advances owing to it and any Note or Notes held by it); provided, however, that (i) each such assignment shall be of a constant, and not a varying, percentage of all rights and obligations under this Agreement, (ii) except in the case of an assignment of all of a Bank's rights and obligations under this Agreement or an assignment to another Bank, the amount of the Commitment of the assigning Bank being assigned pursuant to each such assignment (determined as of the date of the Transfer Agreement with respect to such assignment) shall in no event be less than $10,000,000 in the aggregate or such lesser amount as may be consented to by the Agent and the Borrower, (iii) each such assignment shall be to an Eligible Assignee, and (iv) the parties to each such assignment shall execute and deliver to the Agent, for its acceptance and recording in the Register maintained by the Agent, a Transfer Agreement together with any Note or Notes subject to such assignment and, unless the assignment is to an affiliate of such Bank, a processing and recordation fee of $3,500. Upon such execution, delivery, acceptance and recording, from and after the effective date specified in each Transfer Agreement, (x) the assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Transfer Agreement, have the rights and obligations of a Bank hereunder (including, without limitation, obligations to the Agent pursuant to Section 7.5) and (y) the Bank assignor thereunder shall, to the extent that rights and obligations hereunder have been assigned by it pursuant to such Transfer Agreement, relinquish its rights and be released from its obligations under this Agreement, except for rights and obligations which continue after repayment of the Advances or termination of this Agreement pursuant to the express terms of this Agreement (and, in the case of a Transfer Agreement covering all of an assigning Bank's rights and obligations under this Agreement, such Bank shall cease to be a party hereto).

(b) By executing and delivering a Transfer Agreement, the Bank assignor thereunder and the assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than as provided in such Transfer Agreement, such assigning Bank makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations (whether written or oral) made in or in connection with this Agreement, any Note or Notes or any other instrument or document furnished pursuant hereto or in connection herewith or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement, any Note or Notes or any other instrument or document furnished

pursuant hereto or in connection herewith; (ii) such assigning Bank makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower or any other Person or the performance or observance by the Borrower or any other Person of any of its respective obligations under this Agreement, any Note or Notes or any other instrument or document furnished pursuant hereto or in connection herewith; (iii) such assignee confirms that it has received a copy of this Agreement, together with copies of the financial statements and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Transfer Agreement; (iv) such assignee will, independently and without reliance upon the Agent, such assigning Bank or any other Bank and based on such financial statements and such other documents and information as it shall deem appropriate at the time, continue to make its own credit analysis and decisions in taking or not taking action under this Agreement, any Note or Notes or any other instrument or document; (v) such assignee confirms that it is an Eligible Assignee; (vi) such assignee appoints and authorizes the Agent to act as Agent on its behalf and to exercise such powers and discretion under the Agreement, any Note or Notes or any other document executed in connection herewith or therewith as are delegated to the Agent by the terms hereof or thereof, together with such powers and discretion as are reasonably incidental thereto; and (vii) such assignee agrees that it will perform in accordance with their terms all of the obligations which by the terms of this Agreement are required to be performed by it as a Bank.

(c) The Agent shall maintain at its address referred to in Section 2.13(a) a copy of each Transfer Agreement, delivered to and accepted by it and the Register for the recordation of the names and addresses of the Banks and the Commitment of, and the principal amount of the Advances owing to, each Bank from time to time.

(d) Upon its receipt of a Transfer Agreement executed and completed by an assigning Bank and an assignee representing that it is an Eligible Assignee (and, if required, consented to by the Borrower), the Agent shall (i) accept such Transfer Agreement, (ii) record the information contained therein in the Register and (iii) give prompt notice thereof to the Borrower. Within five Business Days after its receipt of such notice and the request of the assigning Bank and/or Eligible Assignee, the Borrower shall deliver, in replacement of any A Note of the Borrower then outstanding which may have been executed to the order of such assigning Bank or as may be requested by the assignee or the assigning Bank (A) to such assignee upon its request or as required by Section 2.9, a new A Note of the Borrower in the amount of the Commitment of such assigning Bank which is being so assumed by such assignee plus, in the case of any assignee which is already a Bank hereunder, the amount of such assignee's Commitment immediately prior to such assignment (any such assignee which is already a Bank hereunder agrees to mark "Exchanged" and return to the Borrower, with reasonable promptness following the delivery of such new A Note, any A Note being replaced thereby, if any), (B) to such assigning Bank as required by Section 2.9, a new A Note in the amount of the balance, if any, of the Commitment of such assigning Bank to the Borrower (without giving effect to any B Reduction) retained by such assigning Bank (and such assigning Bank agrees to mark "Exchanged" and return to the Borrower, with reasonable promptness following

delivery of such new A Notes, the A Note being replaced thereby), and (C) to the Agent, photocopies of such new A Notes, if any.

(e) Each Bank may sell participations to one or more banks or other entities (other than the Borrower or any of its Affiliates) in or to all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitment, the Advances owing to it and any Note or Notes held by it); provided, however, that (i) such Bank's obligations under this Agreement (including without limitation, its Commitment to the Borrower hereunder) shall remain unchanged, (ii) such Bank shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) such Bank shall remain the holder of any such Note or any Notes for all purposes of this Agreement, (iv) the Borrower, the Agent and the other Banks shall continue to deal solely and directly with such Bank in connection with such Bank's rights and obligations under this Agreement, (v) all amounts payable under this Agreement shall be calculated as if such Bank had not sold such participation, and (vi) the terms of any such participation shall not restrict such Bank's ability to consent to any departure by the Borrower therefrom without the approval of the participant, except that the approval of the participant may be required to the extent that such amendment, waiver or consent would reduce the principal of, or interest on, the Advances or any fees or other amounts payable hereunder, in each case to the extent subject to such participation, or postpone any date fixed for any payment of principal of, or interest on, the Advances or any fees or other amounts payable hereunder, in each case to the extent subject to such participation.

(f) Notwithstanding any other provisions set forth in this Agreement, any Bank may at any time create a security interest in all or any portion of its rights under this Agreement (including, without limitation, the Advances owing to it and the Note or Notes held by it) in favor of any Federal Reserve Bank in accordance with Regulation A of the Federal Reserve Board.

SECTION 15. Replacement of Schedule IV; Addition of New Banks, etc. (a) Schedule IV of the Credit Agreement is hereby amended and restated in its entirety to read as set forth in Schedule IV hereto.

(b) The Commitments of DG Bank will terminate effective as of July 24, 2001, and as of such date such Bank shall not have any further obligation to make any Advance. Upon payment in full of all amounts owed to DG Bank by the Borrower in accordance with the terms and conditions of this Agreement and any Note or Notes issued by the Borrower to such Bank, DG Bank shall not have any rights or obligations under the Credit Agreement, any Note or Notes or other documents executed pursuant to the Credit Agreement except for those rights and obligations which, by the express terms of the Credit Agreement, continue after repayment in full of the obligations of the Borrower to any Bank.

(c) Each of UMB Bank, N.A., Lehman Commercial Paper Inc. and Merrill Lynch Bank USA (each a "New Bank" and collectively, the "New Banks"), by its signature to this Amendment, agrees to become, and is hereby deemed to be a Bank pursuant to the terms of

the Credit Agreement and any other documents executed pursuant thereto, with a Commitment in the amount shown on Schedule IV to this Amendment. Each New Bank agrees that (i) none of the Agent, the Co-Syndication Agents, the Co-Documentation Agents, the Arranger or any Bank has made any representation or warranty or assumed any responsibility with respect to any statements, warranties or representations, whether written or oral, made in or in connection with the Credit Agreement, any Note or Notes or any other instrument or document furnished pursuant hereto or thereto or in connection herewith or therewith or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement, any Note or Notes or any other instrument or document furnished pursuant hereto or thereto or in connection herewith; (ii) none of the Agent, the Co-Syndication Agents, the Co-Documentation Agents, the Arranger or any Bank makes any representation or warranty or assumes any responsibility with respect to the financial condition of the Borrower or any other Person or the performance or observance by the Borrower or any other Person of any of its respective obligations under the Credit Agreement, any Note or Notes or any other instrument or document furnished pursuant thereto or in connection therewith; (iii) such New Bank confirms that it has received a copy of the Credit Agreement, together with copies of the financial statements and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into the Credit Agreement; (iv) such New Bank will, independently and without reliance upon the Agent, or any Bank and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement, any Note or Notes or any other instrument or document; (v) such New Bank appoints and authorizes the Agent to act as Agent on its behalf and to exercise such powers and discretion under the Credit Agreement, any Note or Notes or any other instrument or document furnished pursuant to the Credit Agreement as are delegated to the Agent by the terms thereof, together with such powers and discretion as are reasonably incidental thereto; and (vi) such New Bank agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Credit Agreement, any Note or Notes or any other instrument or document furnished pursuant to the Credit Agreement are required to be performed by it as a Bank.

After giving effect to this Amendment, the Commitment of each Bank shall be as shown on Schedule IV hereto, effective as of July 24, 2001 and the aggregate total of all such Commitments is $2,200,000,000.

SECTION 16. Extension of Stated Termination Date. Pursuant to Section 2.18 of the Credit Agreement, each of the Banks executing below agrees that the Stated Termination Date shall be extended to July 23, 2002.

SECTION 17. Replacement of Documentation Agent. Each Bank hereby designates each of B of A and Credit Lyonnais as a Co-Documentation Agent and B of A and Credit Lyonnais hereby accept such designation. Each of the Co-Documentation Agents and the Banks agrees that the Co-Documentation Agents shall replace the Documentation Agent for all purposes related to the Credit Agreement, the Notes and any other instrument or document related thereto. Each reference to the Documentation Agent in the Credit Agreement (including in the preface, recitals and any schedule or exhibit), any Note or any other document or

instrument related to the Credit Agreement shall be deemed to be a reference to the Co-Documentation Agents.

SECTION 18. Limited Waiver of Section 5.2(e). The Borrower has requested the waiver of, and each Bank by its signature hereby agrees to waive, Section 5.2(e) of the Credit Agreement for and in connection with the following:

(a) WCG and/or one or more of the Subsidiaries thereof owns the assets described on Annex A hereto. TWC anticipates that it or one of its Subsidiaries may enter into a Sale and Lease-Back Transaction in which TWC or one of its Subsidiaries will purchase the assets described on Annex A and then lease such assets to WCG or a WCG Subsidiary. TWC hereby covenants that such transaction shall be entered into on terms and conditions reasonably fair in all material respects to TWC and its Subsidiaries. To the extent that such Sale and Lease-Back Transaction may be, or may be deemed to be, an investment in a WCG Subsidiary, an advance to a WCG Subsidiary, or a purchase, acquisition or ownership of an obligation of a WCG Subsidiary, such transaction is prohibited by Section 5.2(e) of the Credit Agreement.

In connection with such Sale and Lease-Back Transaction, and only for purposes of such transactions, TWC requests that the Banks waive the provisions of Section 5.2(e) of the Credit Agreement to allow TWC and/or its Subsidiaries to effect the Sale and Lease-Back Transaction, described in the preceding paragraph. Nothing herein shall, or shall be deemed to, waive the provisions of Section 5.2(j) of the Credit Agreement, or any other provisions of the Credit Agreement applicable to the Sale and Lease-Back Transaction, except as expressly set forth above with respect to Section 5.2(e) thereof.

By its signature hereto, each Bank agrees to waive and does hereby waive Section 5.2(e) (and only Section 5.2(e)) of the Credit Agreement to allow, and only to the extent necessary to allow, TWC and its Subsidiaries to acquire the assets described on Annex A and to act as lessor pursuant to the Sale and Lease-Back Transaction described above involving such assets.

SECTION 19. Representations and Warranties. To induce the Agent and the Banks to enter into this Amendment, the Borrower hereby reaffirms, as of the date hereof, its representations and warranties contained in Article IV of the Credit Agreement (except to the extent such representations and warranties relate solely to an earlier date) and additionally represents and warrants as follows:

(a) The Borrower is duly organized, validly existing and in good standing under the laws of the State of Delaware and has all corporate or limited liability company powers and all governmental licenses, authorizations, certificates, consents and approvals required to carry on its business as now conducted in all material respects, except for those licenses, authorizations, certificates, consents and approvals which the failure to have could not reasonably be expected to have a material adverse effect on the business, assets, condition or operation of the Borrower and its Subsidiaries taken as a whole. Each material Subsidiary of the Borrower is duly organized or validly formed, validly existing and (if applicable) in good standing under the laws of its jurisdiction of incorporation or formation, except where the failure to be so organized, existing and in good standing could not reasonably be expected to have a material adverse effect on the business, assets, condition or operations of the Borrower and its

Subsidiaries taken as a whole. Each material Subsidiary of the Borrower has all corporate or limited liability company powers and all governmental licenses, authorizations, certificates, consents and approvals required to carry on its business as now conducted in all material respects, except for those licenses, authorizations, certificates, consents and approvals which the failure to have could not reasonably be expected to have a material adverse effect on the business, assets, condition or operation of the Borrower and its Subsidiaries taken as a whole.

(b) The execution, delivery and performance by the Borrower of this Amendment and the consummation of the transactions contemplated by this Amendment are within the Borrower's corporate powers, have been duly authorized by all necessary corporate action, do not contravene (i) the Borrower's charter or by-laws or (ii) any law or any contractual restriction binding on or affecting the Borrower and will not result in or require the creation or imposition of any Lien.

(c) No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by the Borrower of this Amendment or the consummation of the transactions contemplated by this Amendment.

(d) This Amendment has been duly executed and delivered by the Borrower. This Amendment and the Credit Agreement as amended by this Amendment are the legal, valid and binding obligations of the Borrower enforceable against the Borrower in accordance with its terms, except as such enforceability may be limited by any applicable bankruptcy, insolvency, reorganization, moratorium or similar law affecting creditors' rights generally and by general principles of equity.

(e) Except as set forth in the Public Filings, there is, as to the Borrower, no pending or, to the knowledge of the Borrower, threatened action or proceeding affecting the Borrower or any material Subsidiary of the Borrower before any court, governmental agency or arbitrator, which could reasonably be expected to materially and adversely affect the financial condition or operations of the Borrower and its Subsidiaries taken as a whole or which purports to affect the legality, validity, binding effect or enforceability of this Amendment, the Credit Agreement or any Note. For the purposes of this Section, "Public Filings" shall mean the Borrower's annual report on Form 10-K for the year ended December 31, 2000, and the Borrower's quarterly reports on Form 10-Q for the quarter ended March 31, 2001.

(f) Upon giving effect to this Amendment, no event has occurred and is continuing which constitutes an Event of Default or which would constitute an Event of Default but for the requirement that notice be given or time elapse or both.

SECTION 20. Conditions to Effectiveness. The effectiveness of this Amendment is conditioned upon receipt by the Agent of all the following documents, each in form and substance satisfactory to the Agent:

(a) Counterparts of this Amendment executed by the Borrower, the Agent and each of the Banks;

(b) A certificate of the Secretary or Assistant Secretary of the Borrower as to (i) any changes (or the absence of changes) since July 25, 2000 to its certificate of incorporation and its by-laws as of the date hereof, (ii) the resolutions of the Borrower authorizing the execution of this Amendment and (iii) the names and true signatures of the officers authorized to execute this Amendment;

(c) An opinion of William G. von Glahn, General Counsel of the Borrower, substantially in the form of Exhibit A hereto; and

(d) Such other documents as the Agent shall have reasonably requested.

SECTION 21. Effect. This Amendment shall be deemed to be an amendment to the Credit Agreement, and the Credit Agreement, as amended hereby, is hereby ratified, approved and confirmed in each and every respect. All references to the Credit Agreement in any other document, instrument, agreement or writing shall hereafter be deemed to refer to the Credit Agreement as amended hereby.

SECTION 22. Governing Law, Etc. THIS AMENDMENT SHALL BE A CONTRACT MADE UNDER AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEW YORK. Whenever possible each provision of this Amendment shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Amendment shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Amendment.

SECTION 23. Counterpart Execution. This Amendment may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any party hereto may execute this Amendment by signing one or more counterparts.

SECTION 24. Successors and Assigns. This Amendment shall be binding upon the Borrower, the Agent and the Banks and their respective successors and assigns, and shall inure to the benefit of each of the Borrower, the Agent and the Banks and the successors and assigns of the Banks.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their respective officers thereunto duly authorized, to be effective as of the date first written above.

BORROWER:

THE WILLIAMS COMPANIES, INC.

By:

Name: James G. Ivey
Title: Treasurer

AGENT:

CITIBANK, N.A., as Agent

By: _____
Authorized Officer

Date: _____, 2001

CO-SYNDICATION AGENTS:

THE CHASE MANHATTAN BANK,
as Co-Syndication Agent and as a Bank

By: _____
Authorized Officer

Date: _____, 2001

COMMERZBANK AG, as Co-Syndication Agent

By: _____
Authorized Officer

By: _____
Authorized Officer

Date: _____, 2001

CO-DOCUMENTATION AGENTS:

CREDIT LYONNAIS NEW YORK BRANCH,
as Co-Documentation Agent and as a Bank

By: _____
Authorized Officer

Date: _____, 2001

BANK OF AMERICA,
as Co-Documentation Agent and as a Bank

By: _____
Authorized Officer

Date: _____, 2001

BANKS:

CITIBANK, N.A.

By: _____
Authorized Officer

Date: _____, 2001

THE BANK OF NOVA SCOTIA

By: _____
Authorized Officer

Date: _____, 2001

BANK ONE, NA (CHICAGO)

By: _____
Authorized Officer

Date: _____, 2001

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COMMERZBANK AG,
NEW YORK AND GRAND CAYMAN BRANCHES

By:

Authorized Officer

By:

Authorized Officer

Date: , 2001

CREDIT LYONNAIS NEW YORK BRANCH

By: _____
Authorized Officer

Date: _____, 2001

THE FUJI BANK, LIMITED

By: _____
Authorized Officer

Date: _____, 2001

NATIONAL WESTMINSTER BANK PLC
NEW YORK BRANCH

By: ----------
Name: ----------
Title: ----------

Date: , 2001

NATIONAL WESTMINSTER BANK PLC
NASSAU BRANCH

By: ----------
Name: ----------
Title: ----------

Date: , 2001

ABN AMRO BANK, N.V.

By:

Authorized Officer

By:

Authorized Officer

Date: ------------------------------, 2001

BANK OF MONTREAL

By: _____
Authorized Officer

Date: _____, 2001

THE BANK OF NEW YORK

By: _____
Authorized Officer

Date: _____, 2001

BARCLAYS BANK PLC

By: _____
Authorized Officer

Date: _____, 2001

CIBC INC.

By: --
Authorized Officer

Date: ------------------------------, 2001

CREDIT SUISSE FIRST BOSTON

By:

Authorized Officer

By:

Authorized Officer

Date: ______________________________, 2001

ROYAL BANK OF CANADA

By: _____
Authorized Officer

Date: _____, 2001

THE BANK OF TOKYO-MITSUBISHI, LTD.,
HOUSTON AGENCY

By: _____
Authorized Officer

Date: _____, 2001

FLEET NATIONAL BANK
f/k/a Bank Boston, N.A.

By:

Authorized Officer

Date: , 2001

SOCIETE GENERALE, SOUTHWEST AGENCY

By: _____
Authorized Officer

Date: _____, 2001

THE INDUSTRIAL BANK OF JAPAN TRUST COMPANY

By: _____
Authorized Officer

Date: _____, 2001

TORONTO DOMINION (TEXAS), INC.

By: _____
Authorized Officer

Date: _____, 2001

UBS AG, STAMFORD BRANCH

By: ______________________________________
Authorized Officer

By: ______________________________________
Authorized Officer

Date: ______________________________, 2001

WELLS FARGO BANK TEXAS, N.A.

By: _____
Authorized Officer

Date: _____, 2001

WESTDEUTSCHE LANDESBANK GIROZENTRALE,
NEW YORK BRANCH

By:

Authorized Officer

By:

Authorized Officer

Date: , 2001

CREDIT AGRICOLE INDOSUEZ

By: _____
Authorized Officer

By: _____
Authorized Officer

Date: _____, 2001

SUNTRUST BANK

By:

Authorized Officer

Date: ______________________________, 2001

THE DAI-ICHI KANGYO BANK, LTD.

By:

Authorized Officer

Date: , 2001

ARAB BANKING CORPORATION (B.S.C.)

By: _____
Authorized Officer

Date: _____, 2001

BANK OF CHINA, NEW YORK BRANCH

By: _____
Authorized Officer

Date: _____, 2001

BANK OF OKLAHOMA, N.A.

By: _____
Authorized Officer

Date: _____, 2001

BNP PARIBAS, HOUSTON AGENCY

By: _____
Authorized Officer

By: _____
Authorized Officer

Date: _____, 2001

DG BANK DEUTSCHE
GENNOSSENSCHAFTSBANK AG

By:

Authorized Officer

By:

Authorized Officer

Date: , 2001

KBC BANK N.V.

By:

Authorized Officer

By:

Authorized Officer

Date: , 2001

SUMITOMO MITSUI BANKING CORPORATION

By:

Authorized Officer

Date: , 2001

COMMERCE BANK, N.A.

By: _____
Authorized Officer

Date: _____, 2001

RZB FINANCE LLC

By:

Authorized Officer

By:

Authorized Officer

Date: ______________________________, 2001

FIRST UNION NATIONAL BANK

By: _____
Authorized Officer

Date: _____, 2001

UMB BANK, N.A.

By:

Authorized Officer

Date: ______________________________, 2001

MERRILL LYNCH BANK USA

By: _____
Authorized Officer

Date: _____, 2001

LEHMAN COMMERCIAL PAPER INC.

By: _____
Authorized Officer

Date: _____, 2001

Executed for purposes of acknowledging
Section 15(b) only:

DG BANK

By:

Name:

Title:

SCHEDULE IV

COMMITMENTS

AS OF JUNE 23, 2001

BANKS	COMMITMENT
Bank of America, N.A.	
The Bank of Nova Scotia	
Bank One, NA	
The Chase Manhattan Bank	
Citibank, N.A.	
Commerzbank AG	
Credit Lyonnais	
The Fuji Bank, Limited	
National Westminster Bank PLC	
ABN Amro Bank N.V.	
Bank of Montreal	
The Bank of New York	
Barclays Bank PLC	
CIBC Inc.	
Credit Suisse First Boston	
Royal Bank of Canada	
The Bank of Tokyo-Mitsubishi, Ltd.	
Fleet National Bank	
Societe Generale	
The Industrial Bank of Japan Trust Company	
Toronto Dominion (Texas), Inc.	
UBS AG, Stamford Branch	
Wells Fargo Bank Texas, N.A.	
Westdeutsche Landesbank Girozentrale	
Credit Agricole Indosuez	
Suntrust Bank	
The Dai-Ichi Kangyo Bank, Ltd.	
Arab Banking Corporation (B.S.C.)	
Bank of China	
Bank of Oklahoma, N.A.	
BNP Paribas, Houston Agency	
DG Bank	
KBC Bank, N.V.	
The Sumitomo Bank, Limited	

BANKS	COMMITMENT
Commerce Bank, N.A.	
RZB Finance LLC	
UMB Bank, N.A.	
Lehman Commercial Paper Inc.	
Merrill Lynch Bank USA	
COMMITMENTS	$2,200,000,000.00

ANNEX A

Assets to be subject to the Sale and Lease-back transaction:

WILLIAMS TECHNOLOGY CENTER

The (a) real property and structures located east of the existing Bank of Oklahoma Tower at One Williams Center, Tulsa, Oklahoma commonly known as the Williams Technology Center (the "Center"), Tech Center Parking Garage (including the "La Pente" parcel) (located at First Street and Cincinnati Avenue), Skywalk, Skywalk Support and Skywalk Support Parcel (the "Realty") and (b) the personal property and fixtures generally comprised of the furniture, fixtures and equipment as are located or to be located upon or affixed or to be affixed to the Realty (the "FF&E").

AIRCRAFT

The Aircraft shall include the three (3) aircraft identified as follows:

Citation X (N358WC)
Citation V (N352WC)
Citation Excel (N359WC)

The aggregate value of the assets described above is approximately $277,000,000.

EXHIBIT A

FORM OF OPINION

EXHIBIT 4.3

BARRETT RESOURCES CORPORATION

$150,000,000

7.55% SENIOR NOTES DUE 2007

FIRST SUPPLEMENTAL INDENTURE

BARRETT RESOURCES CORPORATION,

as Issuer,

and

BANKERS TRUST COMPANY,

as Trustee

Dated as of

_____, 2001

FIRST SUPPLEMENTAL INDENTURE

FIRST SUPPLEMENTAL INDENTURE (this "Supplemental Indenture") dated as of _____, 2001, between Barrett Resources Corporation, a corporation duly organized and existing under the laws of the State of Delaware (hereinafter called the "Company"), and Bankers Trust Company, a banking corporation existing under the laws of the State of New York, as trustee (the "Trustee");

WHEREAS, the Company and the Trustee have heretofore executed and delivered an indenture dated as of February 1, 1997 (hereinafter called the "Original Indenture") to provide for the issuance of the Company's 7.55% Senior Notes due 2007 (the "Notes"); and

WHEREAS, on May 7, 2001, the Company, The Williams Companies, Inc., a Delaware corporation ("Williams"), and Resources Acquisition Corp., a Delaware corporation and a wholly-owned subsidiary of Williams (the "Acquisition Sub"), entered into an Agreement and Plan of Merger (the "Merger Agreement") pursuant to which, subject to the satisfaction of the conditions set forth in the Merger Agreement, either the Company will be merged with and into the Acquisition Sub (the "Forward Merger") or the Acquisition Sub (or another direct or indirect., wholly-owned subsidiary of Williams) will be merged with and into the Company (the "Reverse Merger"') (the Forward Merger and the Reverse Merger, collectively, the "Merger"; and

WHEREAS, in the event of the Forward Merger, pursuant to Section 5.02 of the Original Indenture, subject to satisfaction of the conditions set forth in Section 5.01 of the Original Indenture, the Acquisition Sub will assume all the obligations of the Company under the Original Indenture and the Notes or, in the event of the Reverse Merger, the obligations of the Company under the Indenture and the Notes will continue; and

WHEREAS, it is intended by the Company that the Amendments (as defined below) effected pursuant to the Consent Solicitation Statement (as defined below) and this Supplemental Indenture shall be treated as an integrated transaction with the Forward Merger and as a part of such "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended; and

WHEREAS, Section 9.02 of the Original Indenture provides, among other things, that, with the consent of the Holders of at least a majority in aggregate principal amount of the Notes then outstanding, the Company and the Trustee may enter into indentures supplemental to the Original Indenture for the purpose of amending any provision of the Original Indenture or the Notes (other than as provided in Section 9.02 of the Original indenture); and

WHEREAS, the Company desires (i) to conform certain provisions of the Original Indenture to the Senior Indenture, dated as of November 10, 1997, as amended to the date hereof, between Williams, as Issuer, and Bank One Trust Company, NA. (formerly The First National Bank of Chicago), as trustee (the "Williams Indenture"), by (a) modifying the covenant dealing with restrictions on liens and related provisions of the Original Indenture arid (b) eliminating the cross-default and judgment default provisions of the Original Indenture and (ii) to amend the

reporting covenant contained in the Original Indenture to require Williams instead of the Company to provide to the Securities and Exchange Commission or to the Trustee periodic business and financial information specified by Section 13 or Section 15(d) of the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), including Annual Reports on Form 10-K; and

WHEREAS, all action on the part of the Company necessary to authorize its execution, delivery and performance of the Original Indenture, as further supplemented by this First Supplemental Indenture, has been duly taken; and

WHEREAS. Williams has solicited the consent of the Holders of the Notes to certain amendments to the Original Indenture (the "Amendments") pursuant to that certain Consent Solicitation Statement dated July 18, 2001 (the "Consent Solicitation Statement"); and

WHEREAS, Holders of at least a majority in aggregate principal amount of the Notes have consented to the Amendments and instruments evidencing such consent have been delivered to the Trustee; and

WHEREAS, the Company desires and has requested the Trustee to join in the execution and delivery of this Supplemental Indenture for the purpose of amending the Original Indenture;

NOW THEREFORE, in consideration of the premises and for other good and valuable consideration, it is mutually covenanted and agreed for the equal and ratable benefit of all Holders of the Notes as follows, effective upon execution hereof by the Trustee:

DEFINITION

Section 1.1 Definition. When used herein, "Consent Solicitation Completion Event" shall mean such time as each of the following events shall have occurred: (i) the Merger shall have been consummated in accordance with the terms and conditions set forth in the Merger Agreement and (ii) each Holder of Notes that has validly consented to the Amendments pursuant to the Consent Solicitation Statement shall have received payment for its consent in accordance with the Consent Solicitation Statement.

ARTICLE TWO

AMENDMENTS TO ORIGINAL INDENTURE

Section 2.1 Amended Definitions. Upon the occurrence of the Consent Solicitation Completion Event, Section 1.01 of the Original Indenture shall be amended as follows:

(a) the definition of each term that is used in the Original Indenture only in the Sections or subsections thereof that are deleted pursuant to Section 2.2. hereof shall be deleted;

(b) the following definitions shall be added:

"Consolidated Funded Indebtedness" means the aggregate of all outstanding Funded Indebtedness of the Company and its Restricted Subsidiaries, determined on a consolidated basis in accordance with GAAP;

"Williams" means The Williams Companies, Inc., a Delaware corporation, and any successor corporations thereto; and

(c) the definitions of "Consolidated Net Tangible Assets" and "Funded Indebtedness" shall be replaced with the following definitions:

"Consolidated Net Tangible Assets" means the total assets appearing on a consolidated balance sheet of the Company and its Restricted Subsidiaries on a consolidated basis, less:

(1) intangible assets, unamortized debt discount and expense and stock expense and other deferred debits;

(2) all current and accrued liabilities (other than Consolidated Funded Indebtedness and capitalized rentals or leases); deferred credits (other than deferred investment tax credits), deferred gains and deferred income and billings recorded as revenues deferred pending the outcome of a rate proceeding (less applicable income taxes) to the extent refunds thereof shall not have been finally determined;

(3) all reserves (other than for deferred Federal income taxes arising from timing differences) not already deducted from assets;

(4) all advances made by the Company or its Restricted Subsidiaries to finance oil or natural gas exploration and development to the extent that the Indebtedness related thereto and of an equal amount is excluded from Funded indebtedness by virtue of the proviso to the definition thereof;

(5) an amount equal to the amount excluded from Funded Indebtedness representing "production payment" financing of oil or natural gas exploration and development by the Company or its Restricted Subsidiaries on a consolidated basis; and

(6) appropriate allowance for minority stockholder interests;

"Funded Indebtedness" means any Indebtedness which matures more than one year after the date as of which Funded Indebtedness is being determined less any such Indebtedness as will be retired through or by means of any deposit or payment required to be made within one year from such date under any prepayment provision, sinking fund, purchase fund or otherwise; provided, however, that such term shall not include Indebtedness of the Company or any of its Restricted Subsidiaries incurred to finance outstanding advances to others to finance oil or natural gas exploration and development to the extent that the latter are not in default in their obligations to the Company or such Restricted Subsidiary, nor shall such term

include Indebtedness of the Company or any of its Restricted Subsidiaries incurred to finance oil or natural gas exploration and development by means commonly referred to as a "production payment" to the extent that the Company or any of its Restricted Subsidiaries have not guaranteed the repayment of the production payment.

Section 2.2 Amended Provisions. Upon the occurrence of the Consent Solicitation Completion Event, the text of each of the following Sections or subsections of the Original Indenture shall be amended as follows:

(a) Section 4.03 SEC Reports; Financial Statements. References to "the Company" in Section 4.03 shall be replaced with references to "Williams".

(b) Section 4.09 Limitation on Liens. Subsections (a) through (i) of Section 4.09 shall be deleted in their entirety and replaced with the following subsections (a) through (bb):

(a) Any purchase money Lien created by the Company or a Restricted Subsidiary to secure all or part of the purchase price of any property (or to secure a loan made to enable the Company or a Restricted Subsidiary to acquire the property described in such Lien), provided that the principal amount of the Indebtedness secured by any such Lien, together with all other Indebtedness secured by a Lien on such property, shall not exceed the purchase price of the property acquired;

(b) Any Lien existing on any property at the tune of the acquisition thereof by the Company or a Restricted Subsidiary whether or not assumed by the Company or a Restricted Subsidiary, and any Lien on any property acquired or constructed by the Company or a Restricted Subsidiary and created not later than 12 months after (i) such acquisition or completion of such construction or (ii) commencement of full operation of such property, whichever is later; provided, however, that, if assumed or created by the Company or a Restricted Subsidiary, the principal amount of the Indebtedness secured by such Lien, together with all other Indebtedness secured by a Lien on such property, shall not exceed the purchase price of the property, acquired and/or the cost of the property constructed;

(c) Any Lien created or assumed by the Company or a Restricted Subsidiary on any contract for the sale of any product or service or any rights thereunder or any proceeds therefrom, including accounts and other receivables, related to the operation or use of any property acquired or constructed by the Company or a Restricted Subsidiary and created not later than 12 months after (i) such acquisition or completion of such construction or (ii) commencement of full operation of such property, whichever is later;

(d) Any Lien existing on any property of a Restricted Subsidiary at the time it becomes a Restricted Subsidiary;

(e) Any refunding or extension of maturity, in whole or in part, of any Lien created or assumed in accordance with the provisions of subdivision (a), (b), (c) or (d) above or (j) or (bb) below, provided that the principal amount of the Indebtedness secured by such refunding Lien or extended Lien shall not exceed the principal amount of the indebtedness secured by the Lien to be refunded or extended outstanding at the time of such refunding or extension and that such refunding Lien or extended Lien shall be limited in Lien to the same property that secured the Lien so refunded or extended;

(f) Any Lien created or assumed by the Company or a Restricted Subsidiary to secure loans to the Company or a Restricted Subsidiary maturing within 12 months of the date of creation thereof and not renewable or extendible by the terms thereof at the option of the obligor beyond such 12 months, and made in the ordinary course of business;

(g) Mechanics' or materialmen's Liens or any Lien or charge arising by reason of pledges or deposits to secure payment of workmen's compensation or other insurance, good faith deposits in connection with tenders or leases of real estate, bids or contracts (other than contracts for the payment of money), deposits to secure public or statutory obligations, deposits to secure or in lieu of surety, stay or appeal bonds and deposits as security for the payment of taxes or assessments or other similar charges;

(h) Any Lien arising by reason of deposits with or the giving of any form of security to any governmental agency or any body created or approved by law or governmental regulation for any purpose at any time as required by law or governmental regulation as a condition to the transaction of any business, or the exercise of any privilege or license, or to enable the Company or a Restricted Subsidiary to maintain self-insurance or to participate in any fund for liability on any insurance risks or in connection with workmen's compensation, unemployment insurance, old age pensions or other social security or to share in the privileges or benefits required for companies participating in such arrangements;

(i) Any Lien which is payable, both with respect to principal and interest, solely out of the proceeds of oil, gas, coal or other minerals or timber to be produced from the property subject thereto and to be sold or delivered by the Company or a Restricted Subsidiary, including any interest of the character commonly referred to as a "production payment";

(j) Any Lien created or assumed by a Restricted Subsidiary on oil, gas, coal or other mineral or timber property, owned or leased by a Restricted Subsidiary to secure loans to such Restricted Subsidiary for the purposes of developing such properties, including any interest of the character commonly referred to as a "production payment"; provided, however, that neither the Company nor any other Restricted Subsidiary shall assume or guarantee such loans or otherwise be liable in respect thereto;

(k) Lions upon rights-of-way;

(l) Undetermined Liens and charges Incidental to construction or maintenance;

(m) The right reserved to, or vested in, any municipality or governmental or other public authority or railroad by the terms of any right, power, franchise, grant, license, permit or by any provision of law, to terminate or to require annual or other periodic payments as a condition to the continuance of such right, power, franchise, grant, license or permit;

(n) The Lien of taxes and assessments which are not at the time delinquent;

(o) Any Liens of specified taxes and assessments which are delinquent but the validity of which is being contested in good faith at the time by the Company or a Restricted Subsidiary;

(p) Any Liens reserved in leases for rent and for compliance with the terms of the lease in the case of leasehold estates;

(q) Defects and irregularities in the titles to any property (including rights-of-way and easements) which are not material to the business of the Company and its Subsidiaries considered as a whole;

(r) Any Liens securing Indebtedness neither assumed nor guaranteed by the Company or a Restricted Subsidiary nor on which it customarily pays interest, existing upon real estate or rights in or relating to real estate (including rights-of-way and easements) acquired by the Company or a Restricted Subsidiary, which Liens do not materially impair the use of such property for the purposes for which it is held by the Company or such Restricted Subsidiary;

(s) Easements, exceptions or reservations in any property of the Company or a Restricted Subsidiary granted or reserved for the purpose of pipelines, roads, telecommunication equipment and cable, streets, alleys, highways, railroad purposes, the removal of oil, gas, coal or other minerals or timber, and other like purposes, or for the joint or common use of real property, facilities and equipment, which do not materially impair the use of such property for the purposes for which it is held by the Company or such Restricted Subsidiary;

(t) Rights reserved to or vested in any municipality or public authority to control or regulate any property of the Company or a Restricted Subsidiary, or to use such property in any manner which does not materially impair the use of such property for the purposes far which it is held by the Company or such Restricted Subsidiary;

(u) Any obligations or duties, affecting the property of the Company or a Restricted Subsidiary, to any municipality or public authority with respect to any franchise, grant, license or permit;

(v) The Liens of any judgments in an aggregate amount not in excess or $1,000,000 or the Lien of any judgment the execution of which has been stayed or which has been appealed and secured, if necessary, by the filing of an appeal bond;

(w) Zoning laws and ordinances;

(x) Any Liens existing on any office equipment, data processing equipment (including computer and computer peripheral equipment) or transportation equipment (including motor vehicles, aircraft and marine vessels);

(y) Any Liens created or assumed by the Company or a Restricted Subsidiary on oil, gas, coal or other mineral or timber property owned by the Company or a Restricted Subsidiary;

(z) Leases now or hereafter existing and any renewals or extensions thereof;

(aa) Any Liens created by the Company or a Restricted Subsidiary on any contract (or any rights thereunder or proceeds therefrom) providing for advances by the Company or such Restricted Subsidiary to finance gas exploration and development, which Lien is created to secure indebtedness incurred to finance such advances; and

(bb) Any Liens not permitted by clauses (a) through (aa) above if at the time of, and after giving effect to, the creation or assumption of any such Lien, the aggregate of all Indebtedness of the Company and its Subsidiaries secured by all such Liens not so permitted by clauses (a) through (aa) above do not exceed 5% of Consolidated Net Tangible Assets.

(c) Section 6.01 Events of Default. Subsections (4) and (5) of Section 6.01 shall be deleted in their entirety.

ARTICLE THREE

MISCELLANEOUS PROVISIONS

Section 3.1 Execution as Supplemental Indenture. This Supplemental Indenture is executed and shall be construed as an indenture supplemental to the Original Indenture and, as provided in Article IX of the Original Indenture, this Supplemental Indenture forms a part thereof. Except as herein expressly otherwise defined, the use of the terms and expressions herein is in accordance with the definitions, uses and constructions contained in the Original Indenture.

Section 3.2 Responsibilities for Recitals, etc. The recitals herein shall be taken as the statements of the Company, and the Trustee assumes no responsibility for the correctness thereof. The Trustee makes no representations as to the validity or sufficiency of this Supplemental Indenture.

Section 3.3 Provisions Binding on Company's Successor. All of the covenants, stipulations, promises and agreements made in this Supplemental Indenture by the Company shall bind its successors and assigns whether so expressed or not.

Section 3.4 Governing Law. This Supplemental Indenture shall be deemed to be a contract made wider the laws of the State of New York and, for all purposes, shall be construed in accordance with the laws of said State, without regard to principles of conflicts of law.

Section 3.5 Execution and Counterparts. This Supplemental Indenture may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute but one and the same instrument.

Section 3.6 Trust Indenture Act to Control. If and to the extent that any provision of this Supplemental Indenture limits, qualifies or conflicts with another provision included in the Original Indenture or in this Supplemental Indenture which is required to be included in or is deemed to be applicable to this Supplemental Indenture by any of Sections 310 to 317, inclusive, of the Trustee Indenture Act of 1939, as amended, such required or other applicable provision shall control.

IN WITNESS WHEREOF, Barrett Resources Corporation has caused this Supplemental Indenture to be signed and acknowledged by its Chairman of the Board and its President or one of its Vice Presidents and the same to be attested to by its Secretary or one of its Assistant Secretaries, and Bankers Trust Company, as Trustee, has caused this First Supplemental Indenture to be signed and acknowledged by one of its Vice Presidents and the same to be attested to by a duly authorized officer, all as of the day and year first written above.

Barrett Resources

By: /s/ Peter A. Dea

Name: Peter A. Dea
Title: Chairman and CEO

By: /s/ J. Frank Keller

Name: J. Frank Keller
Title: Executive Vice President and CFO

Attest: By: /s/ Eugene A. Lang, Jr.

Name: Eugene A. Lang, Jr.
Title: Secretary

Bankers Trust Company, as Trustee

By: /s/ Irina Golovashchue

Name: Irina Golovashchue
Title: Account Manager

Attest: By: /s/ Tracy Salzmann

Name: Tracy Salzmann
Title: Associate

EXHIBIT 4.4

BARRETT RESOURCES CORPORATION

$150,000,000

7.55% SENIOR NOTES DUE 2007

SECOND SUPPLEMENTAL INDENTURE

BARRETT RESOURCES CORPORATION,

as Issuer,

and

BANKERS TRUST COMPANY,

as Trustee

Dated as of

August 2, 2001

SECOND SUPPLEMENTAL INDENTURE

SECOND SUPPLEMENTAL INDENTURE (this "Second Supplemental Indenture") dated as of August 2, 2001, by and among Barrett Resources Corporation, a corporation duly organized and existing under the laws of the State of Delaware (the "Company"), The Williams Companies, Inc. a corporation duty organized and existing under the laws of the State of Delaware ("Williams"), Resources Acquisition Corp., a wholly owned subsidiary of Williams and a corporation duly organized and existing under the laws of the State of Delaware ("Resources Acquisition") and Bankers Trust Company, a banking corporation existing under the laws of the State of New York, as trustee (the "Trustee");

WHEREAS, the Company and the Trustee have heretofore executed and delivered an indenture dated as of February 1, 1997, as previously supplemented and amended (the "Indenture") to provide for the issuance of the Company's 7.55% Senior Notes due 2007 (the "Notes"); and

WHEREAS, on May 7, 2001, the Company, Williams, and Resources Acquisition entered into an Agreement and Plan of Merger (the "Merger Agreement") pursuant to which, subject to the satisfaction of the conditions set forth in the Merger Agreement, the Company will be merged with and into Resources Acquisition (the "Merger"), with Resources Acquisition being the surviving corporation and being re-named "Williams Production RMT Company" as a result of the Merger; and

WHEREAS, the Merger will be consummated pursuant to the terms of the Merger Agreement, and therefore Resources Acquisition, pursuant to Section 5.02 of the Indenture and subject to the satisfaction of the conditions set forth in Section 5.01 of the Indenture, will assume all the obligations of the Company under the Indenture and the Notes; and

WHEREAS, Section 4.10(b) of the Indenture provides, among other things, that, any person may become a guarantor of the Notes by executing and delivering to the Trustee a supplemental indenture which subjects such person to the provisions of the Indenture as a guarantor; and

WHEREAS, Williams is willing to become a guarantor of the Notes by executing and delivering to the Trustee this Second Supplemental Indenture which will subject Williams to the provisions of the Indenture as a guarantor; and

WHEREAS, all action on the part of the Company necessary to authorize its execution, delivery and performance of the Indenture, as further supplemented by this Second Supplemental Indenture, has been duly taken; and

WHEREAS, Williams, Resources Acquisition and the Company desire and have requested the Trustee to join in the execution and delivery of this Second Supplemental Indenture for the purpose of amending the Indenture.

NOW THEREFORE, in consideration of the premises and for other good and valuable consideration, it is mutually covenanted and agreed for the equal and ratable benefit of all holders of the Notes as follows, effective upon execution hereof by the Trustee:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. Capitalized terms which are used but not defined herein shall have the meanings ascribed to such terms in the Indenture.

ARTICLE II

AMENDMENTS TO INDENTURE

Section 2.1 Assumption of Certain Obligations.

(a) Upon consummation of the Merger, pursuant to Sections 5,01 and 5.02 of the Indenture, Resources Acquisition hereby assumes all of the obligations of the Company under the Indenture and the Securities.

(b) Upon consummation of the Merger, the Company and the Trustee hereby acknowledge that Resources Acquisition is a Successor, as such term is defined in Section 5.01(a) of the Indenture, and therefore Resources Acquisition shall succeed to, and be substituted for, and may exercise every right and power of, the Company under the Indenture and the Securities as if Resources Acquisition had been named therein.

Section 2.2 Deliveries by the Company

(a) Pursuant to Section 5.01(c) of the Indenture and prior to the consummation of the Merger, the Company shall deliver to the Trustee an Officers' Certificate and an Opinion of Counsel each stating that the Merger and the Second Supplemental Indenture comply with the provisions of the Indenture.

Section 2.3 Guarantee by Williams.

(a) Upon consummation of the Merger, Williams shall become a guarantor of the Securities pursuant to Section 4.10(b) of the Indenture by executing and delivering to the Trustee (i) this Second Supplemental Indenture, (ii) the Guarantee, which will become effective upon consummation of the Merger, in the form attached hereto as Exhibit A and (iii) an Opinion of Counsel and Officers' Certificate as required by Section 4.10(b) of the Indenture.

(b) Upon consummation of the Merger, Williams agrees to be subject to the provisions of the Indenture as a guarantor.

ARTICLE III

MISCELLANEOUS PROVISIONS

Section 3.1 Execution as Supplemental Indenture. This Second Supplemental Indenture is executed and shall be construed as an indenture supplement to the Indenture and, as provided in Article IX of the Indenture, this Second Supplemental Indenture forms a part thereof. Except as herein expressly otherwise defined, the use of the terms and expressions herein is in accordance with the definitions, uses and constructions contained in the Indenture.

Section 3.2 Effect of Second Supplemental Indenture. From and after the execution and delivery of this Second Supplemental Indenture, the Indenture shall be deemed to be modified as herein provided, but except as modified hereby, the Indenture shall continue in full force and effect. The Indenture as modified hereby shall be read, taken and construed as one and the same instrument.

Section 3.3 Notice.

(a) Any notice or communication by the Trustee to Resources Acquisition is duly given if in writing and delivered in person or by express mail service to the address set forth below:

Resources Acquisition Corp.
c/o The Williams Companies, Inc.
One Williams Center
Tulsa, Oklahoma 74172
Attention: [_____]

(b) Any notice or communication by the Trustee to Williams is duly given if in writing and delivered in person or by express mail service to the address set forth below:

The Williams Companies, Inc.
One Williams Center
Tulsa, Oklahoma 74172
Attention: [_____]

Section 3.4 Governing Law. This Second Supplemental Indenture shall be governed by, and construed and interpreted in accordance with, the internal laws of the State of New York, without giving effect to the conflict of laws provisions thereof.

Section 3.5 Counterparts This Second Supplemental Indenture maybe executed in separate counterparts each of which shall be an original and all of which taken together shall constitute one and the same agreement.

(SIGNATURE PAGE TO FOLLOW)

WITNESS WHEREOF, the Company, Williams, Resources Acquisition and the Trustee have executed this Second Supplemental Indenture or caused this Second Supplemental Indenture to be executed by their respective officers thereunto duly authorized as of August 2, 2001.

BARRETT RESOURCES CORPORATION

By: /s/ Peter A. Dea

Name: Peter A. Dea
Title: Chairman and Chief Executive Officer

THE WILLIAMS COMPANIES, INC.

By: /s/ James G. Ivey

Name: James G. Ivey
Title: Treasurer

RESOURCES ACQUISITION CORP.

By: /s/ James G. Ivey

Name: James G. Ivey
Title: Treasurer

BANKERS TRUST COMPANY OF NEW YORK

By: /s/ Irina Golovashchuc

Name: Irina Golovashchuc
Title: Account Manager

EXHIBIT 10.1

FORM OF
MEMBERSHIP INTEREST PURCHASE AGREEMENT

This Membership Interest Purchase Agreement (this "Agreement"), dated as of September 11, 2001, is by and Williams Communications, LLC, a Delaware limited liability company ("Seller"), and Williams Aircraft, Inc., a Delaware corporation ("Buyer").

RECITALS

Seller is the owner of the entire membership interest of Williams Communications Aircraft, LLC, a Delaware Limited Liability Company (the "Company").

Buyer desires to purchase from Seller, and Seller desires to sell to Buyer, the entire membership interest in the Company upon the terms and subject to the conditions contained herein.

NOW, THEREFORE, in consideration of the premises, agreements and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and in reliance upon the mutual representations and warranties contained herein, Seller and Buyer agree, upon the terms and subject to the conditions contained herein, as follows:

ARTICLE I

PURCHASE AND SALE

1.01 Transfer of Membership Interest. Upon the terms and subject to the conditions of this Agreement, at the Closing Date (as hereinafter defined), Seller agrees to sell, assign and deliver to Buyer the entire membership interest in the Company (the "Interest") together with all of the rights titles and interests of Seller in or relating in any way to the Company.

1.02 Purchase Price. The consideration (the "Purchase Price") for the Interest shall be the sum of Thirty-One Million U.S. Dollars (US$31,000,000.00) and the assumption by Buyer of all of the liabilities and obligations relating to the Interest. On the Closing Date, pursuant to the terms and conditions of this Agreement, Buyer agrees to wire transfer the Purchase Price to the Seller in accordance with Seller's instructions,.

1.03 Effective Date. The effective date of the transaction contemplated by this Agreement shall be the Closing Date (as hereinafter defined).

ARTICLE II

CLOSING

2.01 Time and Place of Closing. The closing of the transactions contemplated hereby (the "Closing") shall be held at the offices of Buyer located One Williams Center, Tulsa, Oklahoma 74172 , at 1:00 p.m., local time, on the later to occur of the date which is the first business day following the day that the conditions specified in Article 5 below shall have been satisfied in all material respects (or waived by the party or parties entitled to the benefit thereof), unless another time, date and place is agreed to in writing by Buyer and Seller. The date upon which Closing occurs shall be referred to herein as the "Closing Date".

2.02 Deliveries by Seller. (a) Delivery of Documents. At Closing, Seller shall deliver to Buyer:

(i) One or more certificates evidencing that Buyer is the owner of the Interest, including without limitation an Assignment of Limited Liability Membership Interest substantially in the form attached hereto as Exhibit A; and

(ii) A legal opinion as to the title and lien status to the Aircraft;

(iii) All waivers, consents, permissions, or other documents that may be necessary for the transfer of the Interest to Buyer; and

(iv) The duly executed Aircraft Dry Leases for the Aircraft and Releases of all liens on the Aircraft.

2.03 Deliveries By Buyer. At Closing, Buyer shall deliver the consideration described in Article 1.02 to Seller together with evidence of Buyer's power and authority to purchase the Interest.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer as follows:

3.01 Existence and Qualification. The Company is a limited liability company duly formed and validly existing under the laws of Delaware. The Company has all requisite corporate power and authority to own, operate and lease its properties and to carry on its business as presently conducted. All of the minute books, including all minutes, consents and other records of actions taken by the members and managers (including any committee thereof) of the Company are held by the Company.

3.02 Authority, Approval and Enforceability. Seller has all requisite power and authority to execute and deliver this Agreement and to perform its obligations under this Agreement. This Agreement has been duly executed and delivered on behalf of Seller and constitutes the legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms. At the Closing all documents required hereunder to be executed and delivered by Seller will have been duly authorized, executed and delivered by Seller and will constitute legal, valid and binding obligations of Seller, enforceable in accordance with their terms.

3.03 The Interest. The Interest is the sole membership interest in the Company and is owned beneficially and in the name of Seller, free and clear of all mortgages, pledges, security interests, liens or encumbrances of any kind and is not subject to any agreements or understandings among any persons with respect to the voting or transfer thereof. There are no outstanding subscriptions, options, convertible securities, warrants, calls or other securities granting rights to purchase or otherwise acquire interests in the Company or any commitments or agreements of any character obligating Seller regarding the foregoing.

3.04 Governmental Authorizations. The Seller has obtained and holds all governmental permits, licenses, orders and approvals necessary to own the Interest.

3.05 Assets. The only assets of the Company are the Aircraft as described in Article 5.01, and the Company has no liabilities, obligations, commitments or undertakings except as regards the ongoing ownership and operation of the Aircraft. All filings and certificates necessary for the Company to own and operate the Aircraft have been filed or obtained.

3.06 Airworthiness. At Closing the Aircraft shall be in an airworthy condition with all systems functioning within tolerances as stated in the manufacturer's maintenance criteria. The Aircraft are and shall be at Closing free and clear of all liens and encumbrances, and the Company will have good and marketable title thereto. Seller has previously delivered to the Company a Certificate of Airworthiness issued by the U.S. Federal Aviation Administration ("FAA") certifying that, at the date of issuance, the Aircraft has been inspected and found to conform in all respects to the applicable FAA Certificate of Airworthiness.

ARTICLE IV

CONDITIONS TO CLOSING

4.01 Conditions to Obligations of Buyer and Seller. The obligations of Buyer and Seller to proceed with the Closing are subject to the satisfaction at or prior to Closing of all of the following conditions.

(a) Compliance. Buyer and Seller shall have complied in all material respects with their respective covenants and agreements contained herein. The representations and warranties contained herein, or in any certificate or similar instrument required to be delivered by or on behalf of each of Seller or Buyer pursuant hereto shall be true and correct in all material respects on and as of the Closing Date, with the same effect as though made at such time;

(b) No Orders. No order, writ, injunction or decree shall have been entered and be in effect by any court of competent jurisdiction or any governmental or regulatory instrumentality or authority, and no statute, rule, regulation or other requirement shall have been promulgated or enacted and be in effect, that restrains, enjoins or invalidates the transactions contemplated hereby;

(c) No Suits. No suit or other proceeding shall be pending or threatened by any third party before any court or governmental agency seeking to restrain or prohibit or declare illegal, or seeking substantial damages in connection with, the transactions contemplated by this Agreement.

ARTICLE V

ASSETS

5.01 Asset. The only assets or property of any kind owned by the Company are the Aircraft identified on Exhibit "B". All of the above, together with the existing components, avionics, accessories, equipment attached or unattached, instrumentation and log books, including without limitation the specifications and features set forth in Exhibit B hereto, are collectively referred to herein as the "Aircraft".

ARTICLE VI

POST CLOSING INSPECTION

6.01 Inspection of the Aircraft. On a date that is mutually agreed between Buyer and Seller, but not later than October 31, 2001, Seller will present the Aircraft for inspection to Buyer, or Buyers designated representative. The location of such presentation for inspection shall be the Buyer's hangar located at Tulsa International Airport, Tulsa, Oklahoma, and the direct cost of presenting the Aircraft for inspection shall be borne by the Seller. The cost of the inspection shall be borne by Seller. Upon such presentation of the Aircraft for inspection by Seller, Buyer shall have the right for a period of up to seven (7) days to inspect the Aircraft, to conduct a test flight under the supervision and control of Seller, and to review all maintenance records, all flight and other records and to otherwise conduct such physical, technical, engineering and mechanical reviews and tests as would a normal prudent purchaser of similar aircraft. Within two (2) business days following the end of such seven (7) day period, Buyer or its representative shall deliver to Seller a detailed list of any defects (whether physical, mechanical or otherwise) that Buyer requires to be remedied as a condition of completing the purchase of the Interest. Seller shall have fifteen (15) days following the receipt of such notice to either (i) remedy defects affecting airworthiness of the Aircraft to the reasonable satisfaction of Buyer, or (ii) agree to pay Buyer an amount that the parties agree is the projected cost of remedying such defects affecting the airworthiness of the Aircraft. In the event that Seller undertakes to remedy any defects notified by Buyer, Buyer shall have a reasonable period thereafter to conduct such further tests of the Aircraft to confirm the completion of any repairs made by Seller as provided above. Defects not affecting the airworthiness of the Aircraft shall be itemized and, subject to mutual agreement by the parties, the Seller shall pay Buyer the reasonable cost of such repairs. Notwithstanding the above, any Defects existing on or prior to February 26, 2001, shall not be subject to this Section. Buyer and Seller shall coordinate on any such preexisting defects.

6.02 All flight manuals, maintenance manuals, parts catalogs, wiring diagrams as well as all other records, paperwork, or minor equipment as is normally considered to be part of the Aircraft will be given to Buyer at closing or at a later time consented to in writing by the Buyer.

ARTICLE VI

MISCELLANEOUS

7.01 Notices. Any notice, request, instruction, correspondence or other communication to be given or made hereunder by either party to the other (herein collectively called "Notice") shall be in writing and (a) delivered by hand, (b) mailed by certified mail, postage prepaid and return receipt requested, (c) sent by telecopier, or (d) sent by Express Mail, Federal Express, or other express delivery service.

7.02 Governing Law. The provisions of this agreement, the schedules hereto, and the documents delivered pursuant hereto shall be governed by and construed in accordance with the laws of the State of Oklahoma (excluding any conflicts-of-law rule or principle that might refer such

matters to the laws of another jurisdiction), except to the extent that such matters are mandatorily subject to the laws of another jurisdiction pursuant to the laws of such other jurisdiction.

7.03 Entire Agreement; Amendments and Waivers. This Agreement, together with all Schedules hereto, constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties regarding the Interest or the Aircraft. No supplement, modification or waiver of this Agreement shall be binding unless executed in writing by the party to be bound thereby. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (regardless of whether similar), nor shall any such waiver constitute a continuing waiver unless otherwise expressly provided.

7.04 Binding Effect and Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns. Neither this Agreement nor any of the rights, benefits or obligations hereunder shall be assigned, by operation of law or otherwise, by any party hereto prior to the Closing without the prior written consent of the other party. Except as expressly provided herein, nothing in this Agreement is intended to confer upon any Person other than the parties hereto and their respective permitted successors and assigns, any rights, benefits or obligations hereunder.

7.05 Severability. If any one or more of the provisions contained in this Agreement or in any other document delivered pursuant hereto shall, for any reason, be held to be invalid, illegal or unenforceable in any material respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement or any other such document.

7.06 No Implied Warranty on Aircraft. BUYER UNDERSTANDS THAT THE AIRCRAFT WAS ACQUIRED BY THE COMPANY FROM SELLER ON AN "AS IS" CONDITION. UNLESS OTHERWISE PROHIBITED BY LAW, BUYER AGREES THAT (i) SELLER MAKES NO WARRANTIES, EXPRESSED OR IMPLIED WITH RESPECT TO THE AIRCRAFT THAT CONTINUE BEYOND THE CLOSING, EXCEPT THAT SELLER WARRANTS THAT THE COMPANY HAS GOOD AND MARKETABLE TITLE TO THE AIRCRAFT AND THE AIRCRAFT WAS ACQUIRED BY THE COMPANY FROM SELLER WITH A FAA 8050-2 BILL OF SALE, FREE AND CLEAR OF ALL LIENS, (ii) BUYER WAIVES AS TO SELLER ALL OTHER WARRANTIES RELATING TO THE AIRCRAFT, WHETHER OF MERCHANTABILITY, FITNESS OR OTHERWISE, (iii) SELLER DISCLAIMS ALL LEGAL RESPONSIBILITY FOR PRODUCT DEFECTS RELATING TO THE AIRCRAFT THAT MIGHT CAUSE HARM, (iv) SELLER SHALL NOT BE LIABLE FOR ANY GENERAL, CONSEQUENTIAL OR INCIDENTAL DAMAGES, INCLUDING, WITHOUT LIMITATION, ANY DAMAGES FOR LOSS OF USE, LOSS OF PROFITS OR DIMINUTION OF MARKET VALUE OF THE AIRCRAFT, AND SELLER SHALL NOT BE LIABLE FOR ANY DAMAGES CLAIMED BY BUYER OR ANY OTHER PERSON OR ENTITY UPON THE THEORIES OF

NEGLIGENCE OR STRICT LIABILITY IN TORT, (v) IF THE AIRCRAFT SHOULD FOR ANY REASON PROVE TO BE DEFECTIVE, SELLER AND COMPANY BEAR NO OBLIGATION FOR SERVICING AND REPAIR OF SUCH DEFECT(S), AND (vi) ALL RISK AS TO THE QUALITY AND PERFORMANCE OF THE AIRCRAFT IS THAT OF THE COMPANY. Upon Delivery the Seller shall deliver to the Company an assignment of all manufacturer's warranties, if any, with respect to the Aircraft that are assignable (other than those warranties which by their terms are not assignable). Seller shall also, upon Buyer's request, reasonably execute, or cause to be executed such further documents as may be necessary to assist the Company to maintain continuity of the warranties and to assist the Company to process warranty claims directly with the manufacturers. All costs, if any, to transfer said manufacturer's warranties shall be at Buyer's expense.

7.07 Headings and Schedules. The headings of the several Articles and Sections herein are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement. The Schedules referred to herein are attached hereto and incorporated herein by this reference. Seller may revise or supplement the Schedules at any time prior to Closing.

7.08 Further Assurances. After the Closing, Seller and Buyer will take all appropriate action and execute any documents, instruments or conveyances of any kind that may be reasonably necessary to effectuate the intent of this Agreement.

7.09 Taxes. Seller hereby agrees to pay, and indemnify and hold harmless the Buyer from and against, any and all taxes (including interest and penalties), duties and fees assessed or levied by any federal, state or local taxing authority as a result of this Agreement or the sale, delivery, registration or ownership of the Aircraft by the Company. Seller shall not, however, be liable for any tax imposed with respect to, or measured by, the net income of the Buyer.

7.10 Confidentiality. The terms and conditions of this offer shall remain confidential. Seller and Buyer agree to not divulge any terms and/or conditions contained herein prior to, or subsequent to delivery, with the exception of filings with federal or state agencies.

7.12 Counterparts and Binding Effect. This Agreement may be executed in counterparts and each counterpart shall be an original, and all counterparts together shall be one and the same. This Agreement shall be binding and enforceable against, and run to the benefit of, the successors and assigns of the parties hereto.

[Signature page follows]

EXECUTED as of the date first set forth above.

SELLER:

WILLIAMS COMMUNICATIONS, LLC

By:

Name:

Title:

BUYER:

WILLIAMS AIRCRAFT, INC.

By:

Name:

Title:

Signature Page to that certain Membership Interest Purchase Agreement between Williams Communications, LLC and Williams Aircraft, Inc.

EXHIBIT A

ASSIGNMENT OF LIMITED LIABILITY COMPANY MEMBERSHIP INTEREST

THIS ASSIGNMENT OF LIMITED LIABILITY COMPANY MEMBERSHIP INTEREST (this "Assignment"), dated effective as of September 11, 2001, is WILLIAMS COMMUNICATIONS LLC, a Delaware limited liability company ("Assignor"), WILLIAMS AIRCRAFT, INC., a Delaware corporation ("Assignee").

Recitals

A. Assignor is the owner of the entire membership interest in Williams Communications Aircraft, LLC, a Delaware limited liability company (the "Company").

B. Assignor has agreed to assign to Assignee all of its interest in the Company and Assignee has agreed to accept such assignment.

Assignment and Assumption

For $10 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee agree as follows:

1. Assignor hereby transfers, grants, contributes, conveys and assigns to Assignee all of its ownership rights, titles and interests in and to the Company, including but not limited to all of Assignor's membership interest in the Company (collectively, the "Assigned Interests").

2. Assignee hereby assumes all liabilities and obligations accruing with respect to the Assigned Interests from and after September 11, 2001.

3. Assignor will, upon request from Assignee, execute and deliver any additional documents necessary to complete the sale, assignment and transfer of the Assigned Interests tendered hereby. Assignor authorizes the Company to transfer ownership of the Assigned Interests to Assignee on the books and records of the Company.

4. This Assignment shall be binding upon, and shall inure to the benefit of the parties hereto and their successors, heirs and assigns.

5. This Assignment shall be governed by the laws of the State of Oklahoma, without regard for its conflict of laws rules.

6. This Assignment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same document.

EXECUTED to be effective as of the date first set forth above.

ASSIGNOR:

WILLIAMS COMMUNICATIONS, LLC

By:

Name:

Title:

ASSIGNEE:

WILLIAMS AIRCRAFT, INC.

By:

Name:

Title:

EXHIBIT B

DESCRIPTION OF AIRCRAFT SPECIFICATIONS

1. CESSNA MODEL 560 CITATION V AIRCRAFT WITH MANUFACTURER'S SERIAL NUMBER 560-0194 AND UNITED STATES NATIONALITY AND REGISTRATION MARKS N352WC.

   PRATT & WHITNEY MODEL JT15D-5D AIRCRAFT ENGINES WITH MANUFACTURER'S SERIAL NUMBERS PCE-108400 AND PCE-108397.

   SUCH AIRCRAFT TO BE BASED AT TULSA INTERNATIONAL AIRPORT, CITY OF TULSA, OKLAHOMA, COUNTRY OF U.S.A.

2. CESSNA MODEL 750 CITATION X AIRCRAFT WITH MANUFACTURER'S SERIAL NUMBER 750-0121 AND UNITED STATES NATIONALITY AND REGISTRATION MARKS N358WC.

   ALLISON MODEL AE3007C AIRCRAFT ENGINES WITH MANUFACTURER'S SERIAL NUMBERS CAE330260 AND CAE330261.

   SUCH AIRCRAFT TO BE BASED AT TULSA INTERNATIONAL AIRPORT, CITY OF TULSA, OKLAHOMA, COUNTRY OF U.S.A.

3. CESSNA MODEL 560XL CITATION EXCEL AIRCRAFT WITH MANUFACTURER'S SERIAL NUMBER 560-5129 AND UNITED STATES NATIONALITY AND REGISTRATION MARKS N359WC.

   PRATT & WHITNEY MODEL PW545A AIRCRAFT ENGINES WITH MANUFACTURER'S SERIAL NUMBERS PCEDB0271 AND PCEDB0265.

   SUCH AIRCRAFT TO BE BASED AT SPIRIT OF SAINT LOUIS AIRPORT, CITY OF CHESTERFIELD, MISSOURI, COUNTRY OF U.S.A.

EXHIBIT 10.2

FORM OF
AIRCRAFT DRY LEASE
N352WC

This Aircraft Dry Lease ("Lease") dated as of September 13, 2001 ("Effective Date"), is by and between Williams Communications Aircraft, LLC, a Delaware limited liability company and a wholly owned subsidiary of Williams Aircraft, Inc. ("Lessor") and Williams Communications, LLC, a Delaware limited liability company (the "Lessee").

Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor the aircraft described on Schedule "B" attached hereto, together with all engines, equipment, attachments, substitutions, replacements and additions (collectively, the "Aircraft").

1. Certain Definitions: For purposes of this Lease the terms "Additional Charge", "Affiliate", "Change in Control", "Debt", "Encumbrance", "Environmental Laws", "ERISA", "ERISA Event", "GAAP:", "Governmental Authority", "Hazardous Materials", "Material Adverse Affect", "Material Debt", "Notice", "Officer's Certificate", "Overdue Rate", "Permitted Encumbrances", "Person", "Plan", "Prime Rate", "Proceeding", "Transfer", and "WCG" shall have the meanings described for such capitalized terms as contained in the Master Lease dated September 13, 2001, among Williams Headquarters Building Company, Williams Technology Center, LLC, and Williams Communications, LLC. Capitalized terms not otherwise specifically defined in this Lease shall have the meanings described for such capitalized terms as contained in the Credit Agreement dated as of September 8, 1999 (the "Credit Agreement") among Lessee, Bank of America, N.A., The Chase Manhattan Bank and other parties (and capitalized terms contained within such definitions as set forth in the Credit Agreement shall similarly have the meanings described for such capitalized terms therein) with respect to the financial covenants therein. A copy of the Credit Agreement is attached hereto as Exhibit I. Lessee shall provide copies of any amendments or restatements or waivers to the Credit Agreement to Lessor within five (5) days of execution thereof. Such amendments or restatements or waivers shall automatically become a part hereof with respect to the financial covenants.

2. Term and Rent: This Lease is for a term of ten (10) years, beginning September 13, 2001, and ending September 1, 2011. For said term or any portion thereof, Lessee shall pay to Lessor rentals ("Rent") payable in accordance with Schedule "A", of which the first is due October 1, 2001, and the others on a like date of each month thereafter. All Rent shall be paid at Lessor's place of business shown below, or such other place as the Lessor may designate by written notice to the Lessee. All Rent shall be paid without notice or demand and without abatement, deduction or set-off of any amount whatsoever. The operation and use of the Aircraft shall be at the risk of Lessee, and not of Lessor and the obligation of Lessee to pay Rent hereunder shall be unconditional.

2.1 Late Charge; Interest: If any Rent payable to Lessor is not paid when due, Lessee shall pay Lessor on demand, as an Additional Charge, (a) a late charge equal to (i)

two percent (2%) of the amount not paid within five (5) days of the date when due plus (b) if such Rent (including the late charge) is not paid within ten (10) days of the date due, interest thereon at the Overdue Rate from such tenth (10th) day until such Rent (including the late charge and interest) is paid in full.

3. Destruction of Aircraft: If the Aircraft is lost, stolen, totally destroyed, damaged beyond repair or permanently rendered unfit for use for any reason whatsoever, the liability of the Lessee to pay Rent therefor may be discharged by paying to Lessor all the Rent due thereon, plus all the Rent to become due thereon less the net amount of the recovery, if any, actually received by Lessor from insurance or otherwise for such loss or damage. Lessor shall not be obligated to undertake, by litigation or otherwise, the collection of any claim against any person for loss or damage of the Aircraft. Except as expressly provided in this paragraph, the total or partial destruction of the Aircraft, or total or partial loss of use or possession thereof to Lessee, shall not release or relieve Lessee from the duty to pay the Rent herein provided.

4. No Warranties by Lessor; Compliance with Laws and Insurance: Lessor, not being the manufacturer of the Aircraft, nor manufacturer's agent, makes no warranty or representation, either express or implied, as to the fitness, quality, design, condition, capacity, suitability, merchantability or performance of the Aircraft or of the material or workmanship thereof, or that the Aircraft will satisfy the requirements of any law, rule, specification or contract, it being agreed that the Aircraft is leased "as is" and that all such risks, as between the Lessor and the Lessee, are to be borne by the Lessee at its sole risk and expense, Lessee accordingly agrees not to assert any claim whatsoever against the Lessor based thereon. Lessee further agrees, regardless of cause, not to assert any claim whatsoever against the Lessor for loss of anticipatory profits or consequential, indirect, special or punitive damages. Lessor shall have no obligation to test or service the Aircraft. Lessee agrees, at its own cost and expense, (a) to pay all charges and expenses in connection with the operation of the Aircraft; (b) to comply with all governmental laws, ordinances, regulations, requirements and rules with respect to the use and operation of the Aircraft; and (c) to maintain at all times (i) Aircraft hull insurance, including all-risk ground and flight insurance on the Aircraft for the stated value thereof (not to be less than the full current market value as determined annually by the parties) for the term of this Lease, plus other insurance thereon in amounts and against such risks as Lessor may specify, and deliver each policy to Lessor with a standard long form endorsement attached thereto showing loss payable to Lessor as its interest may appear, and (ii) combined single limit liability insurance covering bodily injury liability, property damage liability and passenger liability for the term of this Lease naming Lessor its parent and affiliates as additional insureds to the full extent of the policies carried, but in no event less than $200,000,000.00 per occurrence. Lessee shall deliver to Lessor evidence of such insurance coverage. All insurance policies must provide that no cancellation or non-renewal thereof shall be effective without 30 days prior written notice to Lessor and all insurance policies shall be in form, terms and amounts and with insurance carriers satisfactory to Lessor.

5. Maintenance. Lessee, at its cost and expense, shall:

5.1 perform or cause to be performed all airworthiness directives, mandatory manufacturer's service bulletins, and all other mandatory service, inspections, repair, maintenance, overhaul and testing: (a) as may be required under applicable Federal Aviation Administration (the "FAA") rules and regulations, (b) in the same manner and with the same care as shall be the case with similar aircraft and engines owned by or operated on behalf of Lessee without discrimination, and (c) so as to keep the Aircraft in as good operating condition as when delivered to the Lessee, ordinary wear and tear excepted, with all systems in good operating condition;

5.2 keep the Aircraft in such condition as is necessary to enable the airworthiness certification of the Aircraft to be maintained at all times under applicable FAA regulations and any other applicable law, including, but not limited to any equipment modifications or installations required by the FAA;

5.3 maintain, in the English language, all records and other materials required by and in a manner acceptable to the FAA and any other governmental entity having jurisdiction over the Aircraft and its operation;

5.4 Lessee shall furnish Lessor reports on an annual basis a list of those service bulletins, airworthiness directives and engineering modifications incorporated on the Aircraft during the preceding calendar year.

6. Taxes: Lessee agrees that, during the term of this Lease, in addition to the Rent and all other amounts provided herein to be paid, it will promptly pay all taxes, assessments and other governmental charges (including penalties and interest, if any, and fees for titling or registration, if required) levied or assessed: (a) upon the interest of the Lessee in the Aircraft or upon the use or operation thereof or on the earnings arising therefrom; and (b) against Lessor on account of its acquisition or ownership of the Aircraft, or the use or operation thereof or the leasing thereof to the Lessee, or the Rent herein provided for, or the earnings arising therefrom, exclusive, however, of any taxes based on net income of Lessor ("Taxes"). Lessee agrees to file, on behalf of Lessor, all required tax returns and reports concerning the Aircraft with all appropriate governmental agencies, and within not more than 45 days after the due date of such filing to send Lessor confirmation, in form satisfactory to Lessor, of such filing.

6.1 Lease Characterization: Lessor and Lessee agree that the terms of this Lease create an operating lease for federal and state income tax purposes. Consistent with the foregoing, Lessor intends to retain all tax benefits associated with this Lease and Lessee agrees not to take an inconsistent position on its federal or state income tax filings. If any action taken by one party under this Lease causes this Lease to be ultimately determined by

any taxing authority not to be an operating lease, that party shall indemnify the other party for any resulting increase in the other party's federal or state income tax liability for any period.

6.2 Permitted Contests: Lessee, on its own or on Lessor's behalf or in Lessor's name, but at Lessee's sole cost and expense, shall have the right to contest, by an appropriate legal proceeding conducted in good faith and with due diligence, the amount or validity of any levy or assessment of Taxes provided (a) prior notice of such contest is given to Lessor, (b) the Aircraft would not be in any danger of being sold, forfeited or attached as a result of such contest, and there is no risk to Lessor of a loss of or interruption in the payment of Rent, (c) in the case of unpaid Taxes, collection thereof is suspended during the pendency of such contest, and (d) compliance may legally be delayed pending such contest. Upon request of Lessor, Lessee shall deposit funds or assure Lessor in some other manner reasonably satisfactory to Lessor that the Taxes, together with interest and penalties, if any, thereon, and any and all costs for which Lessee is responsible will be paid if and when required upon the conclusion of such contest. Lessee shall defend, indemnify and save harmless Lessor from all costs or expenses arising out of or in connection with any such contest, including but not limited to payment of Taxes and attorneys' fees. If at any time Lessor reasonably determines that payment of the Taxes contested by Lessee is necessary in order to prevent loss of the Aircraft or Rent or civil or criminal penalties or other damage, upon such prior notice to Lessee as is reasonable in the circumstances Lessor may pay such amount or take such other action as it may deem necessary to prevent such loss or damage. If reasonably necessary, upon Lessee's written request Lessor, at Lessee's expense, shall cooperate with Lessee in a permitted contest, provided Lessee upon demand reimburses Lessor for Lessor's costs incurred in cooperating with Lessee in such contest.

7. Lessor's Right of Inspection and Identification of Aircraft: All equipment, engines, radios, accessories, instruments and parts now or hereafter used in connection with the Aircraft shall become part of the Aircraft by accession. Lessor warrants that the Aircraft is not registered under the laws of any foreign country. Lessee shall permit Lessor or its designee, on 5 days prior written notice to visit and inspect the Aircraft, its condition, use and operation, and the records maintained in connection therewith, at any reasonable time without interfering with the normal operation of the Aircraft, at Lessor's cost and expense, provided that no Default or Event of Default has occurred and is continuing. Lessor shall have no duty to make any such inspection and shall not incur any liability or obligation by reason of not making any such inspection. Lessor's failure to object to any condition or procedure observed or observed in the course of an inspection hereunder shall not be deemed to waive or modify any of the terms of this Lease with respect to such condition or procedure.

8. Possession and Place of Use: The Aircraft shall be based at the location specified in Schedule "B", and shall not be permanently removed therefrom without Lessor's prior written

consent. Lessee shall not, without Lessor's prior written consent, (a) part with possession or control of the Aircraft, (b) attempt or purport to sell, pledge, mortgage or otherwise encumber the Aircraft or otherwise dispose of or encumber any interest under this Lease, or (c) fly or permit the Aircraft to be flown or located outside the area covered by insurance required by paragraph 3 of this Lease.

9. Lessee's Warranties: Lessee warrants that the Aircraft will be registered under the laws of the United States and will not be registered under the laws of any foreign country; that the Aircraft and/or equipment will not be held, maintained or used in violation of any law, regulation, ordinance or policy of insurance affecting the maintenance, use or flight of Aircraft. These warranties are conditions of Lessee's right of possession and use, and delivery is made in reliance thereon.

10. Performance of Obligations of Lessee by Lessor: In the event that Lessee shall fail duly and promptly to perform any of its obligations under the provisions of this Lease, Lessor may, at its option, perform the same for the account of Lessee without thereby waiving such default, and any amount paid or expense (including reasonable attorneys' fees), penalty or other liability incurred by Lessor in such performance, together with interest at the Overdue Rate until paid by Lessee to Lessor, shall be payable by Lessee upon demand as additional rent for the Aircraft.

11. Purchase Option: At any time during the term of this Lease, if Lessee has paid in full all rentals owing hereunder and is not in default hereunder, Lessee shall have the option to purchase the Aircraft for an amount equal to the greater of (1) fair market value of the Aircraft or (2) the Termination Value in accordance with Schedule "C" plus accrued interest. Lessee shall give Lessor written notice of its intent to exercise such option not less than 30 days prior to the transfer of the Aircraft to Lessee. Fair market value shall be determined by a mutually agreed upon independent aircraft broker. If the parties cannot agree on the selection of a broker, each party shall designate a broker. Such selected brokers will then select a third broker to appraise the Aircraft. Such third party broker appraisal shall be binding upon the parties.

Lessee shall also have the right to purchase the Aircraft as of October 1, 2006 ("Early Buy-Out Option") for the Termination Value for such date in accordance with Schedule "C" plus accrued interest.

Lessee shall also be responsible for all transaction costs associated with any exercise in accordance with this Section 11.

12. Put Option: Upon the expiration of the original term of this Lease, Lessor shall have the option to require the Lessee to purchase the Aircraft for an amount equal to the agreed fair market value of the Aircraft as defined in Section 11 hereof. Lessor shall provide Lessee written notice of its intent to exercise such option not less than 30 days prior to the expiration of the original term of this Lease.

Lessee shall also be responsible for all transaction costs associated with any exercise in accordance with this Section 12.

13. Default: An event of default ("Event of Default") shall occur if:

(a) Lessee fails to pay or cause to be paid the Rent when due and payable;

(b) Either Lessee or WCG, has a petition in bankruptcy filed against it, is adjudicated a bankrupt or has an order for relief thereunder entered against it, or a court of competent jurisdiction enters an order or decree appointing a receiver of Lessee or WCG or of the whole or substantially all of its property, or approving a petition filed against Lessee seeking reorganization or arrangement of Lessee under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof, any such judgment, order or decree is not vacated or set aside or stayed within sixty (60) days from the date of the entry thereof, subject to the applicable provisions of the Bankruptcy Code (11 U.S.C. Section 101, et seq);

(c) Lessee or WCG: (i) admits in writing its inability to pay its debts generally as they become due, (ii) files a petition in bankruptcy or a petition to take advantage of any insolvency law, (iii) makes a general assignment for the benefit of its creditors, (iv) consents to the appointment of a receiver of itself or of the whole or any substantial part of its property, or (v) files a petition or answer seeking reorganization or arrangement under the Federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof, subject to the applicable provisions of the Bankruptcy Code (11 U.S.A. Section 101, et seq);

(d) Lessee or WCG, is liquidated or dissolved, or begins a Proceeding toward liquidation or dissolution, or has filed against it a petition or other Proceeding to cause it to be liquidated or dissolved and the Proceeding is not dismissed within thirty (30) days thereafter, or Lessee in any manner permits the sale or divestiture of substantially all of its assets;

(e) The estate or interest of Lessee in the Aircraft or any part thereof is levied upon or attached in any Proceeding and the same is not vacated or discharged within thirty (30) days thereafter (unless Lessee is in the process of consenting such lien or attachment in good faith);

(f) Any representation or warranty made by Lessee in the Membership Interest Purchase Agreement or in the certificate delivered in connection therewith shall prove to be incorrect in any material respect when made or deemed made, Lessor is materially and adversely affected thereby and Lessee fails within twenty (20) days after Notice from Lessor thereof to cure such condition by terminating such adverse effect and making Lessor whole for any damage suffered therefrom, or, if with due diligence such cure cannot be effected within twenty (20) days, if Lessee has failed to commence to cure the same within the twenty (20) days or failed thereafter to proceed promptly and with due diligence to cure such condition and complete such cure prior to the time that such condition causes a default in any other lease to which Lessee is subject and prior to the time that

the same results in civil or criminal penalties to Lessor, Lessee, or any Affiliates of any of such parties or the Aircraft;

(g) A Transfer occurs without the prior written consent of Lessor;

(h) Except as otherwise provided in subsection (m) below, a default occurs under any Material Debt when and as the same become due and payable (subject to any applicable grace period);

(i) Lessee fails to purchase the Aircraft if and as required under this Lease;

(j) Lessee or WCG breaches any of the financial covenants set forth in Section 14 hereof and the breach is not cured within a period of thirty (30) days after the earlier to occur of (i) the Notice thereof from Lessor, or (ii) knowledge thereof by Lessee or WCG;

(k) Lessee fails to observe or perform any other term, covenant or condition of this Lease and the failure is not cured by Lessee within a period of thirty (30) days after Notice thereof from Lessor:

(l) Lessee breaches any representation or warranty made by it in this Lease;

(m) An Event of Default as defined in the Credit Agreement, occurs and an acceleration of any of the Loans as defined in the Credit Agreement results;

(n) One or more judgments for the payment of money in an aggregate amount in excess of $25,000,000 shall be rendered against Lessee or WCG, or any combination thereof and the same shall remain undischarged for a period of thirty (30) consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of Lessee or WCG to enforce any such judgment;

(o) An ERISA Event shall have occurred that, in the opinion of the Lessor, when taken together with all other ERISA Events that have occurred, could reasonable be expected to result in liability of Lessee or WCG in an aggregate amount exceeding $25,000,000 for all periods;

(p) Lessee fails to maintain the Aircraft in accordance with the terms of this Lease;

(q) A Change in Control shall occur;

(r) Lessee fails to observe or perform any provisions of Section 4 and Section 14.4 regarding insurance; or

(s) Lessee defaults on any other Aircraft Dry Lease dated concurrently herewith.

Upon the occurrence of an Event of Default, Lessor, at Lessor's option, may: (a) proceed by appropriate court action or actions or other proceedings either at law or in equity to enforce performance by Lessee of any and all covenants of this Lease and to recover damages for the breach thereof; (b) demand that Lessee deliver the Aircraft forthwith to Lessor at Lessee's expense at such place as Lessor may designate; (c) Lessor and/or Lessor's agents may, without notice or liability or legal process, enter into any premises of or under control or jurisdiction of Lessee or any agent of Lessee where the Aircraft may be or by Lessor is believed to be, and repossess the Aircraft, using all force necessary or permitted by applicable law so to do, Lessee hereby expressly waiving all further rights to possession of the Aircraft and all claims for injuries suffered through or loss caused by such repossession; (d) terminate this Lease, whereupon Lessee shall, without further demand, as liquidated damages for loss of the bargain and not as a penalty forthwith pay to Lessor any unpaid Rent that accrued on or before the occurrence of the event of default plus an amount equal to the difference between the value, as of the date of the occurrence of such event of default, of the aggregate Rent reserved hereunder for the unexpired term of this Lease and the then value of the aggregate rental value of the Aircraft for such unexpired term which the Lessor reasonably estimates to be obtainable for the use of the Aircraft during such unexpired terms. Should any proceedings be instituted by or against Lessor for monies due to Lessor hereunder and/or for possession of the Aircraft or for any other relief, Lessee shall pay a reasonable sum as attorneys' fees. If any statute governing the proceeding in which damages are to be proved specifies the amount of such claim, Lessor shall be entitled to prove as and for damages for the breach an amount equal to that allowed under such statute. The remedies of this Lease provided in favor of Lessor shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in its favor existing at law or in equity, and the exercise, or beginning of exercise by Lessor of any one or more of such remedies shall not preclude the simultaneous or later exercise by Lessor of any or all such remedies. No express or implied waiver by Lessor of any event of default hereunder shall in any way be, or be construed to be, a waiver of any future or subsequent events of default.

14. Covenants: Lessee represents, warrants and covenants that:

14.1 Existence; Conduct of Business. Lessee and WCG each will (i) continue to engage in business of the same general type as now conducted and (ii) do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges, franchises, patents, copyrights, trademarks and trade names material to the conduct of its business.

14.2 Payment of Obligations. Lessee and WCG each (i) will pay its Debt and other material obligations, including tax liabilities, before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate legal process, (b) has set aside on its books adequate reserves with respect thereto in accordance with GAAP, (c) such contest effectively suspends collection of the

contested obligation and the enforcement of any Encumbrance securing such obligation and (d) the failure to make payment pending such contest could not reasonably be expected to result in a Material Adverse Effect and (ii) shall not breach, in any material respect, or permit to exist any material default under, the terms of any material lease, commitment, contract, instrument or obligation to which it is a party, or by which its properties or assets are bound, except where the failure to do the foregoing would not in the aggregate have a Material Adverse Effect.

14.3 Maintenance of Properties. Lessee and WCG each will keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted.

14.4 Insurance. In addition to the insurance required in Section 4, Lessee and WCG each will maintain, with financially sound and reputable insurance companies, insurance in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations. As of the Effective Date, all premiums in respect of all insurance described in the Lease have been paid. Lessee shall deliver an insurance certificate to Lessor as of the Effective Date evidencing all such insurance coverages.

14.5 Casualty and Condemnation. The Lessee will furnish to Lessor prompt written notice of any casualty or other insured damage to any portion of any of Lessor's property or assets or the commencement of any action or Proceeding for the taking of any of Lessor's property or assets or any part thereof or interest therein under power of eminent domain or by condemnation or similar Proceeding (in each case with a value in excess of $10,000,000).

14.6 Books and Records; Inspection and Audit Rights. Lessee and WCG each will keep proper books of record and account in which materially full, true and correct entries are made of all dealings and transactions in relation to its business and activities. Lessee and WCG each will permit any representatives designated by the Lessor at the expense of Lessor, or, if an Event of Default shall have occurred and be continuing, at the expense of the Lessee, upon reasonable prior notice, to visit and inspect its properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and independent accountants, all at such reasonable times and as often as reasonably requested.

14.7 Compliance with Laws. Lessee and WCG each will comply with all laws, rules, regulations and orders of any Governmental Authority applicable to it or its property (including, without limitation, Environmental Laws and ERISA and the rules and regulations thereunder), except where the necessity of compliance therewith is contested in good faith

by appropriate action and such failure to comply, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

14.8 Further Assurances. At any time and from time to time, Lessee will execute any and all further documents, financing statements, agreements and instruments, and take all such further actions (including the filing and recording of financing statements, fixture filings, mortgages, deeds of trust and other documents), which may be required under any applicable law, or which the Lessor may reasonably request, to effectuate the transactions contemplated by this Lease or to grant, preserve, protect or perfect the Encumbrances created or intended to be created in connection with this Lease or any of the other documents contemplated herein, required to be in effect or the validity or priority of any such Encumbrance, all at the expense of Lessee and Lessor. Lessee and Lessor also agree to provide to Lessor, from time to time upon request, evidence reasonably satisfactory to Lessor as to the perfection and priority of the Encumbrance created or intended to be created in connection with this Lease or any of the other documents contemplated herein.

14.9 Pledge or Encumber Assets. Lessee shall not pledge or otherwise encumber any of its assets, other than leased equipment used in the operation of the Aircraft.

14.10 Encumbrances. Lessee will not create, incur, assume or permit to exist any Encumbrance on any property or asset now owned or hereafter acquired by it, or assign or sell any income or revenues or rights in respect of any thereof, except for any Permitted Encumbrances or Encumbrances created in connection with or specifically contemplated by this Lease or permitted by the Credit Agreement.

14.11 Fundamental Changes. Lessee and WCG each will not merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or liquidate or dissolve, except that, if at the time thereof and immediately after giving effect thereto no Event of Default shall have occurred and be continuing (i) any Person may merge into the Lessee in a transaction in which the Lessee is the surviving entity, provided that any such merger involving a Person that is not a wholly owned by Lessor immediately prior to such merger shall not be permitted, and (ii) any person may merge into the Lessee in a transaction in which the Lessee is the surviving corporation.

14.12 Other Material Agreements. Lessee shall not (i) enter into any other material agreement relating to any portion of the Aircraft, or (ii) if entered into with Lessor's consent, thereafter, amend, modify, renew, replace or otherwise change the terms of any such material agreement without the prior written consent of Lessor.

14.13 Total Net Debt to Contributed Capital Ratio. The Total Net Debt to Contributed Capital ratio shall at no time prior to January 1, 2002 exceed .65 to 1.00.

14.14 Minimum EBITDA. The amount equal to (i) EBITDA for the period of four (4) fiscal quarters ending during any period set forth below plus (ii) ADP Interest Expense for such period minus (iii) gains for such period attributable to Dark Fiber and Capacity Dispositions plus (iv) Dark Fiber and Capacity Proceeds for such period shall not be less than the amount set forth below opposite such period:

PERIOD	AMOUNT
January 1,2001-March 31, 2001	$200,000,000
April 1, 2001-June 30, 2001	$300,000,000
July 1, 2001-September 20, 2001	$350,000,000
October 1, 2001-December 31, 2001	$350,000,000

14.15 Total Leverage Ratio. (a) The Total Leverage Ratio during any period set forth below shall not exceed the ratio set forth below opposite such period:

PERIOD	TOTAL LEVERAGE RATIO
March 31, 2001-December 30, 2001	12.50:1.00
December 31, 2002-December 30, 2003	9.50:1.00
December 31, 2003 and thereafter	4.00:1.00

14.16 Senior Leverage Ratio. The Senior Leverage Ratio during any period set forth below shall not exceed the ratio set forth below opposite such period:

PERIOD	SENIOR LEVERAGE RATIO
March 31, 2002-December 30, 2002	5.25:1.00
December 31, 2002-December 30, 2003	3.25:1.00
December 31, 2003 and thereafter	2.50:1.00

14.17 Interest Coverage Ratio. The Interest Coverage Ratio for any period of four (4) consecutive fiscal quarters ending during any period set forth below shall not be less than the ratio set forth below opposite such period:

PERIOD	INTEREST COVERAGE RATIO
June 30, 2002-June 29, 2003	1.00:1.00
June 30, 2003-December 30, 2003	1.50:1.00
December 31, 2003 and thereafter	2.00:1.00

14.18 Organization; Powers. Lessee is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, has all requisite power and authority to carry on its business as now conducted and, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required.

14.19 Authorization; Enforceability. The execution of and performance under this Lease is within Lessee's' entity powers and has been duly authorized by all necessary member, corporate and, if required, stockholder action as the case may be. This Lease has been duly executed and delivered by Lessee and constitutes a legal, valid and binding obligation of the Lessee, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a Proceeding in equity or at law.

14.20 Governmental Approvals; No Conflicts. The Lease or any of the other documents contemplated herein, (a) does not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect and except filings necessary to perfect Lessor's rights under this Lease, (b) will not violate any applicable law or regulation or the charter, by-laws or other organizational documents of Lessee or Lessor or any order of any Governmental Authority, (c) will not violate or result in a default under any indenture, agreement or other instrument binding upon Lessee or Lessor or any of their respective assets, or give rise to a right thereunder to require any payment to be made by Lessee or Lessor, and (d) will not result in the creation or imposition of any Encumbrance on any asset of Lessee or Lessor, except any Encumbrance created by or in accordance with the Lease.

14.21 Material Adverse Change. Since December 31, 2000, there has been no Material Adverse Change.

14.22 Properties. Lessee has good title to, or valid leasehold interests in, all its real and personal property material to its business, except for minor defects in title that do not interfere with its ability to conduct its business as currently conducted or to utilize such properties for their intended purposes. None of the properties and assets of Lessee or Lessor is subject to any Encumbrance other than Permitted Encumbrances, and Encumbrances created by or in connection with this Lease.

14.23 Intellectual Property. Lessee owns, or is licensed to use, all trademarks, trade names, copyrights, patents and other intellectual property material to its business, and the use thereof by Lessee does not infringe upon the rights of any other Person, except for any such infringements that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

14.24 Litigation and Environmental Matters. There is no action, suit or Proceeding by or before any arbitrator or Governmental Authority pending against or, to the knowledge of Lessee or Lessor, threatened against or affecting Lessee or WCG (i) as to which there is a reasonable possibility of an adverse determination and that, if adversely determined, could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect or (ii) that involve this Lease or any of the other documents contemplated herein.

14.24.1 Environmental Compliance. Except with respect to other matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, Lessee (i) has not failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has not become subject to any liability with respect to any Environmental Law, (iii) has not received written notice of any claim with respect to any Environmental Law or (iv) does not know of any basis for any violations of any Environmental Law or any release, threatened release or exposure to any Hazardous Materials that is likely to form the basis of any liability under any Environmental Law.

14.25 Compliance with Laws and Agreements. Lessee is in compliance with all laws, regulations and orders of any Governmental Authority applicable to it or its property and all indentures, agreements and other instruments binding upon it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. No Event of Default has occurred and is continuing.

14.26 Investment and Holding Company Status. Lessee is not (a) an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940 or (b) a "holding company" as defined in, or subject to regulation under, the Public Utility Holding Company Act of 1935.

14.27 Taxes. Lessee or WCG has timely filed or caused to be filed all tax returns and reports required to have been filed and has paid or caused to be paid all taxes required to have been paid by or with respect to it, except (a) taxes that are being contested in good faith by an appropriate Proceeding and for which Lessee or Lessor, as applicable, has set aside on its books adequate reserves or (b) to the extent that the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

14.28 ERISA. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, could reasonably be expected to result in a Material Adverse Effect. The present value of all accumulated benefit obligations under each Plan (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the date of the most recent financial statements reflecting such amounts, exceed by more than $25,000,000 the fair market value of the assets of such Plan, and the present value of all accumulated benefit obligations of all underfunded Plans (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the date of the most recent financial statements reflecting such amounts, exceed by more than $25,000,000 the fair market value of the assets of all such underfunded Plans.

14.29 Disclosure. Lessee has disclosed all agreements, instruments and corporate or other restrictions to which Lessee is subject, and all other matters known to Lessee, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. None of the reports, financial statements, certificates or other information furnished by or on behalf of Lessee in connection with the negotiation of this Lease or delivered hereunder (as modified or supplemented by other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, with respect to projected financial information, Lessee represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

14.30 Labor Matters. As of the Effective Date, there are no strikes, lockouts or slowdowns against Lessee pending or, to the knowledge of Lessee, threatened. The hours worked by and payments made to employees of Lessee have not been in violation of the Fair Labor Standards Act or any other applicable Federal, state, local or foreign law dealing with such matters. All payments due from Lessee, or for which any claim may be made against Lessee, on account of wages and employee health and welfare insurance and other benefits, have been paid or accrued as a liability on the books of Lessee. The execution of this Lease has not and will not give rise to any right of termination or right of renegotiation on the part of any union under any collective bargaining agreement by which Lessee is bound.

14.31 No Burdensome Restrictions. No contract, lease, agreement or other instrument to which Lessee is a party or by which any of its property is bound or affected, no charge, corporate restriction, judgment, decree or order and no provision of applicable law or governmental regulation could reasonably be expected to have Material Adverse Effect.

14.32 Representations True and Correct. As of the dates when made and as of the Effective Date, each representation and warranty of Lessee thereto contained in this Lease or any other documents executed in connection herewith, is true and correct.

15. OFFICER'S CERTIFICATES AND FINANCIAL STATEMENTS. Lessee shall furnish or cause to be furnished to one another:

15.1 Fiscal Year Information. (i) within 90 days after the end of each fiscal year of WCG, its audited consolidated balance sheets and related audited consolidated statements of operations, stockholders' or members' equity and cash flows as of the end of and for such fiscal year (including segment reporting with respect to each of WCG's business segments consistent), setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by Ernst & Young LLP or other independent public accountants of recognized national standing (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of WCG on a consolidated basis in accordance with

GAAP consistently applied, and (ii) within 90 days after the end of each fiscal year of WCG, supplemental unaudited balance sheets and related unaudited statements of operations, stockholders' or members' equity and cash flows as of the end of and for such fiscal year, setting forth in tabular form in each case the figures for the previous year, for WCG and the consolidating adjustments with respect thereto.

15.2 Quarterly Information. (i) within 45 days after the end of each of the first 3 fiscal quarters of each fiscal year of WCG, unaudited consolidated and consolidating balance sheets and related consolidated and consolidating statements of operations, stockholders' or members' equity and cash flow of WCG as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of the previous fiscal year (or in the case of the balance sheet, as of the end of the previous fiscal year), all certified by an Officer's Certificate as presenting fairly in all material respects the financial condition and results of operations of WCG on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes and (ii) within 45 days after the end of each of the first 3 fiscal quarters of each fiscal year of WCG, unaudited balance sheets and related statements of operations, stockholders' or members' equity and cash flow of Lessor as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of the previous fiscal year (or, in the case of the balance sheet, as of the end of the previous fiscal year) all certified by a Officer's Certificate as presenting fairly in all material respects the financial condition and results of operations of WCG in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes.

15.3 Officers Certificate. Concurrently with any delivery of financial statements in accordance with this Lease, an Officer's Certificate of the Lessee (i) certifying as to whether an Event of Default has occurred and, if an Event of Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (ii) setting forth in reasonable detail calculations demonstrating compliance with Sections 14.13 through 14.17, and (iii) stating whether any change in GAAP or in the application thereof has occurred since the date referred to in paragraph 14.24 and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such Officer's Certificate.

15.4 Accounting Firm Certificate. Concurrently with any delivery of financial statements in accordance with this Lease, a certificate of the accounting firm that reported on such financial statements stating whether they obtained knowledge during the course of their examination of such financial statements of any Event of Default (which certificate may be limited to the extent required by accounting rules or guidelines).

15.5 Budget. As soon as practicable after approval by the Board of Directors of WCG, and in any event not later than 120 days after the commencement of each fiscal year of Lessor, a consolidated and consolidating budget of WCG for such fiscal year and a consolidated budget of WCG for such fiscal year and, promptly when available, any significant revisions of any such budget.

15.6 SEC Filings. Promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and other materials filed by WCG or any of its Affiliates with the SEC, or any Governmental Authority succeeding to any or all of the functions of the SEC, or with any national securities exchange, or distributed by WCG to its members generally, as the case may be, except to the extent any such report, proxy statement or other material is available electronically on a publicly-accessible website.

15.7 Other Information. Promptly following any request therefor, such other information regarding the operations, business affairs and financial condition of Lessee, or compliance with the terms of this Lease or any of the documents contemplated herein.

15.8 Credit Agreement Information. To the extent not previously covered by the provisions of this paragraph, copies of all information provided by Lessee or any Affiliates pursuant to the Credit Agreement, contemporaneously with its delivery pursuant thereto.

16. NOTICES OF MATERIAL EVENTS. Upon knowledge thereof, Lessee will furnish prompt written notice of the following. Each notice delivered under this paragraph shall be accompanied by a statement of an Officer's Certificate, duly executed, setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

16.1 Event of Default. The occurrence of any Event of Default.

16.2 Action, Suit or Proceeding. The filing or commencement of any action, suit or Proceeding by or before any arbitrator or Governmental Authority against or affecting Lessee, WCG or any Affiliate thereof that could reasonably be expected to result in a Material Adverse Effect.

16.3 ERISA Event. The occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, could reasonably be expected to result in a Material Adverse Effect.

16.4 Credit Agreement. Any change or modification to the Credit Agreement.

16.5 Other Matters. Any other development that results in, or could reasonably be expected to result in, a Material Adverse Effect.

17. Indemnity: Lessee agrees that Lessor shall not be liable to Lessee for, and Lessee shall indemnify and save Lessor, its parent and affiliated companies harmless from and against any and all liability, loss, damage, expense, causes of action, suits, claims or judgments arising from or caused directly or indirectly by (a) Lessee's failure to promptly perform any of its obligations under the provisions of this Lease, (b) injury to person or property resulting from or based upon the actual or alleged use, operation, delivery or transportation of the Aircraft or its location or condition, or (c) inadequacy of the Aircraft for any purpose or any deficiency or defect therein or the use or

maintenance thereof or any repairs, servicing or adjustments thereto or any delay in providing or failure to provide any thereof or any interruption or loss of service or use thereof or any loss of business; and shall, at its own cost and expense, defend any and all suits which may be brought against Lessor, either alone or in conjunction with others upon any such liability or claim or claims and shall satisfy, pay and discharge any and all judgments and fines that may be recovered against Lessor in any such action or actions, provided, however, that Lessor shall give Lessee written notice of any such claim or demand.

18. Assignments and Notices: Neither this Lease nor Lessee's rights hereunder shall be assignable except with Lessor's written consent; the conditions hereof shall bind any permitted successors and assigns of Lessee. Lessor may assign this Lease without consent of Lessee. Lessee, after receiving notice of any assignment, shall abide thereby and make payment as may therein be directed. Following such assignment, solely for the purpose of determining assignor's rights hereunder, the term "Lessor" shall be deemed to include or refer to Lessor's assignee. All notices relating hereto shall be delivered in person to an officer of Lessor or Lessee or shall be mailed to Lessor or Lessee at its respective address herein shown or at any later address last known to the sender.

19. Further Assurances: Lessee shall execute and deliver to Lessor, upon Lessor's request, such instruments and assurances as Lessor deems necessary or advisable for the confirmation or perfection of this Lease and Lessor's rights hereunder, including the filing or recording of this Lease at Lessor's option.

20. Counterparts: This Lease may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one in the same instrument.

21. Entire Agreement: There are no oral or written agreements or representations between the parties hereto affecting this Lease. This Lease supersedes and cancels any and all previous negotiations, arrangements, representations, brochures, agreements and understandings, if any, between Lessor and Lessee.

22. Governing Law: This Lease is executed and delivered in the State of Oklahoma, and except insofar as the law of another state or jurisdiction may be mandatorily applicable, shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of said State.

23. Truth-in-Leasing Clause: THE AIRCRAFT HAS BEEN MAINTAINED AND INSPECTED UNDER FEDERAL AVIATION REGULATION PART 91 FOR THE 12 MONTHS PRECEDING THE DATE OF THIS LEASE. THE AIRCRAFT WILL BE MAINTAINED AND INSPECTED UNDER FEDERAL AVIATION REGULATION PART 91 FOR OPERATIONS TO BE CONDUCTED UNDER THIS LEASE. THE LESSEE CERTIFIES THAT IT IS RESPONSIBLE FOR OPERATIONAL CONTROL OF THE AIRCRAFT AND THAT IT UNDERSTANDS ITS RESPONSIBILITIES FOR COMPLIANCE WITH APPLICABLE

FEDERAL AVIATION REGULATIONS. AN EXPLANATION OF THE FACTORS BEARING ON OPERATIONAL CONTROL AND THE PERTINENT FEDERAL AVIATION REGULATIONS CAN BE OBTAINED FROM THE NEAREST FAA FLIGHT STANDARDS DISTRICT OFFICE.

LESSOR:	LESSEE:
WILLIAMS COMMUNICATIONS AIRCRAFT, LLC	WILLIAMS COMMUNICATIONS, LLC
By: ----------	By: ----------
Name: ----------	Name: ----------
Title: ----------	Title: ----------

Signature page to Aircraft Dry Lease (N352WC) by and between Williams Communications Aircraft, LLC and Williams Communications, LLC dated September 11, 2001

SCHEDULE "A"

RENT -N352WC

Rent shall be payable in one hundred and twenty (120) equal successive monthly rental payments in an amount as would be necessary to amortize $4,000,000 on a straight-line basis over a period of one hundred and twenty (120) months plus interest calculated at the Interest Rate as set forth below:

The following definitions shall apply to this SCHEDULE "A":

"ABR", when used herein, refers to interest at a rate determined by reference to the Alternate Base Rate.

"Applicable Margin" means, for any day, the applicable rate per annum set forth below under the caption "Eurodollar Spread" or "ABR Spread", as the case may be, based upon the Lessee's Bank Facility Rating set by S&P and Moody's, respectively, applicable on such date plus (ii) the applicable rate per annum set forth below under the caption "Leverage Premium", unless the Total Leverage Ratio, as determined by reference to the financial statements delivered to the Lessor in respect of the most recently ended fiscal quarter of WCG, is less than 6:00 to 1:00.

"Eurodollar", when used herein, refers to interest at a rate determined by reference to the Adjusted LIBO Rate.

"LIBO Rate" means, with respect to any Eurodollar Rate, the rate appearing on Page 3750 of the Telerate Service (or on any successor or substitute page of such Service, or any successor to or substitute for such Service, providing rate quotations comparable to those currently provided on such page of such Service, as determined by the Lessor from time to time for purposes of providing quotations of interest rates applicable to dollar deposits in the London interbank market) at approximately 11:00 a.m., London time, two (2) Business Days prior to the FIRST DAY of each calendar month, as the rate for dollar deposits with a maturity of thirty (30) days. In the event that such rate is not available at such time for any reason, then the "LIBO Rate" shall be the rate (rounded upwards, if necessary, to the next 1/16 of 1%) at which dollar deposits of $5,000,000 and for a maturity of thirty (30) days are offered by the principal London office of the CitiBank, N.A., in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, two (2) Business Days prior to the FIRST DAY of each calendar month. IN EITHER CASE, THE APPLICABLE LIBO RATE SHALL BE EFFECTIVE FOR THE CALENDAR MONTH NEXT SUCCEEDING THE CALENDAR MONTH COMMENCING IMMEDIATELY AFTER SUCH DETERMINATION.

"Moody's" means Moody's Investors Service, Inc.

"S&P" means Standard & Poor's Ratings Services, a division of the McGraw Hill Companies.

"WCG" means Williams Communications Group, Inc., a Delaware corporation, and the parent company of Williams Communications, LLC.

Interest Rate Calculation

At Lessee's option, ABR plus Applicable Margin or LIBO Rate plus Applicable Margin (the "Rate") as determined from time to time by S&P or by Moody's based on Lessee's Facilities Rating in accordance with the grid below:

	Facilities Rating of Lessee	ABR Spread	Eurodollar Spread	Leverage Premium
Level I	BBB- and Baa3 or higher	0.50%	1.50%	.25%
Level II	BB+ and Ba1	0.875%	1.875%	.25%
Level III	BB and Ba2	1.25%	2.25%	.25%
Level IV	BB- and Ba3	1.50%	2.50%	.25%
Level V	Lower than BB- or lower than Ba3	1.75%	2.75%	.25%

For purposes of the foregoing (i) if neither S&P nor Moody's or any replacement or successor facility of similar size shall have in effect a rating for the Facilities, then the Applicable Margin shall be the rate set forth in Level V, (ii) if either S&P or Moody's, but not bot S&P or Moody's, shall have in effect a rating for the Facilities, then the Applicable Margin shall be based on such rating, (iii) if the ratings established by S&P or Moody's for the Facilities shall fall within different Levels, then the Applicable Margin shall be based on the lower of the two ratings, (iv) if the ratings established by S&P or Moody's for the Facilities shall fall within the same Level, then the Applicable Margin shall be based on that Level and (v) if the ratings established by S&P or Moody's for the Facilities shall be changed (other than as a result of a change in the rating system of S&P of Moody's), such change shall be effective as of the date on which it is first announced by the applicable rating agency. Each change in the Applicable Margin shall apply during the period commencing on the effective date of such change and engine on the date immediately preceding the effective date of the next such change.

SCHEDULE "B"

Cessna model 560 Citation V aircraft with manufacturer's serial number 560-0194 and United States nationality and registration marks N352WC.

Pratt & Whitney model JT15D-5D aircraft engines with manufacturer's serial numbers PCE-108400 and PCE-108397, each of which is capable of producing 750 or more rated takeoff horsepower.

Such aircraft shall be based at Tulsa International Airport, City of Tulsa, State of Oklahoma, Country of U.S.A.

SCHEDULE "C"

Termination Value

The Termination Value of the Aircraft shall be set forth opposite the applicable rent payment, plus accrued interest to such date.

CAPITALIZED LESSOR'S COST: $4,000,000.00

Payment Number	Monthly Period	Termination Value as a % of Cost	(1) Ten Year Straight-Line Amortization	(2) Unamortized Balance	(3) Monthly Depreciation Benefits	(4) Present Value of Depreciation Benefits	(2) + (4) Termination Value
1	10/1/01	133.83%	$33,333.33	$4,000,000.00	$66,666.67	$1,353,143.02	$5,353,143.02
2	11/1/01	131.55%	$33,333.33	$3,966,666.67	$66,666.67	$1,295,497.31	$5,262,163.97
3	12/1/01	129.27%	$33,333.33	$3,933,333.33	$66,666.67	$1,237,467.29	$5,170,800.62
4	1/1/02	126.98%	$33,333.33	$3,900,000.00	$26,666.67	$1,179,050.40	$5,079,050.40
5	2/1/02	125.67%	$33,333.33	$3,866,666.67	$26,666.67	$1,160,244.07	$5,026,910.74
6	3/1/02	124.37%	$33,333.33	$3,833,333.33	$26,666.67	$1,141,312.37	$4,974,645.70
7	4/1/02	123.06%	$33,333.33	$3,800,000.00	$26,666.67	$1,122,254.45	$4,922,254.45
8	5/1/02	121.74%	$33,333.33	$3,766,666.67	$26,666.67	$1,103,069.48	$4,869,736.15
9	6/1/02	120.43%	$33,333.33	$3,733,333.33	$26,666.67	$1,083,756.61	$4,817,089.94
10	7/1/02	119.11%	$33,333.33	$3,700,000.00	$26,666.67	$1,064,314.99	$4,764,314.99
11	8/1/02	117.79%	$33,333.33	$3,666,666.67	$26,666.67	$1,044,743.75	$4,711,410.42
12	9/1/02	116.46%	$33,333.33	$3,633,333.33	$26,666.67	$1,025,042.04	$4,658,375.38
13	10/1/02	115.13%	$33,333.33	$3,600,000.00	$26,666.67	$1,005,208.99	$4,605,208.99
14	11/1/02	113.80%	$33,333.33	$3,566,666.67	$26,666.67	$ 985,243.72	$4,551,910.38
15	12/1/02	112.46%	$33,333.33	$3,533,333.33	$26,666.67	$ 965,145.34	$4,498,478.68
16	1/1/03	111.12%	$33,333.33	$3,500,000.00	$16,000.00	$ 944,912.98	$4,444,912.98
17	2/1/03	110.05%	$33,333.33	$3,466,666.67	$16,000.00	$ 935,212.40	$4,401,879.07
18	3/1/03	108.97%	$33,333.33	$3,433,333.33	$16,000.00	$ 925,447.15	$4,358,780.48
19	4/1/03	107.89%	$33,333.33	$3,400,000.00	$16,000.00	$ 915,616.80	$4,315,616.80
20	5/1/03	106.81%	$33,333.33	$3,366,666.67	$16,000.00	$ 905,720.91	$4,272,387.57
21	6/1/03	105.73%	$33,333.33	$3,333,333.33	$16,000.00	$ 895,759.05	$4,229,092.38
22	7/1/03	104.64%	$33,333.33	$3,300,000.00	$16,000.00	$ 885,730.77	$4,185,730.77
23	8/1/03	103.56%	$33,333.33	$3,266,666.67	$16,000.00	$ 875,635.65	$4,142,302.31
24	9/1/03	102.47%	$33,333.33	$3,233,333.33	$16,000.00	$ 865,473.22	$4,098,806.55
25	10/1/03	101.38%	$33,333.33	$3,200,000.00	$16,000.00	$ 855,243.04	$4,055,243.04
26	11/1/03	100.29%	$33,333.33	$3,166,666.67	$16,000.00	$ 844,944.66	$4,011,611.32
27	12/1/03	99.20%	$33,333.33	$3,133,333.33	$16,000.00	$ 834,577.62	$3,967,910.96
28	1/1/04	98.10%	$33,333.33	$3,100,000.00	$50,960.00	$ 824,141.47	$3,924,141.47
29	2/1/04	96.13%	$33,333.33	$3,066,666.67	$50,960.00	$ 778,675.75	$3,845,342.42
30	3/1/04	94.16%	$33,333.33	$3,033,333.33	$50,960.00	$ 732,906.92	$3,766,240.25
31	4/1/04	92.17%	$33,333.33	$3,000,000.00	$50,960.00	$ 686,832.97	$3,686,832.97
32	5/1/04	90.18%	$33,333.33	$2,966,666.67	$50,960.00	$ 640,451.85	$3,607,118.52
33	6/1/04	88.18%	$33,333.33	$2,933,333.33	$50,960.00	$ 593,761.53	$3,527,094.87
34	7/1/04	86.17%	$33,333.33	$2,900,000.00	$50,960.00	$ 546,759.94	$3,446,759.94
35	8/1/04	84.15%	$33,333.33	$2,866,666.67	$50,960.00	$ 499,445.01	$3,366,111.68

The Termination Value of the Aircraft shall be set forth opposite the applicable rent payment, plus accrued interest to such date.

CAPITALIZED LESSOR'S COST: $4,000,000.00

Payment Number	Monthly Period	Termination Value as a % of Cost	(1) Ten Year Straight-Line Amortization	(2) Unamortized Balance	(3) Monthly Depreciation Benefits	(4) Present Value of Depreciation Benefits	(2) + (4) Termination Value
36	9/1/04	82.13%	$33,333.33	$2,833,333.33	$50,960.00	$ 451,814.64	$3,285,147.98
37	10/1/04	80.10%	$33,333.33	$2,800,000.00	$50,960.00	$ 403,866.74	$3,203,866.74
38	11/1/04	78.06%	$33,333.33	$2,766,666.67	$50,960.00	$ 355,599.19	$3,122,265.85
39	12/1/04	76.01%	$33,333.33	$2,733,333.33	$50,960.00	$ 307,009.85	$3,040,343.18
40	1/1/05	73.95%	$33,333.33	$2,700,000.00	$15,360.00	$ 258,096.58	$2,958,096.58
41	2/1/05	72.78%	$33,333.33	$2,666,666.67	$15,360.00	$ 244,457.22	$2,911,123.89
42	3/1/05	71.60%	$33,333.33	$2,633,333.33	$15,360.00	$ 230,726.94	$2,864,060.27
43	4/1/05	70.42%	$33,333.33	$2,600,000.00	$15,360.00	$ 216,905.12	$2,816,905.12
44	5/1/05	69.24%	$33,333.33	$2,566,666.67	$15,360.00	$ 202,991.15	$2,769,657.82
45	6/1/05	68.06%	$33,333.33	$2,533,333.33	$15,360.00	$ 188,984.43	$2,722,317.76
46	7/1/05	66.87%	$33,333.33	$2,500,000.00	$15,360.00	$ 174,884.32	$2,674,884.32
47	8/1/05	65.68%	$33,333.33	$2,466,666.67	$15,360.00	$ 160,690.22	$2,627,356.88
48	9/1/05	64.49%	$33,333.33	$2,433,333.33	$15,360.00	$ 146,401.49	$2,579,734.82
49	10/1/05	63.30%	$33,333.33	$2,400,000.00	$15,360.00	$ 132,017.50	$2,532,017.50
50	11/1/05	62.11%	$33,333.33	$2,366,666.67	$15,360.00	$ 117,537.61	$2,484,204.28
51	12/1/05	60.91%	$33,333.33	$2,333,333.33	$15,360.00	$ 102,961.20	$2,436,294.53
52	1/1/06	59.71%	$33,333.33	$2,300,000.00	$ 7,680.00	$ 88,287.60	$2,388,287.60
53	2/1/06	58.70%	$33,333.33	$2,266,666.67	$ 7,680.00	$ 81,196.19	$2,347,862.85
54	3/1/06	57.68%	$33,333.33	$2,233,333.33	$ 7,680.00	$ 74,057.50	$2,307,390.83
55	4/1/06	56.67%	$33,333.33	$2,200,000.00	$ 7,680.00	$ 66,871.21	$2,266,871.21
56	5/1/06	55.66%	$33,333.33	$2,166,666.67	$ 7,680.00	$ 59,637.02	$2,226,303.69
57	6/1/06	54.64%	$33,333.33	$2,133,333.33	$ 7,680.00	$ 52,354.60	$2,185,687.93
58	7/1/06	53.63%	$33,333.33	$2,100,000.00	$ 7,680.00	$ 45,023.63	$2,145,023.63
59	8/1/06	52.61%	$33,333.33	$2,066,666.67	$ 7,680.00	$ 37,643.79	$2,104,310.46
60	9/1/06	51.59%	$33,333.33	$2,033,333.33	$ 7,680.00	$ 30,214.75	$2,063,548.08
61	10/1/06	50.57%	$33,333.33	$2,000,000.00	$ 7,680.00	$ 22,736.18	$2,022,736.18
62	11/1/06	49.55%	$33,333.33	$1,966,666.67	$ 7,680.00	$ 15,207.75	$1,981,874.42
63	12/1/06	48.52%	$33,333.33	$1,933,333.33	$ 7,680.00	$ 7,629.14	$1,940,962.47
64	1/1/07	47.50%	$33,333.33	$1,900,000.00			$1,900,000.00
65	2/1/07	46.67%	$33,333.33	$1,866,666.67			$1,866,666.67
66	3/1/07	45.83%	$33,333.33	$1,833,333.33			$1,833,333.33
67	4/1/07	45.00%	$33,333.33	$1,800,000.00			$1,800,000.00
68	5/1/07	44.17%	$33,333.33	$1,766,666.67			$1,766,666.67
69	6/1/07	43.33%	$33,333.33	$1,733,333.33			$1,733,333.33
70	7/1/07	42.50%	$33,333.33	$1,700,000.00			$1,700,000.00
71	8/1/07	41.67%	$33,333.33	$1,666,666.67			$1,666,666.67
72	9/1/07	40.83%	$33,333.33	$1,633,333.33			$1,633,333.33
73	10/1/07	40.00%	$33,333.33	$1,600,000.00			$1,600,000.00
74	11/1/07	39.17%	$33,333.33	$1,566,666.67			$1,566,666.67
75	12/1/07	38.33%	$33,333.33	$1,533,333.33			$1,533,333.33
76	1/1/08	37.50%	$33,333.33	$1,500,000.00			$1,500,000.00

The Termination Value of the Aircraft shall be set forth opposite the applicable rent payment, plus accrued interest to such date.

CAPITALIZED LESSOR'S COST: $4,000,000.00

Payment Number	Monthly Period	Termination Value as a % of Cost	(1) Ten Year Straight-Line Amortization	(2) Unamortized Balance	(3) Monthly Depreciation Benefits	(4) Present Value of Depreciation Benefits	(2) + (4) Termination Value
77	2/1/08	36.67%	$33,333.33	$1,466,666.67			$1,466,666.67
78	3/1/08	35.83%	$33,333.33	$1,433,333.33			$1,433,333.33
79	4/1/08	35.00%	$33,333.33	$1,400,000.00			$1,400,000.00
80	5/1/08	34.17%	$33,333.33	$1,366,666.67			$1,366,666.67
81	6/1/08	33.33%	$33,333.33	$1,333,333.33			$1,333,333.33
82	7/1/08	32.50%	$33,333.33	$1,300,000.00			$1,300,000.00
83	8/1/08	31.67%	$33,333.33	$1,266,666.67			$1,266,666.67
84	9/1/08	30.83%	$33,333.33	$1,233,333.33			$1,233,333.33
85	10/1/08	30.00%	$33,333.33	$1,200,000.00			$1,200,000.00
86	11/1/08	29.17%	$33,333.33	$1,166,666.67			$1,166,666.67
87	12/1/08	28.33%	$33,333.33	$1,133,333.33			$1,133,333.33
88	1/1/09	27.50%	$33,333.33	$1,100,000.00			$1,100,000.00
89	2/1/09	26.67%	$33,333.33	$1,066,666.67			$1,066,666.67
90	3/1/09	25.83%	$33,333.33	$1,033,333.33			$1,033,333.33
91	4/1/09	25.00%	$33,333.33	$1,000,000.00			$1,000,000.00
92	5/1/09	24.17%	$33,333.33	$ 966,666.67			$ 966,666.67
93	6/1/09	23.33%	$33,333.33	$ 933,333.33			$ 933,333.33
94	7/1/09	22.50%	$33,333.33	$ 900,000.00			$ 900,000.00
95	8/1/09	21.67%	$33,333.33	$ 866,666.67			$ 866,666.67
96	9/1/09	20.83%	$33,333.33	$ 833,333.33			$ 833,333.33
97	10/1/09	20.00%	$33,333.33	$ 800,000.00			$ 800,000.00
98	11/1/09	19.17%	$33,333.33	$ 766,666.67			$ 766,666.67
99	12/1/09	18.33%	$33,333.33	$ 733,333.33			$ 733,333.33
100	1/1/10	17.50%	$33,333.33	$ 700,000.00			$ 700,000.00
101	2/1/10	16.67%	$33,333.33	$ 666,666.67			$ 666,666.67
102	3/1/10	15.83%	$33,333.33	$ 633,333.33			$ 633,333.33
103	4/1/10	15.00%	$33,333.33	$ 600,000.00			$ 600,000.00
104	5/1/10	14.17%	$33,333.33	$ 566,666.67			$ 566,666.67
105	6/1/10	13.33%	$33,333.33	$ 533,333.33			$ 533,333.33
106	7/1/10	12.50%	$33,333.33	$ 500,000.00			$ 500,000.00
107	8/1/10	11.67%	$33,333.33	$ 466,666.67			$ 466,666.67
108	9/1/10	10.83%	$33,333.33	$ 433,333.33			$ 433,333.33
109	10/1/10	10.00%	$33,333.33	$ 400,000.00			$ 400,000.00
110	11/1/10	9.17%	$33,333.33	$ 366,666.67			$ 366,666.67
111	12/1/10	8.33%	$33,333.33	$ 333,333.33			$ 333,333.33
112	1/1/11	7.50%	$33,333.33	$ 300,000.00			$ 300,000.00
113	2/1/11	6.67%	$33,333.33	$ 266,666.67			$ 266,666.67
114	3/1/11	5.83%	$33,333.33	$ 233,333.33			$ 233,333.33
115	4/1/11	5.00%	$33,333.33	$ 200,000.00			$ 200,000.00
116	5/1/11	4.17%	$33,333.33	$ 166,666.67			$ 166,666.67
117	6/1/11	3.33%	$33,333.33	$ 133,333.33			$ 133,333.33

The Termination Value of the Aircraft shall be set forth opposite the applicable rent payment, plus accrued interest to such date.

CAPITALIZED LESSOR'S COST: $4,000,000.00

Payment Number	Monthly Period	Termination Value as a % of Cost	(1) Ten Year Straight-Line Amortization	(2) Unamortized Balance	(3) Monthly Depreciation Benefits	(4) Present Value of Depreciation Benefits	(2) + (4) Termination Value
118	7/1/11	2.50%	$33,333.33	$ 100,000.00			$ 100,000.00
119	8/1/11	1.67%	$33,333.33	$ 66,666.67			$ 66,666.67
120	9/1/11	0.83%	$33,333.33	$ 33,333.33			$ 33,333.33

EXHIBIT 10.3

FORM OF
AIRCRAFT DRY LEASE
N358WC

This Aircraft Dry Lease ("Lease") dated as of September 13, 2001 ("Effective Date"), is by and between Williams Communications Aircraft, LLC, a Delaware limited liability company and a wholly owned subsidiary of Williams Aircraft, Inc. ("Lessor") and Williams Communications, LLC, a Delaware limited liability company (the "Lessee").

Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor the aircraft described on Schedule "B" attached hereto, together with all engines, equipment, attachments, substitutions, replacements and additions (collectively, the "Aircraft").

1. Certain Definitions: For purposes of this Lease the terms "Additional Charge", "Affiliate", "Change in Control", "Debt", "Encumbrance", "Environmental Laws", "ERISA", "ERISA Event", "GAAP:", "Governmental Authority", "Hazardous Materials", "Material Adverse Affect", "Material Debt", "Notice", "Officer's Certificate", "Overdue Rate", "Permitted Encumbrances", "Person", "Plan", "Prime Rate", "Proceeding", "Transfer", and "WCG" shall have the meanings described for such capitalized terms as contained in the Master Lease dated September 13, 2001, among Williams Headquarters Building Company, Williams Technology Center, LLC, and Williams Communications, LLC. Capitalized terms not otherwise specifically defined in this Lease shall have the meanings described for such capitalized terms as contained in the Credit Agreement dated as of September 8, 1999 (the "Credit Agreement") among Lessee, Bank of America, N.A., The Chase Manhattan Bank and other parties (and capitalized terms contained within such definitions as set forth in the Credit Agreement shall similarly have the meanings described for such capitalized terms therein) with respect to the financial covenants therein. A copy of the Credit Agreement is attached hereto as Exhibit I. Lessee shall provide copies of any amendments or restatements or waivers to the Credit Agreement to Lessor within five (5) days of execution thereof. Such amendments or restatements or waivers shall automatically become a part hereof with respect to the financial covenants.

2. Term and Rent: This Lease is for a term of ten (10) years, beginning September 13, 2001, and ending September 1, 2011. For said term or any portion thereof, Lessee shall pay to Lessor rentals ("Rent") payable in accordance with Schedule "A", of which the first is due October 1, 2001, and the others on a like date of each month thereafter. All Rent shall be paid at Lessor's place of business shown below, or such other place as the Lessor may designate by written notice to the Lessee. All Rent shall be paid without notice or demand and without abatement, deduction or set-off of any amount whatsoever. The operation and use of the Aircraft shall be at the risk of Lessee, and not of Lessor and the obligation of Lessee to pay Rent hereunder shall be unconditional.

2.1 Late Charge; Interest: If any Rent payable to Lessor is not paid when due, Lessee shall pay Lessor on demand, as an Additional Charge, (a) a late charge equal to (i) two percent (2%) of the amount not paid within five (5) days of the date when due plus (b) if such Rent (including the late charge) is not paid within ten (10) days of the date due, interest thereon at the Overdue Rate from such tenth (10th) day until such Rent (including the late charge and interest) is paid in full.

3. Destruction of Aircraft: If the Aircraft is lost, stolen, totally destroyed, damaged beyond repair or permanently rendered unfit for use for any reason whatsoever, the liability of the Lessee to pay Rent therefor may be discharged by paying to Lessor all the Rent due thereon, plus all the Rent to become due thereon less the net amount of the recovery, if any, actually received by Lessor from insurance or otherwise for such loss or damage. Lessor shall not be obligated to undertake, by litigation or otherwise, the collection of any claim against any person for loss or damage of the Aircraft. Except as expressly provided in this paragraph, the total or partial destruction of the Aircraft, or total or partial loss of use or possession thereof to Lessee, shall not release or relieve Lessee from the duty to pay the Rent herein provided.

4. No Warranties by Lessor; Compliance with Laws and Insurance: Lessor, not being the manufacturer of the Aircraft, nor manufacturer's agent, makes no warranty or representation, either express or implied, as to the fitness, quality, design, condition, capacity, suitability, merchantability or performance of the Aircraft or of the material or workmanship thereof, or that the Aircraft will satisfy the requirements of any law, rule, specification or contract, it being agreed that the Aircraft is leased "as is" and that all such risks, as between the Lessor and the Lessee, are to be borne by the Lessee at its sole risk and expense, Lessee accordingly agrees not to assert any claim whatsoever against the Lessor based thereon. Lessee further agrees, regardless of cause, not to assert any claim whatsoever against the Lessor for loss of anticipatory profits or consequential, indirect, special or punitive damages. Lessor shall have no obligation to test or service the Aircraft. Lessee agrees, at its own cost and expense, (a) to pay all charges and expenses in connection with the operation of the Aircraft; (b) to comply with all governmental laws, ordinances, regulations, requirements and rules with respect to the use and operation of the Aircraft; and (c) to maintain at all times (i) Aircraft hull insurance, including all-risk ground and flight insurance on the Aircraft for the stated value thereof (not to be less than the full current market value as determined annually by the parties) for the term of this Lease, plus other insurance thereon in amounts and against such risks as Lessor may specify, and deliver each policy to Lessor with a standard long form endorsement attached thereto showing loss payable to Lessor as its interest may appear, and (ii) combined single limit liability insurance covering bodily injury liability, property damage liability and passenger liability for the term of this Lease naming Lessor its parent and affiliates as additional insureds to the full extent of the policies carried, but in no event less than $200,000,000.00 per occurrence. Lessee shall deliver to Lessor evidence of such insurance coverage. All insurance policies must provide that no cancellation or non-renewal thereof shall be effective without 30 days prior written notice to Lessor and all insurance policies shall be in form, terms and amounts and with insurance carriers satisfactory to Lessor.

5. Maintenance. Lessee, at its cost and expense, shall:

5.1 perform or cause to be performed all airworthiness directives, mandatory manufacturer's service bulletins, and all other mandatory service, inspections, repair, maintenance, overhaul and testing: (a) as may be required under applicable Federal Aviation Administration (the "FAA") rules and regulations, (b) in the same manner and with the same care as shall be the case with similar aircraft and engines owned by or operated on behalf of Lessee without discrimination, and (c) so as to keep the Aircraft in as good operating condition as when delivered to the Lessee, ordinary wear and tear excepted, with all systems in good operating condition;

5.2 keep the Aircraft in such condition as is necessary to enable the airworthiness certification of the Aircraft to be maintained at all times under applicable FAA regulations and any other applicable law, including, but not limited to any equipment modifications or installations required by the FAA;

5.3 maintain, in the English language, all records and other materials required by and in a manner acceptable to the FAA and any other governmental entity having jurisdiction over the Aircraft and its operation;

5.4 Lessee shall furnish Lessor reports on an annual basis a list of those service bulletins, airworthiness directives and engineering modifications incorporated on the Aircraft during the preceding calendar year.

6. Taxes: Lessee agrees that, during the term of this Lease, in addition to the Rent and all other amounts provided herein to be paid, it will promptly pay all taxes, assessments and other governmental charges (including penalties and interest, if any, and fees for titling or registration, if required) levied or assessed: (a) upon the interest of the Lessee in the Aircraft or upon the use or operation thereof or on the earnings arising therefrom; and (b) against Lessor on account of its acquisition or ownership of the Aircraft, or the use or operation thereof or the leasing thereof to the Lessee, or the Rent herein provided for, or the earnings arising therefrom, exclusive, however, of any taxes based on net income of Lessor ("Taxes"). Lessee agrees to file, on behalf of Lessor, all required tax returns and reports concerning the Aircraft with all appropriate governmental agencies, and within not more than 45 days after the due date of such filing to send Lessor confirmation, in form satisfactory to Lessor, of such filing.

6.1 Lease Characterization: Lessor and Lessee agree that the terms of this Lease create an operating lease for federal and state income tax purposes. Consistent with the foregoing, Lessor intends to retain all tax benefits associated with this Lease and Lessee agrees not to take an inconsistent position on its federal or state income tax filings. If any

action taken by one party under this Lease causes this Lease to be ultimately determined by any taxing authority not to be an operating lease, that party shall indemnify the other party for any resulting increase in the other party's federal or state income tax liability for any period.

6.2 Permitted Contests: Lessee, on its own or on Lessor's behalf or in Lessor's name, but at Lessee's sole cost and expense, shall have the right to contest, by an appropriate legal proceeding conducted in good faith and with due diligence, the amount or validity of any levy or assessment of Taxes provided (a) prior notice of such contest is given to Lessor, (b) the Aircraft would not be in any danger of being sold, forfeited or attached as a result of such contest, and there is no risk to Lessor of a loss of or interruption in the payment of Rent, (c) in the case of unpaid Taxes, collection thereof is suspended during the pendency of such contest, and (d) compliance may legally be delayed pending such contest. Upon request of Lessor, Lessee shall deposit funds or assure Lessor in some other manner reasonably satisfactory to Lessor that the Taxes, together with interest and penalties, if any, thereon, and any and all costs for which Lessee is responsible will be paid if and when required upon the conclusion of such contest. Lessee shall defend, indemnify and save harmless Lessor from all costs or expenses arising out of or in connection with any such contest, including but not limited to payment of Taxes and attorneys' fees. If at any time Lessor reasonably determines that payment of the Taxes contested by Lessee is necessary in order to prevent loss of the Aircraft or Rent or civil or criminal penalties or other damage, upon such prior notice to Lessee as is reasonable in the circumstances Lessor may pay such amount or take such other action as it may deem necessary to prevent such loss or damage. If reasonably necessary, upon Lessee's written request Lessor, at Lessee's expense, shall cooperate with Lessee in a permitted contest, provided Lessee upon demand reimburses Lessor for Lessor's costs incurred in cooperating with Lessee in such contest.

7. Lessor's Right of Inspection and Identification of Aircraft: All equipment, engines, radios, accessories, instruments and parts now or hereafter used in connection with the Aircraft shall become part of the Aircraft by accession. Lessor warrants that the Aircraft is not registered under the laws of any foreign country. Lessee shall permit Lessor or its designee, on 5 days prior written notice to visit and inspect the Aircraft, its condition, use and operation, and the records maintained in connection therewith, at any reasonable time without interfering with the normal operation of the Aircraft, at Lessor's cost and expense, provided that no Default or Event of Default has occurred and is continuing. Lessor shall have no duty to make any such inspection and shall not incur any liability or obligation by reason of not making any such inspection. Lessor's failure to object to any condition or procedure observed or observed in the course of an inspection hereunder shall not be deemed to waive or modify any of the terms of this Lease with respect to such condition or procedure.

8. Possession and Place of Use: The Aircraft shall be based at the location specified in Schedule "B", and shall not be permanently removed therefrom without Lessor's prior written consent. Lessee shall not, without Lessor's prior written consent, (a) part with possession or control of the Aircraft, (b) attempt or purport to sell, pledge, mortgage or otherwise encumber the Aircraft or otherwise dispose of or encumber any interest under this Lease, or (c) fly or permit the Aircraft to be flown or located outside the area covered by insurance required by paragraph 3 of this Lease.

9. Lessee's Warranties: Lessee warrants that the Aircraft will be registered under the laws of the United States and will not be registered under the laws of any foreign country; that the Aircraft and/or equipment will not be held, maintained or used in violation of any law, regulation, ordinance or policy of insurance affecting the maintenance, use or flight of Aircraft. These warranties are conditions of Lessee's right of possession and use, and delivery is made in reliance thereon.

10. Performance of Obligations of Lessee by Lessor: In the event that Lessee shall fail duly and promptly to perform any of its obligations under the provisions of this Lease, Lessor may, at its option, perform the same for the account of Lessee without thereby waiving such default, and any amount paid or expense (including reasonable attorneys' fees), penalty or other liability incurred by Lessor in such performance, together with interest at the Overdue Rate until paid by Lessee to Lessor, shall be payable by Lessee upon demand as additional rent for the Aircraft.

11. Purchase Option: At any time during the term of this Lease, if Lessee has paid in full all rentals owing hereunder and is not in default hereunder, Lessee shall have the option to purchase the Aircraft for an amount equal to the greater of (1) fair market value of the Aircraft or (2) the Termination Value in accordance with Schedule "C" plus accrued interest. Lessee shall give Lessor written notice of its intent to exercise such option not less than 30 days prior to the transfer of the Aircraft to Lessee. Fair market value shall be determined by a mutually agreed upon independent aircraft broker. If the parties cannot agree on the selection of a broker, each party shall designate a broker. Such selected brokers will then select a third broker to appraise the Aircraft. Such third party broker appraisal shall be binding upon the parties.

Lessee shall also have the right to purchase the Aircraft as of October 1, 2006 ("Early Buy-Out Option") for the Termination Value for such date in accordance with Schedule "C" plus accrued interest.

Lessee shall also be responsible for all transaction costs associated with any exercise in accordance with this Section 11.

12. Put Option: Upon the expiration of the original term of this Lease, Lessor shall have the option to require the Lessee to purchase the Aircraft for an amount equal to the agreed fair market value of the Aircraft as defined in Section 11 hereof. Lessor shall provide Lessee written notice of its intent to exercise such option not less than 30 days prior to the expiration of the original term of this Lease.

Lessee shall also be responsible for all transaction costs associated with any exercise in accordance with this Section 12.

13. Default: An event of default ("Event of Default") shall occur if:

(a) Lessee fails to pay or cause to be paid the Rent when due and payable;

(b) Either Lessee or WCG, has a petition in bankruptcy filed against it, is adjudicated a bankrupt or has an order for relief thereunder entered against it, or a court of competent jurisdiction enters an order or decree appointing a receiver of Lessee or WCG or of the whole or substantially all of its property, or approving a petition filed against Lessee seeking reorganization or arrangement of Lessee under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof, any such judgment, order or decree is not vacated or set aside or stayed within sixty (60) days from the date of the entry thereof, subject to the applicable provisions of the Bankruptcy Code (11 U.S.C Section 101, et seq);

(c) Lessee or WCG: (i) admits in writing its inability to pay its debts generally as they become due, (ii) files a petition in bankruptcy or a petition to take advantage of any insolvency law, (iii) makes a general assignment for the benefit of its creditors, (iv) consents to the appointment of a receiver of itself or of the whole or any substantial part of its property, or (v) files a petition or answer seeking reorganization or arrangement under the Federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof, subject to the applicable provisions of the Bankruptcy Code (11 U.S.A. Section 101, et seq);

(d) Lessee or WCG, is liquidated or dissolved, or begins a Proceeding toward liquidation or dissolution, or has filed against it a petition or other Proceeding to cause it to be liquidated or dissolved and the Proceeding is not dismissed within thirty (30) days thereafter, or Lessee in any manner permits the sale or divestiture of substantially all of its assets;

(e) The estate or interest of Lessee in the Aircraft or any part thereof is levied upon or attached in any Proceeding and the same is not vacated or discharged within thirty (30) days thereafter (unless Lessee is in the process of consenting such lien or attachment in good faith);

(f) Any representation or warranty made by Lessee in the Membership Interest Purchase Agreement or in the certificate delivered in connection therewith shall prove to be incorrect in any material respect when made or deemed made, Lessor is materially and adversely affected thereby and Lessee fails within twenty (20) days after Notice from Lessor thereof to cure such condition by terminating such adverse effect and making Lessor whole for any damage suffered therefrom, or, if with due diligence such cure cannot be effected within twenty (20) days, if Lessee has failed to commence to cure the same within the twenty (20) days or failed thereafter to proceed promptly and with due diligence to cure such condition and complete such cure prior to the time that

such condition causes a default in any other lease to which Lessee is subject and prior to the time that the same results in civil or criminal penalties to Lessor, Lessee, or any Affiliates of any of such parties or the Aircraft;

(g) A Transfer occurs without the prior written consent of Lessor;

(h) Except as otherwise provided in subsection (m) below, a default occurs under any Material Debt when and as the same become due and payable (subject to any applicable grace period);

(i) Lessee fails to purchase the Aircraft if and as required under this Lease;

(j) Lessee or WCG breaches any of the financial covenants set forth in Section 14 hereof and the breach is not cured within a period of thirty (30) days after the earlier to occur of (i) the Notice thereof from Lessor, or (ii) knowledge thereof by Lessee or WCG;

(k) Lessee fails to observe or perform any other term, covenant or condition of this Lease and the failure is not cured by Lessee within a period of thirty (30) days after Notice thereof from Lessor:

(l) Lessee breaches any representation or warranty made by it in this Lease;

(m) An Event of Default as defined in the Credit Agreement, occurs and an acceleration of any of the Loans as defined in the Credit Agreement results;

(n) One or more judgments for the payment of money in an aggregate amount in excess of $25,000,000 shall be rendered against Lessee or WCG, or any combination thereof and the same shall remain undischarged for a period of thirty (30) consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of Lessee or WCG to enforce any such judgment;

(o) An ERISA Event shall have occurred that, in the opinion of the Lessor, when taken together with all other ERISA Events that have occurred, could reasonable be expected to result in liability of Lessee or WCG in an aggregate amount exceeding $25,000,000 for all periods;

(p) Lessee fails to maintain the Aircraft in accordance with the terms of this Lease;

(q) A Change in Control shall occur;

(r) Lessee fails to observe or perform any provisions of Section 4 and Section 14.4 regarding insurance; or

(s) Lessee defaults on any other Aircraft Dry Lease dated concurrently herewith.

Upon the occurrence of an Event of Default, Lessor, at Lessor's option, may: (a) proceed by appropriate court action or actions or other proceedings either at law or in equity to enforce performance by Lessee of any and all covenants of this Lease and to recover damages for the breach thereof; (b) demand that Lessee deliver the Aircraft forthwith to Lessor at Lessee's expense at such place as Lessor may designate; (c) Lessor and/or Lessor's agents may, without notice or liability or legal process, enter into any premises of or under control or jurisdiction of Lessee or any agent of Lessee where the Aircraft may be or by Lessor is believed to be, and repossess the Aircraft, using all force necessary or permitted by applicable law so to do, Lessee hereby expressly waiving all further rights to possession of the Aircraft and all claims for injuries suffered through or loss caused by such repossession; (d) terminate this Lease, whereupon Lessee shall, without further demand, as liquidated damages for loss of the bargain and not as a penalty forthwith pay to Lessor any unpaid Rent that accrued on or before the occurrence of the event of default plus an amount equal to the difference between the value, as of the date of the occurrence of such event of default, of the aggregate Rent reserved hereunder for the unexpired term of this Lease and the then value of the aggregate rental value of the Aircraft for such unexpired term which the Lessor reasonably estimates to be obtainable for the use of the Aircraft during such unexpired terms. Should any proceedings be instituted by or against Lessor for monies due to Lessor hereunder and/or for possession of the Aircraft or for any other relief, Lessee shall pay a reasonable sum as attorneys' fees. If any statute governing the proceeding in which damages are to be proved specifies the amount of such claim, Lessor shall be entitled to prove as and for damages for the breach an amount equal to that allowed under such statute. The remedies of this Lease provided in favor of Lessor shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in its favor existing at law or in equity, and the exercise, or beginning of exercise by Lessor of any one or more of such remedies shall not preclude the simultaneous or later exercise by Lessor of any or all such remedies. No express or implied waiver by Lessor of any event of default hereunder shall in any way be, or be construed to be, a waiver of any future or subsequent events of default.

14. Covenants: Lessee represents, warrants and covenants that:

14.1 Existence; Conduct of Business. Lessee and WCG each will (i) continue to engage in business of the same general type as now conducted and (ii) do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges, franchises, patents, copyrights, trademarks and trade names material to the conduct of its business.

14.2 Payment of Obligations. Lessee and WCG each (i) will pay its Debt and other material obligations, including tax liabilities, before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate legal process, (b) has set aside on its books adequate reserves with respect

thereto in accordance with GAAP, (c) such contest effectively suspends collection of the contested obligation and the enforcement of any Encumbrance securing such obligation and (d) the failure to make payment pending such contest could not reasonably be expected to result in a Material Adverse Effect and (ii) shall not breach, in any material respect, or permit to exist any material default under, the terms of any material lease, commitment, contract, instrument or obligation to which it is a party, or by which its properties or assets are bound, except where the failure to do the foregoing would not in the aggregate have a Material Adverse Effect.

14.3 Maintenance of Properties. Lessee and WCG each will keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted.

14.4 Insurance. In addition to the insurance required in Section 4, Lessee and WCG each will maintain, with financially sound and reputable insurance companies, insurance in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations. As of the Effective Date, all premiums in respect of all insurance described in the Lease have been paid. Lessee shall deliver an insurance certificate to Lessor as of the Effective Date evidencing all such insurance coverages.

14.5 Casualty and Condemnation. The Lessee will furnish to Lessor prompt written notice of any casualty or other insured damage to any portion of any of Lessor's property or assets or the commencement of any action or Proceeding for the taking of any of Lessor's property or assets or any part thereof or interest therein under power of eminent domain or by condemnation or similar Proceeding (in each case with a value in excess of $10,000,000).

14.6 Books and Records; Inspection and Audit Rights. Lessee and WCG each will keep proper books of record and account in which materially full, true and correct entries are made of all dealings and transactions in relation to its business and activities. Lessee and WCG each will permit any representatives designated by the Lessor at the expense of Lessor, or, if an Event of Default shall have occurred and be continuing, at the expense of the Lessee, upon reasonable prior notice, to visit and inspect its properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and independent accountants, all at such reasonable times and as often as reasonably requested.

14.7 Compliance with Laws. Lessee and WCG each will comply with all laws, rules, regulations and orders of any Governmental Authority applicable to it or its property (including, without limitation, Environmental Laws and ERISA and the rules and regulations

thereunder), except where the necessity of compliance therewith is contested in good faith by appropriate action and such failure to comply, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

14.8 Further Assurances. At any time and from time to time, Lessee will execute any and all further documents, financing statements, agreements and instruments, and take all such further actions (including the filing and recording of financing statements, fixture filings, mortgages, deeds of trust and other documents), which may be required under any applicable law, or which the Lessor may reasonably request, to effectuate the transactions contemplated by this Lease or to grant, preserve, protect or perfect the Encumbrances created or intended to be created in connection with this Lease or any of the other documents contemplated herein, required to be in effect or the validity or priority of any such Encumbrance, all at the expense of Lessee and Lessor. Lessee and Lessor also agree to provide to Lessor, from time to time upon request, evidence reasonably satisfactory to Lessor as to the perfection and priority of the Encumbrance created or intended to be created in connection with this Lease or any of the other documents contemplated herein.

14.9 Pledge or Encumber Assets. Lessee shall not pledge or otherwise encumber any of its assets, other than leased equipment used in the operation of the Aircraft.

14.10 Encumbrances. Lessee will not create, incur, assume or permit to exist any Encumbrance on any property or asset now owned or hereafter acquired by it, or assign or sell any income or revenues or rights in respect of any thereof, except for any Permitted Encumbrances or Encumbrances created in connection with or specifically contemplated by this Lease or permitted by the Credit Agreement.

14.11 Fundamental Changes. Lessee and WCG each will not merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or liquidate or dissolve, except that, if at the time thereof and immediately after giving effect thereto no Event of Default shall have occurred and be continuing (i) any Person may merge into the Lessee in a transaction in which the Lessee is the surviving entity, provided that any such merger involving a Person that is not a wholly owned by Lessor immediately prior to such merger shall not be permitted, and (ii) any person may merge into the Lessee in a transaction in which the Lessee is the surviving corporation.

14.12 Other Material Agreements. Lessee shall not (i) enter into any other material agreement relating to any portion of the Aircraft, or (ii) if entered into with Lessor's consent, thereafter, amend, modify, renew, replace or otherwise change the terms of any such material agreement without the prior written consent of Lessor.

14.13 Total Net Debt to Contributed Capital Ratio. The Total Net Debt to Contributed Capital ratio shall at no time prior to January 1, 2002 exceed .65 to 1.00.

14.14 Minimum EBITDA. The amount equal to (i) EBITDA for the period of four (4) fiscal quarters ending during any period set forth below plus (ii) ADP Interest Expense for such period minus (iii) gains for such period attributable to Dark Fiber and Capacity Dispositions plus (iv) Dark Fiber and Capacity Proceeds for such period shall not be less than the amount set forth below opposite such period:

PERIOD	AMOUNT
January 1,2001-March 31, 2001	$200,000,000
April 1, 2001-June 30, 2001	$300,000,000
July 1, 2001-September 20, 2001	$350,000,000
October 1, 2001-December 31, 2001	$350,000,000

14.15 Total Leverage Ratio. (a) The Total Leverage Ratio during any period set forth below shall not exceed the ratio set forth below opposite such period:

PERIOD	TOTAL LEVERAGE RATIO
March 31, 2001-December 30, 2001	12.50:1.00
December 31, 2002-December 30, 2003	9.50:1.00
December 31, 2003 and thereafter	4.00:1.00

14.16 Senior Leverage Ratio. The Senior Leverage Ratio during any period set forth below shall not exceed the ratio set forth below opposite such period:

PERIOD	SENIOR LEVERAGE RATIO
March 31, 2002-December 30, 2002	5.25:1.00
December 31, 2002-December 30, 2003	3.25:1.00
December 31, 2003 and thereafter	2.50:1.00

14.17 Interest Coverage Ratio. The Interest Coverage Ratio for any period of four (4) consecutive fiscal quarters ending during any period set forth below shall not be less than the ratio set forth below opposite such period:

PERIOD	INTEREST COVERAGE RATIO
June 30, 2002-June 29, 2003	1.00:1.00
June 30, 2003-December 30, 2003	1.50:1.00
December 31, 2003 and thereafter	2.00:1.00

14.18 Organization; Powers. Lessee is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, has all requisite power and authority to carry on its business as now conducted and, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required.

14.19 Authorization; Enforceability. The execution of and performance under this Lease is within Lessee's' entity powers and has been duly authorized by all necessary member, corporate and, if required, stockholder action as the case may be. This Lease has been duly executed and delivered by Lessee and constitutes a legal, valid and binding obligation of the Lessee, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a Proceeding in equity or at law.

14.20 Governmental Approvals; No Conflicts. The Lease or any of the other documents contemplated herein, (a) does not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect and except filings necessary to perfect Lessor's rights under this Lease, (b) will not violate any applicable law or regulation or the charter, by-laws or other organizational documents of Lessee or Lessor or any order of any Governmental Authority, (c) will not violate or result in a default under any indenture, agreement or other instrument binding upon Lessee or Lessor or any of their respective assets, or give rise to a right thereunder to require any payment to be made by Lessee or Lessor, and (d) will not result in the creation or imposition of any Encumbrance on any asset of Lessee or Lessor, except any Encumbrance created by or in accordance with the Lease.

14.21 Material Adverse Change. Since December 31, 2000, there has been no Material Adverse Change.

14.22 Properties. Lessee has good title to, or valid leasehold interests in, all its real and personal property material to its business, except for minor defects in title that do not interfere with its ability to conduct its business as currently conducted or to utilize such properties for their intended purposes. None of the properties and assets of Lessee or Lessor is subject to any Encumbrance other than Permitted Encumbrances, and Encumbrances created by or in connection with this Lease.

14.23 Intellectual Property. Lessee owns, or is licensed to use, all trademarks, trade names, copyrights, patents and other intellectual property material to its business, and the use thereof by Lessee does not infringe upon the rights of any other Person, except for any such infringements that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

14.24 Litigation and Environmental Matters. There is no action, suit or Proceeding by or before any arbitrator or Governmental Authority pending against or, to the knowledge of Lessee or Lessor, threatened against or affecting Lessee or WCG (i) as to which there is a reasonable possibility-bility of an adverse determination and that, if adversely determined, could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect or (ii) that involve this Lease or any of the other documents contemplated herein.

14.24.1 Environmental Compliance. Except with respect to other matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, Lessee (i) has not failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has not become subject to any liability with respect to any Environmental Law, (iii) has not received written notice of any claim with respect to any Environmental Law or (iv) does not know of any basis for any violations of any Environmental Law or any release, threatened release or exposure to any Hazardous Materials that is likely to form the basis of any liability under any Environmental Law.

14.25 Compliance with Laws and Agreements. Lessee is in compliance with all laws, regulations and orders of any Governmental Authority applicable to it or its property and all indentures, agreements and other instruments binding upon it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. No Event of Default has occurred and is continuing.

14.26 Investment and Holding Company Status. Lessee is not (a) an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940 or (b) a "holding company" as defined in, or subject to regulation under, the Public Utility Holding Company Act of 1935.

14.27 Taxes. Lessee or WCG has timely filed or caused to be filed all tax returns and reports required to have been filed and has paid or caused to be paid all taxes required to have been paid by or with respect to it, except (a) taxes that are being contested in good faith by an appropriate Proceeding and for which Lessee or Lessor, as applicable, has set aside on its books adequate reserves or (b) to the extent that the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

14.28 ERISA. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, could reasonably be expected to result in a Material Adverse Effect. The present value of all accumulated benefit obligations under each Plan (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the date of the most recent financial statements reflecting such amounts, exceed by more than $25,000,000 the fair market value of the assets of such Plan, and the present value of all accumulated benefit obligations of all underfunded Plans (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did

not, as of the date of the most recent financial statements reflecting such amounts, exceed by more than $25,000,000 the fair market value of the assets of all such underfunded Plans.

14.29 Disclosure. Lessee has disclosed all agreements, instruments and corporate or other restrictions to which Lessee is subject, and all other matters known to Lessee, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. None of the reports, financial statements, certificates or other information furnished by or on behalf of Lessee in connection with the negotiation of this Lease or delivered hereunder (as modified or supplemented by other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, with respect to projected financial information, Lessee represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

14.30 Labor Matters. As of the Effective Date, there are no strikes, lockouts or slowdowns against Lessee pending or, to the knowledge of Lessee, threatened. The hours worked by and payments made to employees of Lessee have not been in violation of the Fair Labor Standards Act or any other applicable Federal, state, local or foreign law dealing with such matters. All payments due from Lessee, or for which any claim may be made against Lessee, on account of wages and employee health and welfare insurance and other benefits, have been paid or accrued as a liability on the books of Lessee. The execution of this Lease has not and will not give rise to any right of termination or right of renegotiation on the part of any union under any collective bargaining agreement by which Lessee is bound.

14.31 No Burdensome Restrictions. No contract, lease, agreement or other instrument to which Lessee is a party or by which any of its property is bound or affected, no charge, corporate restriction, judgment, decree or order and no provision of applicable law or governmental regulation could reasonably be expected to have Material Adverse Effect.

14.32 Representations True and Correct. As of the dates when made and as of the Effective Date, each representation and warranty of Lessee thereto contained in this Lease or any other documents executed in connection herewith, is true and correct.

15. OFFICER'S CERTIFICATES AND FINANCIAL STATEMENTS. Lessee shall furnish or cause to be furnished to one another:

15.1 Fiscal Year Information. (i) within 90 days after the end of each fiscal year of WCG, its audited consolidated balance sheets and related audited consolidated statements of operations, stockholders' or members' equity and cash flows as of the end of and for such fiscal year (including segment reporting with respect to each of WCG's business segments consistent), setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by Ernst & Young LLP or other independent public accountants of recognized national standing (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial

condition and results of operations of WCG on a consolidated basis in accordance with GAAP consistently applied, and (ii) within 90 days after the end of each fiscal year of WCG, supplemental unaudited balance sheets and related unaudited statements of operations, stockholders' or members' equity and cash flows as of the end of and for such fiscal year, setting forth in tabular form in each case the figures for the previous year, for WCG and the consolidating adjustments with respect thereto.

15.2 Quarterly Information. (i) within 45 days after the end of each of the first 3 fiscal quarters of each fiscal year of WCG, unaudited consolidated and consolidating balance sheets and related consolidated and consolidating statements of operations, stockholders' or members' equity and cash flow of WCG as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of the previous fiscal year (or in the case of the balance sheet, as of the end of the previous fiscal year), all certified by an Officer's Certificate as presenting fairly in all material respects the financial condition and results of operations of WCG on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes and (ii) within 45 days after the end of each of the first 3 fiscal quarters of each fiscal year of WCG, unaudited balance sheets and related statements of operations, stockholders' or members' equity and cash flow of Lessor as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of the previous fiscal year (or, in the case of the balance sheet, as of the end of the previous fiscal year) all certified by a Officer's Certificate as presenting fairly in all material respects the financial condition and results of operations of WCG in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes.

15.3 Officers Certificate. Concurrently with any delivery of financial statements in accordance with this Lease, an Officer's Certificate of the Lessee (i) certifying as to whether an Event of Default has occurred and, if an Event of Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (ii) setting forth in reasonable detail calculations demonstrating compliance with Sections 14.13 through 14.17, and (iii) stating whether any change in GAAP or in the application thereof has occurred since the date referred to in paragraph 14.24 and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such Officer's Certificate.

15.4 Accounting Firm Certificate. Concurrently with any delivery of financial statements in accordance with this Lease, a certificate of the accounting firm that reported on such financial statements stating whether they obtained knowledge during the course of their examination of such financial statements of any Event of Default (which certificate may be limited to the extent required by accounting rules or guidelines).

15.5 Budget. As soon as practicable after approval by the Board of Directors of WCG, and in any event not later than 120 days after the commencement of each fiscal year of Lessor, a consolidated and consolidating budget of WCG for such fiscal year and a

consolidated budget of WCG for such fiscal year and, promptly when available, any significant revisions of any such budget.

15.6 SEC Filings. Promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and other materials filed by WCG or any of its Affiliates with the SEC, or any Governmental Authority succeeding to any or all of the functions of the SEC, or with any national securities exchange, or distributed by WCG to its members generally, as the case may be, except to the extent any such report, proxy statement or other material is available electronically on a publicly-accessible website.

15.7 Other Information. Promptly following any request therefor, such other information regarding the operations, business affairs and financial condition of Lessee, or compliance with the terms of this Lease or any of the documents contemplated herein.

15.8 Credit Agreement Information. To the extent not previously covered by the provisions of this paragraph, copies of all information provided by Lessee or any Affiliates pursuant to the Credit Agreement, contemporaneously with its delivery pursuant thereto.

16. NOTICES OF MATERIAL EVENTS. Upon knowledge thereof, Lessee will furnish prompt written notice of the following. Each notice delivered under this paragraph shall be accompanied by a statement of an Officer's Certificate, duly executed, setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

16.1 Event of Default. The occurrence of any Event of Default.

16.2 Action, Suit or Proceeding. The filing or commencement of any action, suit or Proceeding by or before any arbitrator or Governmental Authority against or affecting Lessee, WCG or any Affiliate thereof that could reasonably be expected to result in a Material Adverse Effect.

16.3 ERISA Event. The occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, could reasonably be expected to result in a Material Adverse Effect.

16.4 Credit Agreement. Any change or modification to the Credit Agreement.

16.5 Other Matters. Any other development that results in, or could reasonably be expected to result in, a Material Adverse Effect.

17. Indemnity: Lessee agrees that Lessor shall not be liable to Lessee for, and Lessee shall indemnify and save Lessor, its parent and affiliated companies harmless from and against any and all liability, loss, damage, expense, causes of action, suits, claims or judgments arising from or caused directly or indirectly by (a) Lessee's failure to promptly perform any of its obligations under the provisions of this Lease, (b) injury to person or property resulting from or based upon the actual or alleged use, operation, delivery or transportation of the Aircraft or its location or condition, or (c)

inadequacy of the Aircraft for any purpose or any deficiency or defect therein or the use or maintenance thereof or any repairs, servicing or adjustments thereto or any delay in providing or failure to provide any thereof or any interruption or loss of service or use thereof or any loss of business; and shall, at its own cost and expense, defend any and all suits which may be brought against Lessor, either alone or in conjunction with others upon any such liability or claim or claims and shall satisfy, pay and discharge any and all judgments and fines that may be recovered against Lessor in any such action or actions, provided, however, that Lessor shall give Lessee written notice of any such claim or demand.

18. Assignments and Notices: Neither this Lease nor Lessee's rights hereunder shall be assignable except with Lessor's written consent; the conditions hereof shall bind any permitted successors and assigns of Lessee. Lessor may assign this Lease without consent of Lessee. Lessee, after receiving notice of any assignment, shall abide thereby and make payment as may therein be directed. Following such assignment, solely for the purpose of determining assignor's rights hereunder, the term "Lessor" shall be deemed to include or refer to Lessor's assignee. All notices relating hereto shall be delivered in person to an officer of Lessor or Lessee or shall be mailed to Lessor or Lessee at its respective address herein shown or at any later address last known to the sender.

19. Further Assurances: Lessee shall execute and deliver to Lessor, upon Lessor's request, such instruments and assurances as Lessor deems necessary or advisable for the confirmation or perfection of this Lease and Lessor's rights hereunder, including the filing or recording of this Lease at Lessor's option.

20. Counterparts: This Lease may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one in the same instrument.

21. Entire Agreement: There are no oral or written agreements or representations between the parties hereto affecting this Lease. This Lease supersedes and cancels any and all previous negotiations, arrangements, representations, brochures, agreements and understandings, if any, between Lessor and Lessee.

22. Governing Law: This Lease is executed and delivered in the State of Oklahoma, and except insofar as the law of another state or jurisdiction may be mandatorily applicable, shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of said State.

23. Truth-in-Leasing Clause: THE AIRCRAFT HAS BEEN MAINTAINED AND INSPECTED UNDER FEDERAL AVIATION REGULATION PART 91 FOR THE 12 MONTHS PRECEDING THE DATE OF THIS LEASE. THE AIRCRAFT WILL BE MAINTAINED AND INSPECTED UNDER FEDERAL AVIATION REGULATION PART 91 FOR OPERATIONS TO BE CONDUCTED UNDER THIS LEASE. THE LESSEE CERTIFIES THAT IT IS RESPONSIBLE FOR OPERATIONAL CONTROL OF THE AIRCRAFT AND THAT IT

UNDERSTANDS ITS RESPONSIBILITIES FOR COMPLIANCE WITH APPLICABLE FEDERAL AVIATION REGULATIONS. AN EXPLANATION OF THE FACTORS BEARING ON OPERATIONAL CONTROL AND THE PERTINENT FEDERAL AVIATION REGULATIONS CAN BE OBTAINED FROM THE NEAREST FAA FLIGHT STANDARDS DISTRICT OFFICE.

LESSOR:	LESSEE:
WILLIAMS COMMUNICATIONS AIRCRAFT, LLC	WILLIAMS COMMUNICATIONS, LLC
By: ----------	By: ----------
Name: ----------	Name: ----------
Title: ----------	Title: ----------

Signature page to Aircraft Dry Lease (N358WC) by and between Williams Communications Aircraft, LLC and Williams Communications, LLC dated September 11, 2001

SCHEDULE "A"

RENT -N358WC

Rent shall be payable in one hundred and twenty (120) equal successive monthly rental payments in an amount as would be necessary to amortize $17,750,000 on a straight-line basis over a period of one hundred and twenty (120) months plus interest calculated at the Interest Rate as set forth below:

The following definitions shall apply to this SCHEDULE "A":

"ABR", when used herein, refers to interest at a rate determined by reference to the Alternate Base Rate.

"Applicable Margin" means, for any day, the applicable rate per annum set forth below under the caption "Eurodollar Spread" or "ABR Spread", as the case may be, based upon the Lessee's Bank Facility Rating set by S&P and Moody's, respectively, applicable on such date plus (ii) the applicable rate per annum set forth below under the caption "Leverage Premium", unless the Total Leverage Ratio, as determined by reference to the financial statements delivered to the Lessor in respect of the most recently ended fiscal quarter of WCG, is less than 6:00 to 1:00.

"Eurodollar", when used herein, refers to interest at a rate determined by reference to the Adjusted LIBO Rate.

"LIBO Rate" means, with respect to any Eurodollar Rate, the rate appearing on Page 3750 of the Telerate Service (or on any successor or substitute page of such Service, or any successor to or substitute for such Service, providing rate quotations comparable to those currently provided on such page of such Service, as determined by the Lessor from time to time for purposes of providing quotations of interest rates applicable to dollar deposits in the London interbank market) at approximately 11:00 a.m., London time, two (2) Business Days prior to the FIRST DAY of each calendar month, as the rate for dollar deposits with a maturity of thirty (30) days. In the event that such rate is not available at such time for any reason, then the "LIBO Rate" shall be the rate (rounded upwards, if necessary, to the next 1/16 of 1%) at which dollar deposits of $5,000,000 and for a maturity of thirty (30) days are offered by the principal London office of the CitiBank, N.A., in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, two (2) Business Days prior to the FIRST DAY of each calendar month. IN EITHER CASE, THE APPLICABLE LIBO RATE SHALL BE EFFECTIVE FOR THE CALENDAR MONTH NEXT SUCCEEDING THE CALENDAR MONTH COMMENCING IMMEDIATELY AFTER SUCH DETERMINATION.

"Moody's" means Moody's Investors Service, Inc.

"S&P" means Standard & Poor's Ratings Services, a division of the McGraw Hill Companies.

"WCG" means Williams Communications Group, Inc., a Delaware corporation, and the parent company of Williams Communications, LLC.

Interest Rate Calculation

At Lessee's option, ABR plus Applicable Margin or LIBO Rate plus Applicable Margin (the "Rate") as determined from time to time by S&P or by Moody's based on Lessee's Facilities Rating in accordance with the grid below:

	Facilities Rating of Lessee	ABR Spread	Eurodollar Spread	Leverage Premium
Level I	BBB- and Baa3 or higher	0.50%	1.50%	.25%
Level II	BB+ and Ba1	0.875%	1.875%	.25%
Level III	BB and Ba2	1.25%	2.25%	.25%
Level IV	BB- and Ba3	1.50%	2.50%	.25%
Level V	Lower than BB- or lower than Ba3	1.75%	2.75%	.25%

For purposes of the foregoing (i) if neither S&P nor Moody's or any replacement or successor facility of similar size shall have in effect a rating for the Facilities, then the Applicable Margin shall be the rate set forth in Level V, (ii) if either S&P or Moody's, but not bot S&P or Moody's, shall have in effect a rating for the Facilities, then the Applicable Margin shall be based on such rating, (iii) if the ratings established by S&P or Moody's for the Facilities shall fall within different Levels, then the Applicable Margin shall be based on the lower of the two ratings, (iv) if the ratings established by S&P or Moody's for the Facilities shall fall within the same Level, then the Applicable Margin shall be based on that Level and (v) if the ratings established by S&P or Moody's for the Facilities shall be changed (other than as a result of a change in the rating system of S&P of Moody's), such change shall be effective as of the date on which it is first announced by the applicable rating agency. Each change in the Applicable Margin shall apply during the period commencing on the effective date of such change and engine on the date immediately preceding the effective date of the next such change.

SCHEDULE "B"

Cessna model 750 Citation X aircraft with manufacturer's serial number 750-0121 and United States nationality and registration marks N358WC.

Allison model AE3007C aircraft engines with manufacturer's serial numbers CAE330260 and CAE330261.

Such aircraft to be based at Tulsa International Airport, City of Tulsa, Oklahoma, Country of U.S.A.

SCHEDULE "C"

Termination Value

The Termination Value of the Aircraft shall be set forth opposite the applicable rent payment, plus accrued interest to such date.

CAPITALIZED LESSOR'S COST: $17,750,000.00

Payment Number	Monthly Period	Termination Value as a % of Cost	(1) Ten Year Straight-Line Amortization	(2) Unamortized Balance	(3) Monthly Depreciation Benefits	(4) Present Value of Depreciation Benefits	(2) + (4) Termination Value
1	10/1/01	133.83%	$147,916.67	$17,750,000.00	$295,833.33	$6,004,572.15	$23,754,572.15
2	11/1/01	131.55%	$147,916.67	$17,602,083.33	$295,833.33	$5,748,769.30	$23,350,852.63
3	12/1/01	129.27%	$147,916.67	$17,454,166.67	$295,833.33	$5,491,261.09	$22,945,427.76
4	1/1/02	126.98%	$147,916.67	$17,306,250.00	$118,333.33	$5,232,036.17	$22,538,286.17
5	2/1/02	125.67%	$147,916.67	$17,158,333.33	$118,333.33	$5,148,583.07	$22,306,916.41
6	3/1/02	124.37%	$147,916.67	$17,010,416.67	$118,333.33	$5,064,573.63	$22,074,990.29
7	4/1/02	123.06%	$147,916.67	$16,862,500.00	$118,333.33	$4,980,004.12	$21,842,504.12
8	5/1/02	121.74%	$147,916.67	$16,714,583.33	$118,333.33	$4,894,870.81	$21,609,454.15
9	6/1/02	120.43%	$147,916.67	$16,566,666.67	$118,333.33	$4,809,169.95	$21,375,836.62
10	7/1/02	119.11%	$147,916.67	$16,418,750.00	$118,333.33	$4,722,897.75	$21,141,647.75
11	8/1/02	117.79%	$147,916.67	$16,270,833.33	$118,333.33	$4,636,050.40	$20,906,883.74
12	9/1/02	116.46%	$147,916.67	$16,122,916.67	$118,333.33	$4,548,624.07	$20,671,540.74
13	10/1/02	115.13%	$147,916.67	$15,975,000.00	$118,333.33	$4,460,614.90	$20,435,614.90
14	11/1/02	113.80%	$147,916.67	$15,827,083.33	$118,333.33	$4,372,019.00	$20,199,102.33
15	12/1/02	112.46%	$147,916.67	$15,679,166.67	$118,333.33	$4,282,832.46	$19,961,999.13
16	1/1/03	111.12%	$147,916.67	$15,531,250.00	$ 71,000.00	$4,193,051.34	$19,724,301.34
17	2/1/03	110.05%	$147,916.67	$15,383,333.33	$ 71,000.00	$4,150,005.02	$19,533,338.35
18	3/1/03	108.97%	$147,916.67	$15,235,416.67	$ 71,000.00	$4,106,671.72	$19,342,088.38
19	4/1/03	107.89%	$147,916.67	$15,087,500.00	$ 71,000.00	$4,063,049.53	$19,150,549.53
20	5/1/03	106.81%	$147,916.67	$14,939,583.33	$ 71,000.00	$4,019,136.53	$18,958,719.86
21	6/1/03	105.73%	$147,916.67	$14,791,666.67	$ 71,000.00	$3,974,930.77	$18,766,597.44
22	7/1/03	104.64%	$147,916.67	$14,643,750.00	$ 71,000.00	$3,930,430.31	$18,574,180.31
23	8/1/03	103.56%	$147,916.67	$14,495,833.33	$ 71,000.00	$3,885,633.18	$18,381,466.51
24	9/1/03	102.47%	$147,916.67	$14,347,916.67	$ 71,000.00	$3,840,537.40	$18,188,454.06
25	10/1/03	101.38%	$147,916.67	$14,200,000.00	$ 71,000.00	$3,795,140.98	$17,995,140.98
26	11/1/03	100.29%	$147,916.67	$14,052,083.33	$ 71,000.00	$3,749,441.92	$17,801,525.25
27	12/1/03	99.20%	$147,916.67	$13,904,166.67	$ 71,000.00	$3,703,438.20	$17,607,604.87
28	1/1/04	98.10%	$147,916.67	$13,756,250.00	$226,135.00	$3,657,127.79	$17,413,377.79
29	2/1/04	96.13%	$147,916.67	$13,608,333.33	$226,135.00	$3,455,373.64	$17,063,706.97
30	3/1/04	94.16%	$147,916.67	$13,460,416.67	$226,135.00	$3,252,274.46	$16,712,691.13
31	4/1/04	92.17%	$147,916.67	$13,312,500.00	$226,135.00	$3,047,821.29	$16,360,321.29
32	5/1/04	90.18%	$147,916.67	$13,164,583.33	$226,135.00	$2,842,005.10	$16,006,588.44
33	6/1/04	88.18%	$147,916.67	$13,016,666.67	$226,135.00	$2,634,816.80	$15,651,483.47
34	7/1/04	86.17%	$147,916.67	$12,868,750.00	$226,135.00	$2,426,247.25	$15,294,997.25
35	8/1/04	84.15%	$147,916.67	$12,720,833.33	$226,135.00	$2,216,287.23	$14,937,120.56
36	9/1/04	82.13%	$147,916.67	$12,572,916.67	$226,135.00	$2,004,927.48	$14,577,844.15
37	10/1/04	80.10%	$147,916.67	$12,425,000.00	$226,135.00	$1,792,158.66	$14,217,158.66

The Termination Value of the Aircraft shall be set forth opposite the applicable rent payment, plus accrued interest to such date.

CAPITALIZED LESSOR'S COST: $17,750,000.00

Payment Number	Monthly Period	Termination Value as a % of Cost	(1) Ten Year Straight-Line Amortization	(2) Unamortized Balance	(3) Monthly Depreciation Benefits	(4) Present Value of Depreciation Benefits	(2) + (4) Termination Value
38	11/1/04	78.06%	$147,916.67	$12,277,083.33	$226,135.00	$1,577,971.39	$13,855,054.72
39	12/1/04	76.01%	$147,916.67	$12,129,166.67	$226,135.00	$1,362,356.20	$13,491,522.86
40	1/1/05	73.95%	$147,916.67	$11,981,250.00	$ 68,160.00	$1,145,303.57	$13,126,553.57
41	2/1/05	72.78%	$147,916.67	$11,833,333.33	$ 68,160.00	$1,084,778.93	$12,918,112.26
42	3/1/05	71.60%	$147,916.67	$11,685,416.67	$ 68,160.00	$1,023,850.79	$12,709,267.45
43	4/1/05	70.42%	$147,916.67	$11,537,500.00	$ 68,160.00	$ 962,516.46	$12,500,016.46
44	5/1/05	69.24%	$147,916.67	$11,389,583.33	$ 68,160.00	$ 900,773.23	$12,290,356.57
45	6/1/05	68.06%	$147,916.67	$11,241,666.67	$ 68,160.00	$ 838,618.39	$12,080,285.06
46	7/1/05	66.87%	$147,916.67	$11,093,750.00	$ 68,160.00	$ 776,049.18	$11,869,799.18
47	8/1/05	65.68%	$147,916.67	$10,945,833.33	$ 68,160.00	$ 713,062.84	$11,658,896.17
48	9/1/05	64.49%	$147,916.67	$10,797,916.67	$ 68,160.00	$ 649,656.59	$11,447,573.26
49	10/1/05	63.30%	$147,916.67	$10,650,000.00	$ 68,160.00	$ 585,827.64	$11,235,827.64
50	11/1/05	62.11%	$147,916.67	$10,502,083.33	$ 68,160.00	$ 521,573.15	$11,023,656.49
51	12/1/05	60.91%	$147,916.67	$10,354,166.67	$ 68,160.00	$ 456,890.31	$10,811,056.98
52	1/1/06	59.71%	$147,916.67	$10,206,250.00	$ 34,080.00	$ 391,776.24	$10,598,026.24
53	2/1/06	58.70%	$147,916.67	$10,058,333.33	$ 34,080.00	$ 360,308.09	$10,418,641.42
54	3/1/06	57.68%	$147,916.67	$ 9,910,416.67	$ 34,080.00	$ 328,630.14	$10,239,046.81
55	4/1/06	56.67%	$147,916.67	$ 9,762,500.00	$ 34,080.00	$ 296,741.01	$10,059,241.01
56	5/1/06	55.66%	$147,916.67	$ 9,614,583.33	$ 34,080.00	$ 264,639.28	$ 9,879,222.61
57	6/1/06	54.64%	$147,916.67	$ 9,466,666.67	$ 34,080.00	$ 232,323.54	$ 9,698,990.21
58	7/1/06	53.63%	$147,916.67	$ 9,318,750.00	$ 34,080.00	$ 199,792.37	$ 9,518,542.37
59	8/1/06	52.61%	$147,916.67	$ 9,170,833.33	$ 34,080.00	$ 167,044.31	$ 9,337,877.65
60	9/1/06	51.59%	$147,916.67	$ 9,022,916.67	$ 34,080.00	$ 134,077.94	$ 9,156,994.61
61	10/1/06	50.57%	$147,916.67	$ 8,875,000.00	$ 34,080.00	$ 100,891.80	$ 8,975,891.80
62	11/1/06	49.55%	$147,916.67	$ 8,727,083.33	$ 34,080.00	$ 67,484.41	$ 8,794,567.74
63	12/1/06	48.52%	$147,916.67	$ 8,579,166.67	$ 34,080.00	$ 33,854.30	$ 8,613,020.97
64	1/1/07	47.50%	$147,916.67	$ 8,431,250.00			$ 8,431,250.00
65	2/1/07	46.67%	$147,916.67	$ 8,283,333.33			$ 8,283,333.33
66	3/1/07	45.83%	$147,916.67	$ 8,135,416.67			$ 8,135,416.67
67	4/1/07	45.00%	$147,916.67	$ 7,987,500.00			$ 7,987,500.00
68	5/1/07	44.17%	$147,916.67	$ 7,839,583.33			$ 7,839,583.33
69	6/1/07	43.33%	$147,916.67	$ 7,691,666.67			$ 7,691,666.67
70	7/1/07	42.50%	$147,916.67	$ 7,543,750.00			$ 7,543,750.00
71	8/1/07	41.67%	$147,916.67	$ 7,395,833.33			$ 7,395,833.33
72	9/1/07	40.83%	$147,916.67	$ 7,247,916.67			$ 7,247,916.67
73	10/1/07	40.00%	$147,916.67	$ 7,100,000.00			$ 7,100,000.00
74	11/1/07	39.17%	$147,916.67	$ 6,952,083.33			$ 6,952,083.33
75	12/1/07	38.33%	$147,916.67	$ 6,804,166.67			$ 6,804,166.67
76	1/1/08	37.50%	$147,916.67	$ 6,656,250.00			$ 6,656,250.00
77	2/1/08	36.67%	$147,916.67	$ 6,508,333.33			$ 6,508,333.33
78	3/1/08	35.83%	$147,916.67	$ 6,360,416.67			$ 6,360,416.67
79	4/1/08	35.00%	$147,916.67	$ 6,212,500.00			$ 6,212,500.00
80	5/1/08	34.17%	$147,916.67	$ 6,064,583.33			$ 6,064,583.33

The Termination Value of the Aircraft shall be set forth opposite the applicable rent payment, plus accrued interest to such date.

CAPITALIZED LESSOR'S COST: $17,750,000.00

Payment Number	Monthly Period	Termination Value as a % of Cost	(1) Ten Year Straight-Line Amortization	(2) Unamortized Balance	(3) Monthly Depreciation Benefits	(4) Present Value of Depreciation Benefits	(2) + (4) Termination Value
81	6/1/08	33.33%	$147,916.67	$ 5,916,666.67			$ 5,916,666.67
82	7/1/08	32.50%	$147,916.67	$ 5,768,750.00			$ 5,768,750.00
83	8/1/08	31.67%	$147,916.67	$ 5,620,833.33			$ 5,620,833.33
84	9/1/08	30.83%	$147,916.67	$ 5,472,916.67			$ 5,472,916.67
85	10/1/08	30.00%	$147,916.67	$ 5,325,000.00			$ 5,325,000.00
86	11/1/08	29.17%	$147,916.67	$ 5,177,083.33			$ 5,177,083.33
87	12/1/08	28.33%	$147,916.67	$ 5,029,166.67			$ 5,029,166.67
88	1/1/09	27.50%	$147,916.67	$ 4,881,250.00			$ 4,881,250.00
89	2/1/09	26.67%	$147,916.67	$ 4,733,333.33			$ 4,733,333.33
90	3/1/09	25.83%	$147,916.67	$ 4,585,416.67			$ 4,585,416.67
91	4/1/09	25.00%	$147,916.67	$ 4,437,500.00			$ 4,437,500.00
92	5/1/09	24.17%	$147,916.67	$ 4,289,583.33			$ 4,289,583.33
93	6/1/09	23.33%	$147,916.67	$ 4,141,666.67			$ 4,141,666.67
94	7/1/09	22.50%	$147,916.67	$ 3,993,750.00			$ 3,993,750.00
95	8/1/09	21.67%	$147,916.67	$ 3,845,833.33			$ 3,845,833.33
96	9/1/09	20.83%	$147,916.67	$ 3,697,916.67			$ 3,697,916.67
97	10/1/09	20.00%	$147,916.67	$ 3,550,000.00			$ 3,550,000.00
98	11/1/09	19.17%	$147,916.67	$ 3,402,083.33			$ 3,402,083.33
99	12/1/09	18.33%	$147,916.67	$ 3,254,166.67			$ 3,254,166.67
100	1/1/10	17.50%	$147,916.67	$ 3,106,250.00			$ 3,106,250.00
101	2/1/10	16.67%	$147,916.67	$ 2,958,333.33			$ 2,958,333.33
102	3/1/10	15.83%	$147,916.67	$ 2,810,416.67			$ 2,810,416.67
103	4/1/10	15.00%	$147,916.67	$ 2,662,500.00			$ 2,662,500.00
104	5/1/10	14.17%	$147,916.67	$ 2,514,583.33			$ 2,514,583.33
105	6/1/10	13.33%	$147,916.67	$ 2,366,666.67			$ 2,366,666.67
106	7/1/10	12.50%	$147,916.67	$ 2,218,750.00			$ 2,218,750.00
107	8/1/10	11.67%	$147,916.67	$ 2,070,833.33			$ 2,070,833.33
108	9/1/10	10.83%	$147,916.67	$ 1,922,916.67			$ 1,922,916.67
109	10/1/10	10.00%	$147,916.67	$ 1,775,000.00			$ 1,775,000.00
110	11/1/10	9.17%	$147,916.67	$ 1,627,083.33			$ 1,627,083.33
111	12/1/10	8.33%	$147,916.67	$ 1,479,166.67			$ 1,479,166.67
112	1/1/11	7.50%	$147,916.67	$ 1,331,250.00			$ 1,331,250.00
113	2/1/11	6.67%	$147,916.67	$ 1,183,333.33			$ 1,183,333.33
114	3/1/11	5.83%	$147,916.67	$ 1,035,416.67			$ 1,035,416.67
115	4/1/11	5.00%	$147,916.67	$ 887,500.00			$ 887,500.00
116	5/1/11	4.17%	$147,916.67	$ 739,583.33			$ 739,583.33
117	6/1/11	3.33%	$147,916.67	$ 591,666.67			$ 591,666.67
118	7/1/11	2.50%	$147,916.67	$ 443,750.00			$ 443,750.00
119	8/1/11	1.67%	$147,916.67	$ 295,833.33			$ 295,833.33
120	9/1/11	0.83%	$147,916.67	$ 147,916.67			$ 147,916.67

EXHIBIT 10.4

FORM OF
AIRCRAFT DRY LEASE
N359WC

This Aircraft Dry Lease ("Lease") dated as of September 13, 2001 ("Effective Date"), is by and between Williams Communications Aircraft, LLC, a Delaware limited liability company and a wholly owned subsidiary of Williams Aircraft, Inc. ("Lessor") and Williams Communications, LLC, a Delaware limited liability company (the "Lessee").

Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor the aircraft described on Schedule "B" attached hereto, together with all engines, equipment, attachments, substitutions, replacements and additions (collectively, the "Aircraft").

1. Certain Definitions: For purposes of this Lease the terms "Additional Charge", "Affiliate", "Change in Control", "Debt", "Encumbrance", "Environmental Laws", "ERISA", "ERISA Event", "GAAP:", "Governmental Authority", "Hazardous Materials", "Material Adverse Affect", "Material Debt", "Notice", "Officer's Certificate", "Overdue Rate", "Permitted Encumbrances", "Person", "Plan", "Prime Rate", "Proceeding", "Transfer", and "WCG" shall have the meanings described for such capitalized terms as contained in the Master Lease dated September 13, 2001, among Williams Headquarters Building Company, Williams Technology Center, LLC, and Williams Communications, LLC. Capitalized terms not otherwise specifically defined in this Lease shall have the meanings described for such capitalized terms as contained in the Credit Agreement dated as of September 8, 1999 (the "Credit Agreement") among Lessee, Bank of America, N.A., The Chase Manhattan Bank and other parties (and capitalized terms contained within such definitions as set forth in the Credit Agreement shall similarly have the meanings described for such capitalized terms therein) with respect to the financial covenants therein. A copy of the Credit Agreement is attached hereto as Exhibit I. Lessee shall provide copies of any amendments or restatements or waivers to the Credit Agreement to Lessor within five (5) days of execution thereof. Such amendments or restatements or waivers shall automatically become a part hereof with respect to the financial covenants.

2. Term and Rent: This Lease is for a term of ten (10) years, beginning September 13, 2001, and ending September 1, 2011. For said term or any portion thereof, Lessee shall pay to Lessor rentals ("Rent") payable in accordance with Schedule "A", of which the first is due October 1, 2001, and the others on a like date of each month thereafter. All Rent shall be paid at Lessor's place of business shown below, or such other place as the Lessor may designate by written notice to the Lessee. All Rent shall be paid without notice or demand and without abatement, deduction or set-off of any amount whatsoever. The operation and use of the Aircraft shall be at the risk of Lessee, and not of Lessor and the obligation of Lessee to pay Rent hereunder shall be unconditional.

2.1 Late Charge; Interest: If any Rent payable to Lessor is not paid when due, Lessee shall pay Lessor on demand, as an Additional Charge, (a) a late charge equal to (i) two percent (2%) of the amount not paid within five (5) days of the date when due plus (b) if such Rent (including the late charge) is not paid within ten (10) days of the date due, interest thereon at the Overdue Rate from such tenth (10th) day until such Rent (including the late charge and interest) is paid in full.

3. Destruction of Aircraft: If the Aircraft is lost, stolen, totally destroyed, damaged beyond repair or permanently rendered unfit for use for any reason whatsoever, the liability of the Lessee to pay Rent therefor may be discharged by paying to Lessor all the Rent due thereon, plus all the Rent to become due thereon less the net amount of the recovery, if any, actually received by Lessor from insurance or otherwise for such loss or damage. Lessor shall not be obligated to undertake, by litigation or otherwise, the collection of any claim against any person for loss or damage of the Aircraft. Except as expressly provided in this paragraph, the total or partial destruction of the Aircraft, or total or partial loss of use or possession thereof to Lessee, shall not release or relieve Lessee from the duty to pay the Rent herein provided.

4. No Warranties by Lessor; Compliance with Laws and Insurance: Lessor, not being the manufacturer of the Aircraft, nor manufacturer's agent, makes no warranty or representation, either express or implied, as to the fitness, quality, design, condition, capacity, suitability, merchantability or performance of the Aircraft or of the material or workmanship thereof, or that the Aircraft will satisfy the requirements of any law, rule, specification or contract, it being agreed that the Aircraft is leased "as is" and that all such risks, as between the Lessor and the Lessee, are to be borne by the Lessee at its sole risk and expense, Lessee accordingly agrees not to assert any claim whatsoever against the Lessor based thereon. Lessee further agrees, regardless of cause, not to assert any claim whatsoever against the Lessor for loss of anticipatory profits or consequential, indirect, special or punitive damages. Lessor shall have no obligation to test or service the Aircraft. Lessee agrees, at its own cost and expense, (a) to pay all charges and expenses in connection with the operation of the Aircraft; (b) to comply with all governmental laws, ordinances, regulations, requirements and rules with respect to the use and operation of the Aircraft; and (c) to maintain at all times (i) Aircraft hull insurance, including all-risk ground and flight insurance on the Aircraft for the stated value thereof (not to be less than the full current market value as determined annually by the parties) for the term of this Lease, plus other insurance thereon in amounts and against such risks as Lessor may specify, and deliver each policy to Lessor with a standard long form endorsement attached thereto showing loss payable to Lessor as its interest may appear, and (ii) combined single limit liability insurance covering bodily injury liability, property damage liability and passenger liability for the term of this Lease naming Lessor its parent and affiliates as additional insureds to the full extent of the policies carried, but in no event less than $200,000,000.00 per occurrence. Lessee shall deliver to Lessor evidence of such insurance coverage. All insurance policies must provide that no cancellation or non-renewal thereof shall be effective without 30 days prior written notice to Lessor and all insurance policies shall be in form, terms and amounts and with insurance carriers satisfactory to Lessor.

5. Maintenance. Lessee, at its cost and expense, shall:

5.1 perform or cause to be performed all airworthiness directives, mandatory manufacturer's service bulletins, and all other mandatory service, inspections, repair, maintenance, overhaul and testing: (a) as may be required under applicable Federal Aviation Administration (the "FAA") rules and regulations, (b) in the same manner and with the same care as shall be the case with similar aircraft and engines owned by or operated on behalf of Lessee without discrimination, and (c) so as to keep the Aircraft in as good operating condition as when delivered to the Lessee, ordinary wear and tear excepted, with all systems in good operating condition;

5.2 keep the Aircraft in such condition as is necessary to enable the airworthiness certification of the Aircraft to be maintained at all times under applicable FAA regulations and any other applicable law, including, but not limited to any equipment modifications or installations required by the FAA;

5.3 maintain, in the English language, all records and other materials required by and in a manner acceptable to the FAA and any other governmental entity having jurisdiction over the Aircraft and its operation;

5.4 Lessee shall furnish Lessor reports on an annual basis a list of those service bulletins, airworthiness directives and engineering modifications incorporated on the Aircraft during the preceding calendar year.

6. Taxes: Lessee agrees that, during the term of this Lease, in addition to the Rent and all other amounts provided herein to be paid, it will promptly pay all taxes, assessments and other governmental charges (including penalties and interest, if any, and fees for titling or registration, if required) levied or assessed: (a) upon the interest of the Lessee in the Aircraft or upon the use or operation thereof or on the earnings arising therefrom; and (b) against Lessor on account of its acquisition or ownership of the Aircraft, or the use or operation thereof or the leasing thereof to the Lessee, or the Rent herein provided for, or the earnings arising therefrom, exclusive, however, of any taxes based on net income of Lessor ("Taxes"). Lessee agrees to file, on behalf of Lessor, all required tax returns and reports concerning the Aircraft with all appropriate governmental agencies, and within not more than 45 days after the due date of such filing to send Lessor confirmation, in form satisfactory to Lessor, of such filing.

6.1 Lease Characterization: Lessor and Lessee agree that the terms of this Lease create an operating lease for federal and state income tax purposes. Consistent with the foregoing, Lessor intends to retain all tax benefits associated with this Lease and Lessee agrees not to take an inconsistent position on its federal or state income tax filings. If any

action taken by one party under this Lease causes this Lease to be ultimately determined by any taxing authority not to be an operating lease, that party shall indemnify the other party for any resulting increase in the other party's federal or state income tax liability for any period.

6.2 Permitted Contests: Lessee, on its own or on Lessor's behalf or in Lessor's name, but at Lessee's sole cost and expense, shall have the right to contest, by an appropriate legal proceeding conducted in good faith and with due diligence, the amount or validity of any levy or assessment of Taxes provided (a) prior notice of such contest is given to Lessor, (b) the Aircraft would not be in any danger of being sold, forfeited or attached as a result of such contest, and there is no risk to Lessor of a loss of or interruption in the payment of Rent, (c) in the case of unpaid Taxes, collection thereof is suspended during the pendency of such contest, and (d) compliance may legally be delayed pending such contest. Upon request of Lessor, Lessee shall deposit funds or assure Lessor in some other manner reasonably satisfactory to Lessor that the Taxes, together with interest and penalties, if any, thereon, and any and all costs for which Lessee is responsible will be paid if and when required upon the conclusion of such contest. Lessee shall defend, indemnify and save harmless Lessor from all costs or expenses arising out of or in connection with any such contest, including but not limited to payment of Taxes and attorneys' fees. If at any time Lessor reasonably determines that payment of the Taxes contested by Lessee is necessary in order to prevent loss of the Aircraft or Rent or civil or criminal penalties or other damage, upon such prior notice to Lessee as is reasonable in the circumstances Lessor may pay such amount or take such other action as it may deem necessary to prevent such loss or damage. If reasonably necessary, upon Lessee's written request Lessor, at Lessee's expense, shall cooperate with Lessee in a permitted contest, provided Lessee upon demand reimburses Lessor for Lessor's costs incurred in cooperating with Lessee in such contest.

7. Lessor's Right of Inspection and Identification of Aircraft: All equipment, engines, radios, accessories, instruments and parts now or hereafter used in connection with the Aircraft shall become part of the Aircraft by accession. Lessor warrants that the Aircraft is not registered under the laws of any foreign country. Lessee shall permit Lessor or its designee, on 5 days prior written notice to visit and inspect the Aircraft, its condition, use and operation, and the records maintained in connection therewith, at any reasonable time without interfering with the normal operation of the Aircraft, at Lessor's cost and expense, provided that no Default or Event of Default has occurred and is continuing. Lessor shall have no duty to make any such inspection and shall not incur any liability or obligation by reason of not making any such inspection. Lessor's failure to object to any condition or procedure observed or observed in the course of an inspection hereunder shall not be deemed to waive or modify any of the terms of this Lease with respect to such condition or procedure.

8. Possession and Place of Use: The Aircraft shall be based at the location specified in Schedule "B", and shall not be permanently removed therefrom without Lessor's prior written consent. Lessee shall not, without Lessor's prior written consent, (a) part with possession or control of the Aircraft, (b) attempt or purport to sell, pledge, mortgage or otherwise encumber the Aircraft or otherwise dispose of or encumber any interest under this Lease, or (c) fly or permit the Aircraft to be flown or located outside the area covered by insurance required by paragraph 3 of this Lease.

9. Lessee's Warranties: Lessee warrants that the Aircraft will be registered under the laws of the United States and will not be registered under the laws of any foreign country; that the Aircraft and/or equipment will not be held, maintained or used in violation of any law, regulation, ordinance or policy of insurance affecting the maintenance, use or flight of Aircraft. These warranties are conditions of Lessee's right of possession and use, and delivery is made in reliance thereon.

10. Performance of Obligations of Lessee by Lessor: In the event that Lessee shall fail duly and promptly to perform any of its obligations under the provisions of this Lease, Lessor may, at its option, perform the same for the account of Lessee without thereby waiving such default, and any amount paid or expense (including reasonable attorneys' fees), penalty or other liability incurred by Lessor in such performance, together with interest at the Overdue Rate until paid by Lessee to Lessor, shall be payable by Lessee upon demand as additional rent for the Aircraft.

11. Purchase Option: At any time during the term of this Lease, if Lessee has paid in full all rentals owing hereunder and is not in default hereunder, Lessee shall have the option to purchase the Aircraft for an amount equal to the greater of (1) fair market value of the Aircraft or (2) the Termination Value in accordance with Schedule "C" plus accrued interest. Lessee shall give Lessor written notice of its intent to exercise such option not less than 30 days prior to the transfer of the Aircraft to Lessee. Fair market value shall be determined by a mutually agreed upon independent aircraft broker. If the parties cannot agree on the selection of a broker, each party shall designate a broker. Such selected brokers will then select a third broker to appraise the Aircraft. Such third party broker appraisal shall be binding upon the parties.

Lessee shall also have the right to purchase the Aircraft as of October 1, 2006 ("Early Buy-Out Option") for the Termination Value for such date in accordance with Schedule "C" plus accrued interest.

Lessee shall also be responsible for all transaction costs associated with any exercise in accordance with this Section 11.

12. Put Option: Upon the expiration of the original term of this Lease, Lessor shall have the option to require the Lessee to purchase the Aircraft for an amount equal to the agreed fair market value of the Aircraft as defined in Section 11 hereof. Lessor shall provide Lessee written notice of its intent to exercise such option not less than 30 days prior to the expiration of the original term of this Lease.

Lessee shall also be responsible for all transaction costs associated with any exercise in accordance with this Section 12.

13. Default: An event of default ("Event of Default") shall occur if:

(a) Lessee fails to pay or cause to be paid the Rent when due and payable;

(b) Either Lessee or WCG, has a petition in bankruptcy filed against it, is adjudicated a bankrupt or has an order for relief thereunder entered against it, or a court of competent jurisdiction enters an order or decree appointing a receiver of Lessee or WCG or of the whole or substantially all of its property, or approving a petition filed against Lessee seeking reorganization or arrangement of Lessee under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof, any such judgment, order or decree is not vacated or set aside or stayed within sixty (60) days from the date of the entry thereof, subject to the applicable provisions of the Bankruptcy Code (11 U.S.C Section 101, et seq);

(c) Lessee or WCG: (i) admits in writing its inability to pay its debts generally as they become due, (ii) files a petition in bankruptcy or a petition to take advantage of any insolvency law, (iii) makes a general assignment for the benefit of its creditors, (iv) consents to the appointment of a receiver of itself or of the whole or any substantial part of its property, or (v) files a petition or answer seeking reorganization or arrangement under the Federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof, subject to the applicable provisions of the Bankruptcy Code (11 U.S.A. Section 101, et seq);

(d) Lessee or WCG, is liquidated or dissolved, or begins a Proceeding toward liquidation or dissolution, or has filed against it a petition or other Proceeding to cause it to be liquidated or dissolved and the Proceeding is not dismissed within thirty (30) days thereafter, or Lessee in any manner permits the sale or divestiture of substantially all of its assets;

(e) The estate or interest of Lessee in the Aircraft or any part thereof is levied upon or attached in any Proceeding and the same is not vacated or discharged within thirty (30) days thereafter (unless Lessee is in the process of consenting such lien or attachment in good faith);

(f) Any representation or warranty made by Lessee in the Membership Interest Purchase Agreement or in the certificate delivered in connection therewith shall prove to be incorrect in any material respect when made or deemed made, Lessor is materially and adversely affected thereby and Lessee fails within twenty (20) days after Notice from Lessor thereof to cure such condition by terminating such adverse effect and making Lessor whole for any damage suffered therefrom, or, if with due diligence such cure cannot be effected within twenty (20) days, if Lessee has failed to commence to cure the same within the twenty (20) days or failed thereafter to proceed promptly and with due diligence to cure such condition and complete such cure prior to the time that

such condition causes a default in any other lease to which Lessee is subject and prior to the time that the same results in civil or criminal penalties to Lessor, Lessee, or any Affiliates of any of such parties or the Aircraft;

(g) A Transfer occurs without the prior written consent of Lessor;

(h) Except as otherwise provided in subsection (m) below, a default occurs under any Material Debt when and as the same become due and payable (subject to any applicable grace period);

(i) Lessee fails to purchase the Aircraft if and as required under this Lease;

(j) Lessee or WCG breaches any of the financial covenants set forth in Section 14 hereof and the breach is not cured within a period of thirty (30) days after the earlier to occur of (i) the Notice thereof from Lessor, or (ii) knowledge thereof by Lessee or WCG;

(k) Lessee fails to observe or perform any other term, covenant or condition of this Lease and the failure is not cured by Lessee within a period of thirty (30) days after Notice thereof from Lessor:

(l) Lessee breaches any representation or warranty made by it in this Lease;

(m) An Event of Default as defined in the Credit Agreement, occurs and an acceleration of any of the Loans as defined in the Credit Agreement results;

(n) One or more judgments for the payment of money in an aggregate amount in excess of $25,000,000 shall be rendered against Lessee or WCG, or any combination thereof and the same shall remain undischarged for a period of thirty (30) consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of Lessee or WCG to enforce any such judgment;

(o) An ERISA Event shall have occurred that, in the opinion of the Lessor, when taken together with all other ERISA Events that have occurred, could reasonable be expected to result in liability of Lessee or WCG in an aggregate amount exceeding $25,000,000 for all periods;

(p) Lessee fails to maintain the Aircraft in accordance with the terms of this Lease;

(q) A Change in Control shall occur;

(r) Lessee fails to observe or perform any provisions of Section 4 and Section 14.4 regarding insurance; or

(s) Lessee defaults on any other Aircraft Dry Lease dated concurrently herewith.

Upon the occurrence of an Event of Default, Lessor, at Lessor's option, may: (a) proceed by appropriate court action or actions or other proceedings either at law or in equity to enforce performance by Lessee of any and all covenants of this Lease and to recover damages for the breach thereof; (b) demand that Lessee deliver the Aircraft forthwith to Lessor at Lessee's expense at such place as Lessor may designate; (c) Lessor and/or Lessor's agents may, without notice or liability or legal process, enter into any premises of or under control or jurisdiction of Lessee or any agent of Lessee where the Aircraft may be or by Lessor is believed to be, and repossess the Aircraft, using all force necessary or permitted by applicable law so to do, Lessee hereby expressly waiving all further rights to possession of the Aircraft and all claims for injuries suffered through or loss caused by such repossession; (d) terminate this Lease, whereupon Lessee shall, without further demand, as liquidated damages for loss of the bargain and not as a penalty forthwith pay to Lessor any unpaid Rent that accrued on or before the occurrence of the event of default plus an amount equal to the difference between the value, as of the date of the occurrence of such event of default, of the aggregate Rent reserved hereunder for the unexpired term of this Lease and the then value of the aggregate rental value of the Aircraft for such unexpired term which the Lessor reasonably estimates to be obtainable for the use of the Aircraft during such unexpired terms. Should any proceedings be instituted by or against Lessor for monies due to Lessor hereunder and/or for possession of the Aircraft or for any other relief, Lessee shall pay a reasonable sum as attorneys' fees. If any statute governing the proceeding in which damages are to be proved specifies the amount of such claim, Lessor shall be entitled to prove as and for damages for the breach an amount equal to that allowed under such statute. The remedies of this Lease provided in favor of Lessor shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in its favor existing at law or in equity, and the exercise, or beginning of exercise by Lessor of any one or more of such remedies shall not preclude the simultaneous or later exercise by Lessor of any or all such remedies. No express or implied waiver by Lessor of any event of default hereunder shall in any way be, or be construed to be, a waiver of any future or subsequent events of default.

14. Covenants: Lessee represents, warrants and covenants that:

14.1 Existence; Conduct of Business. Lessee and WCG each will (i) continue to engage in business of the same general type as now conducted and (ii) do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges, franchises, patents, copyrights, trademarks and trade names material to the conduct of its business.

14.2 Payment of Obligations. Lessee and WCG each (i) will pay its Debt and other material obligations, including tax liabilities, before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate legal process, (b) has set aside on its books adequate reserves with respect

thereto in accordance with GAAP, (c) such contest effectively suspends collection of the contested obligation and the enforcement of any Encumbrance securing such obligation and (d) the failure to make payment pending such contest could not reasonably be expected to result in a Material Adverse Effect and (ii) shall not breach, in any material respect, or permit to exist any material default under, the terms of any material lease, commitment, contract, instrument or obligation to which it is a party, or by which its properties or assets are bound, except where the failure to do the foregoing would not in the aggregate have a Material Adverse Effect.

14.3 Maintenance of Properties. Lessee and WCG each will keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted.

14.4 Insurance. In addition to the insurance required in Section 4, Lessee and WCG each will maintain, with financially sound and reputable insurance companies, insurance in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations. As of the Effective Date, all premiums in respect of all insurance described in the Lease have been paid. Lessee shall deliver an insurance certificate to Lessor as of the Effective Date evidencing all such insurance coverages.

14.5 Casualty and Condemnation. The Lessee will furnish to Lessor prompt written notice of any casualty or other insured damage to any portion of any of Lessor's property or assets or the commencement of any action or Proceeding for the taking of any of Lessor's property or assets or any part thereof or interest therein under power of eminent domain or by condemnation or similar Proceeding (in each case with a value in excess of $10,000,000).

14.6 Books and Records; Inspection and Audit Rights. Lessee and WCG each will keep proper books of record and account in which materially full, true and correct entries are made of all dealings and transactions in relation to its business and activities. Lessee and WCG each will permit any representatives designated by the Lessor at the expense of Lessor, or, if an Event of Default shall have occurred and be continuing, at the expense of the Lessee, upon reasonable prior notice, to visit and inspect its properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and independent accountants, all at such reasonable times and as often as reasonably requested.

14.7 Compliance with Laws. Lessee and WCG each will comply with all laws, rules, regulations and orders of any Governmental Authority applicable to it or its property (including, without limitation, Environmental Laws and ERISA and the rules and regulations

thereunder), except where the necessity of compliance therewith is contested in good faith by appropriate action and such failure to comply, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

14.8 Further Assurances. At any time and from time to time, Lessee will execute any and all further documents, financing statements, agreements and instruments, and take all such further actions (including the filing and recording of financing statements, fixture filings, mortgages, deeds of trust and other documents), which may be required under any applicable law, or which the Lessor may reasonably request, to effectuate the transactions contemplated by this Lease or to grant, preserve, protect or perfect the Encumbrances created or intended to be created in connection with this Lease or any of the other documents contemplated herein, required to be in effect or the validity or priority of any such Encumbrance, all at the expense of Lessee and Lessor. Lessee and Lessor also agree to provide to Lessor, from time to time upon request, evidence reasonably satisfactory to Lessor as to the perfection and priority of the Encumbrance created or intended to be created in connection with this Lease or any of the other documents contemplated herein.

14.9 Pledge or Encumber Assets. Lessee shall not pledge or otherwise encumber any of its assets, other than leased equipment used in the operation of the Aircraft.

14.10 Encumbrances. Lessee will not create, incur, assume or permit to exist any Encumbrance on any property or asset now owned or hereafter acquired by it, or assign or sell any income or revenues or rights in respect of any thereof, except for any Permitted Encumbrances or Encumbrances created in connection with or specifically contemplated by this Lease or permitted by the Credit Agreement.

14.11 Fundamental Changes. Lessee and WCG each will not merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or liquidate or dissolve, except that, if at the time thereof and immediately after giving effect thereto no Event of Default shall have occurred and be continuing (i) any Person may merge into the Lessee in a transaction in which the Lessee is the surviving entity, provided that any such merger involving a Person that is not a wholly owned by Lessor immediately prior to such merger shall not be permitted, and (ii) any person may merge into the Lessee in a transaction in which the Lessee is the surviving corporation.

14.12 Other Material Agreements. Lessee shall not (i) enter into any other material agreement relating to any portion of the Aircraft, or (ii) if entered into with Lessor's consent, thereafter, amend, modify, renew, replace or otherwise change the terms of any such material agreement without the prior written consent of Lessor.

14.13 Total Net Debt to Contributed Capital Ratio. The Total Net Debt to Contributed Capital ratio shall at no time prior to January 1, 2002 exceed .65 to 1.00.

14.14 Minimum EBITDA. The amount equal to (i) EBITDA for the period of four (4) fiscal quarters ending during any period set forth below plus (ii) ADP Interest Expense for such period minus (iii) gains for such period attributable to Dark Fiber and Capacity Dispositions plus (iv) Dark Fiber and Capacity Proceeds for such period shall not be less than the amount set forth below opposite such period:

PERIOD	AMOUNT
January 1,2001-March 31, 2001	$200,000,000
April 1, 2001-June 30, 2001	$300,000,000
July 1, 2001-September 20, 2001	$350,000,000
October 1, 2001-December 31, 2001	$350,000,000

14.15 Total Leverage Ratio. (a) The Total Leverage Ratio during any period set forth below shall not exceed the ratio set forth below opposite such period:

PERIOD	TOTAL LEVERAGE RATIO
March 31, 2001-December 30, 2001	12.50:1.00
December 31, 2002-December 30, 2003	9.50:1.00
December 31, 2003 and thereafter	4.00:1.00

14.16 Senior Leverage Ratio. The Senior Leverage Ratio during any period set forth below shall not exceed the ratio set forth below opposite such period:

PERIOD	SENIOR LEVERAGE RATIO
March 31, 2002-December 30, 2002	5.25:1.00
December 31, 2002-December 30, 2003	3.25:1.00
December 31, 2003 and thereafter	2.50:1.00

14.17 Interest Coverage Ratio. The Interest Coverage Ratio for any period of four (4) consecutive fiscal quarters ending during any period set forth below shall not be less than the ratio set forth below opposite such period:

PERIOD	INTEREST COVERAGE RATIO
June 30, 2002-June 29, 2003	1.00:1.00
June 30, 2003-December 30, 2003	1.50:1.00
December 31, 2003 and thereafter	2.00:1.00

14.18 Organization; Powers. Lessee is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, has all requisite power and authority to carry on its business as now conducted and, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required.

14.19 Authorization; Enforceability. The execution of and performance under this Lease is within Lessee's' entity powers and has been duly authorized by all necessary member, corporate and, if required, stockholder action as the case may be. This Lease has been duly executed and delivered by Lessee and constitutes a legal, valid and binding obligation of the Lessee, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a Proceeding in equity or at law.

14.20 Governmental Approvals; No Conflicts. The Lease or any of the other documents contemplated herein, (a) does not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect and except filings necessary to perfect Lessor's rights under this Lease, (b) will not violate any applicable law or regulation or the charter, by-laws or other organizational documents of Lessee or Lessor or any order of any Governmental Authority, (c) will not violate or result in a default under any indenture, agreement or other instrument binding upon Lessee or Lessor or any of their respective assets, or give rise to a right thereunder to require any payment to be made by Lessee or Lessor, and (d) will not result in the creation or imposition of any Encumbrance on any asset of Lessee or Lessor, except any Encumbrance created by or in accordance with the Lease.

14.21 Material Adverse Change. Since December 31, 2000, there has been no Material Adverse Change.

14.22 Properties. Lessee has good title to, or valid leasehold interests in, all its real and personal property material to its business, except for minor defects in title that do not interfere with its ability to conduct its business as currently conducted or to utilize such properties for their intended purposes. None of the properties and assets of Lessee or Lessor is subject to any Encumbrance other than Permitted Encumbrances, and Encumbrances created by or in connection with this Lease.

14.23 Intellectual Property. Lessee owns, or is licensed to use, all trademarks, trade names, copyrights, patents and other intellectual property material to its business, and the use thereof by Lessee does not infringe upon the rights of any other Person, except for any such infringements that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

14.24 Litigation and Environmental Matters. There is no action, suit or Proceeding by or before any arbitrator or Governmental Authority pending against or, to the knowledge of Lessee or Lessor, threatened against or affecting Lessee or WCG (i) as to which there is a reasonable possibility-bility of an adverse determination and that, if adversely determined, could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect or (ii) that involve this Lease or any of the other documents contemplated herein.

14.24.1 Environmental Compliance. Except with respect to other matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, Lessee (i) has not failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has not become subject to any liability with respect to any Environmental Law, (iii) has not received written notice of any claim with respect to any Environmental Law or (iv) does not know of any basis for any violations of any Environmental Law or any release, threatened release or exposure to any Hazardous Materials that is likely to form the basis of any liability under any Environmental Law.

14.25 Compliance with Laws and Agreements. Lessee is in compliance with all laws, regulations and orders of any Governmental Authority applicable to it or its property and all indentures, agreements and other instruments binding upon it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. No Event of Default has occurred and is continuing.

14.26 Investment and Holding Company Status. Lessee is not (a) an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940 or (b) a "holding company" as defined in, or subject to regulation under, the Public Utility Holding Company Act of 1935.

14.27 Taxes. Lessee or WCG has timely filed or caused to be filed all tax returns and reports required to have been filed and has paid or caused to be paid all taxes required to have been paid by or with respect to it, except (a) taxes that are being contested in good faith by an appropriate Proceeding and for which Lessee or Lessor, as applicable, has set aside on its books adequate reserves or (b) to the extent that the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

14.28 ERISA. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, could reasonably be expected to result in a Material Adverse Effect. The present value of all accumulated benefit obligations under each Plan (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the date of the most recent financial statements reflecting such amounts, exceed by more than $25,000,000 the fair market value of the assets of such Plan, and the present value of all accumulated benefit obligations of all underfunded Plans (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did

not, as of the date of the most recent financial statements reflecting such amounts, exceed by more than $25,000,000 the fair market value of the assets of all such underfunded Plans.

14.29 Disclosure. Lessee has disclosed all agreements, instruments and corporate or other restrictions to which Lessee is subject, and all other matters known to Lessee, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. None of the reports, financial statements, certificates or other information furnished by or on behalf of Lessee in connection with the negotiation of this Lease or delivered hereunder (as modified or supplemented by other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, with respect to projected financial information, Lessee represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

14.30 Labor Matters. As of the Effective Date, there are no strikes, lockouts or slowdowns against Lessee pending or, to the knowledge of Lessee, threatened. The hours worked by and payments made to employees of Lessee have not been in violation of the Fair Labor Standards Act or any other applicable Federal, state, local or foreign law dealing with such matters. All payments due from Lessee, or for which any claim may be made against Lessee, on account of wages and employee health and welfare insurance and other benefits, have been paid or accrued as a liability on the books of Lessee. The execution of this Lease has not and will not give rise to any right of termination or right of renegotiation on the part of any union under any collective bargaining agreement by which Lessee is bound.

14.31 No Burdensome Restrictions. No contract, lease, agreement or other instrument to which Lessee is a party or by which any of its property is bound or affected, no charge, corporate restriction, judgment, decree or order and no provision of applicable law or governmental regulation could reasonably be expected to have Material Adverse Effect.

14.32 Representations True and Correct. As of the dates when made and as of the Effective Date, each representation and warranty of Lessee thereto contained in this Lease or any other documents executed in connection herewith, is true and correct.

15. OFFICER'S CERTIFICATES AND FINANCIAL STATEMENTS. Lessee shall furnish or cause to be furnished to one another:

15.1 Fiscal Year Information. (i) within 90 days after the end of each fiscal year of WCG, its audited consolidated balance sheets and related audited consolidated statements of operations, stockholders' or members' equity and cash flows as of the end of and for such fiscal year (including segment reporting with respect to each of WCG's business segments consistent), setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by Ernst & Young LLP or other independent public accountants of recognized national standing (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial

condition and results of operations of WCG on a consolidated basis in accordance with GAAP consistently applied, and (ii) within 90 days after the end of each fiscal year of WCG, supplemental unaudited balance sheets and related unaudited statements of operations, stockholders' or members' equity and cash flows as of the end of and for such fiscal year, setting forth in tabular form in each case the figures for the previous year, for WCG and the consolidating adjustments with respect thereto.

15.2 Quarterly Information. (i) within 45 days after the end of each of the first 3 fiscal quarters of each fiscal year of WCG, unaudited consolidated and consolidating balance sheets and related consolidated and consolidating statements of operations, stockholders' or members' equity and cash flow of WCG as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of the previous fiscal year (or in the case of the balance sheet, as of the end of the previous fiscal year), all certified by an Officer's Certificate as presenting fairly in all material respects the financial condition and results of operations of WCG on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes and (ii) within 45 days after the end of each of the first 3 fiscal quarters of each fiscal year of WCG, unaudited balance sheets and related statements of operations, stockholders' or members' equity and cash flow of Lessor as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of the previous fiscal year (or, in the case of the balance sheet, as of the end of the previous fiscal year) all certified by a Officer's Certificate as presenting fairly in all material respects the financial condition and results of operations of WCG in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes.

15.3 Officers Certificate. Concurrently with any delivery of financial statements in accordance with this Lease, an Officer's Certificate of the Lessee (i) certifying as to whether an Event of Default has occurred and, if an Event of Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (ii) setting forth in reasonable detail calculations demonstrating compliance with Sections 14.13 through 14.17, and (iii) stating whether any change in GAAP or in the application thereof has occurred since the date referred to in paragraph 14.24 and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such Officer's Certificate.

15.4 Accounting Firm Certificate. Concurrently with any delivery of financial statements in accordance with this Lease, a certificate of the accounting firm that reported on such financial statements stating whether they obtained knowledge during the course of their examination of such financial statements of any Event of Default (which certificate may be limited to the extent required by accounting rules or guidelines).

15.5 Budget. As soon as practicable after approval by the Board of Directors of WCG, and in any event not later than 120 days after the commencement of each fiscal year of Lessor, a consolidated and consolidating budget of WCG for such fiscal year and a

consolidated budget of WCG for such fiscal year and, promptly when available, any significant revisions of any such budget.

15.6 SEC Filings. Promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and other materials filed by WCG or any of its Affiliates with the SEC, or any Governmental Authority succeeding to any or all of the functions of the SEC, or with any national securities exchange, or distributed by WCG to its members generally, as the case may be, except to the extent any such report, proxy statement or other material is available electronically on a publicly-accessible website.

15.7 Other Information. Promptly following any request therefor, such other information regarding the operations, business affairs and financial condition of Lessee, or compliance with the terms of this Lease or any of the documents contemplated herein.

15.8 Credit Agreement Information. To the extent not previously covered by the provisions of this paragraph, copies of all information provided by Lessee or any Affiliates pursuant to the Credit Agreement, contemporaneously with its delivery pursuant thereto.

16. NOTICES OF MATERIAL EVENTS. Upon knowledge thereof, Lessee will furnish prompt written notice of the following. Each notice delivered under this paragraph shall be accompanied by a statement of an Officer's Certificate, duly executed, setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

16.1 Event of Default. The occurrence of any Event of Default.

16.2 Action, Suit or Proceeding. The filing or commencement of any action, suit or Proceeding by or before any arbitrator or Governmental Authority against or affecting Lessee, WCG or any Affiliate thereof that could reasonably be expected to result in a Material Adverse Effect.

16.3 ERISA Event. The occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, could reasonably be expected to result in a Material Adverse Effect.

16.4 Credit Agreement. Any change or modification to the Credit Agreement.

16.5 Other Matters. Any other development that results in, or could reasonably be expected to result in, a Material Adverse Effect.

17. Indemnity: Lessee agrees that Lessor shall not be liable to Lessee for, and Lessee shall indemnify and save Lessor, its parent and affiliated companies harmless from and against any and all liability, loss, damage, expense, causes of action, suits, claims or judgments arising from or caused directly or indirectly by (a) Lessee's failure to promptly perform any of its obligations under the provisions of this Lease, (b) injury to person or property resulting from or based upon the actual or alleged use, operation, delivery or transportation of the Aircraft or its location or condition, or (c)

inadequacy of the Aircraft for any purpose or any deficiency or defect therein or the use or maintenance thereof or any repairs, servicing or adjustments thereto or any delay in providing or failure to provide any thereof or any interruption or loss of service or use thereof or any loss of business; and shall, at its own cost and expense, defend any and all suits which may be brought against Lessor, either alone or in conjunction with others upon any such liability or claim or claims and shall satisfy, pay and discharge any and all judgments and fines that may be recovered against Lessor in any such action or actions, provided, however, that Lessor shall give Lessee written notice of any such claim or demand.

18. Assignments and Notices: Neither this Lease nor Lessee's rights hereunder shall be assignable except with Lessor's written consent; the conditions hereof shall bind any permitted successors and assigns of Lessee. Lessor may assign this Lease without consent of Lessee. Lessee, after receiving notice of any assignment, shall abide thereby and make payment as may therein be directed. Following such assignment, solely for the purpose of determining assignor's rights hereunder, the term "Lessor" shall be deemed to include or refer to Lessor's assignee. All notices relating hereto shall be delivered in person to an officer of Lessor or Lessee or shall be mailed to Lessor or Lessee at its respective address herein shown or at any later address last known to the sender.

19. Further Assurances: Lessee shall execute and deliver to Lessor, upon Lessor's request, such instruments and assurances as Lessor deems necessary or advisable for the confirmation or perfection of this Lease and Lessor's rights hereunder, including the filing or recording of this Lease at Lessor's option.

20. Counterparts: This Lease may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one in the same instrument.

21. Entire Agreement: There are no oral or written agreements or representations between the parties hereto affecting this Lease. This Lease supersedes and cancels any and all previous negotiations, arrangements, representations, brochures, agreements and understandings, if any, between Lessor and Lessee.

22. Governing Law: This Lease is executed and delivered in the State of Oklahoma, and except insofar as the law of another state or jurisdiction may be mandatorily applicable, shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of said State.

23. Truth-in-Leasing Clause: THE AIRCRAFT HAS BEEN MAINTAINED AND INSPECTED UNDER FEDERAL AVIATION REGULATION PART 91 FOR THE 12 MONTHS PRECEDING THE DATE OF THIS LEASE. THE AIRCRAFT WILL BE MAINTAINED AND INSPECTED UNDER FEDERAL AVIATION REGULATION PART 91 FOR OPERATIONS TO BE CONDUCTED UNDER THIS LEASE. THE LESSEE CERTIFIES THAT IT IS RESPONSIBLE FOR OPERATIONAL CONTROL OF THE AIRCRAFT AND THAT IT

UNDERSTANDS ITS RESPONSIBILITIES FOR COMPLIANCE WITH APPLICABLE FEDERAL AVIATION REGULATIONS. AN EXPLANATION OF THE FACTORS BEARING ON OPERATIONAL CONTROL AND THE PERTINENT FEDERAL AVIATION REGULATIONS CAN BE OBTAINED FROM THE NEAREST FAA FLIGHT STANDARDS DISTRICT OFFICE.

LESSOR:	LESSEE:
WILLIAMS COMMUNICATIONS AIRCRAFT, LLC	WILLIAMS COMMUNICATIONS, LLC
By: ----------	By: ----------
Name: ----------	Name: ----------
Title: ----------	Title: ----------

Signature page to Aircraft Dry Lease (N359WC) by and between Williams Communications Aircraft, LLC and Williams Communications, LLC dated September 11, 2001

SCHEDULE "A"

RENT -N359WC

Rent shall be payable in one hundred and twenty (120) equal successive monthly rental payments in an amount as would be necessary to amortize $9,250,000 on a straight-line basis over a period of one hundred and twenty (120) months plus interest calculated at the Interest Rate as set forth below:

The following definitions shall apply to this SCHEDULE "A":

"ABR", when used herein, refers to interest at a rate determined by reference to the Alternate Base Rate.

"Applicable Margin" means, for any day, the applicable rate per annum set forth below under the caption "Eurodollar Spread" or "ABR Spread", as the case may be, based upon the Lessee's Bank Facility Rating set by S&P and Moody's, respectively, applicable on such date plus (ii) the applicable rate per annum set forth below under the caption "Leverage Premium", unless the Total Leverage Ratio, as determined by reference to the financial statements delivered to the Lessor in respect of the most recently ended fiscal quarter of WCG, is less than 6:00 to 1:00.

"Eurodollar", when used herein, refers to interest at a rate determined by reference to the Adjusted LIBO Rate.

"LIBO Rate" means, with respect to any Eurodollar Rate, the rate appearing on Page 3750 of the Telerate Service (or on any successor or substitute page of such Service, or any successor to or substitute for such Service, providing rate quotations comparable to those currently provided on such page of such Service, as determined by the Lessor from time to time for purposes of providing quotations of interest rates applicable to dollar deposits in the London interbank market) at approximately 11:00 a.m., London time, two (2) Business Days prior to the FIRST DAY of each calendar month, as the rate for dollar deposits with a maturity of thirty (30) days. In the event that such rate is not available at such time for any reason, then the "LIBO Rate" shall be the rate (rounded upwards, if necessary, to the next 1/16 of 1%) at which dollar deposits of $5,000,000 and for a maturity of thirty (30) days are offered by the principal London office of the CitiBank, N.A., in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, two (2) Business Days prior to the FIRST DAY of each calendar month. IN EITHER CASE, THE APPLICABLE LIBO RATE SHALL BE EFFECTIVE FOR THE CALENDAR MONTH NEXT SUCCEEDING THE CALENDAR MONTH COMMENCING IMMEDIATELY AFTER SUCH DETERMINATION.

"Moody's" means Moody's Investors Service, Inc.

"S&P" means Standard & Poor's Ratings Services, a division of the McGraw Hill Companies.

"WCG" means Williams Communications Group, Inc., a Delaware corporation, and the parent company of Williams Communications, LLC.

Interest Rate Calculation

At Lessee's option, ABR plus Applicable Margin or LIBO Rate plus Applicable Margin (the "Rate") as determined from time to time by S&P or by Moody's based on Lessee's Facilities Rating in accordance with the grid below:

	Facilities Rating of Lessee	ABR Spread	Eurodollar Spread	Leverage Premium
Level I	BBB- and Baa3 or higher	0.50%	1.50%	.25%
Level II	BB+ and Ba1	0.875%	1.875%	.25%
Level III	BB and Ba2	1.25%	2.25%	.25%
Level IV	BB- and Ba3	1.50%	2.50%	.25%
Level V	Lower than BB- or lower than Ba3	1.75%	2.75%	.25%

For purposes of the foregoing (i) if neither S&P nor Moody's or any replacement or successor facility of similar size shall have in effect a rating for the Facilities, then the Applicable Margin shall be the rate set forth in Level V, (ii) if either S&P or Moody's, but not bot S&P or Moody's, shall have in effect a rating for the Facilities, then the Applicable Margin shall be based on such rating, (iii) if the ratings established by S&P or Moody's for the Facilities shall fall within different Levels, then the Applicable Margin shall be based on the lower of the two ratings, (iv) if the ratings established by S&P or Moody's for the Facilities shall fall within the same Level, then the Applicable Margin shall be based on that Level and (v) if the ratings established by S&P or Moody's for the Facilities shall be changed (other than as a result of a change in the rating system of S&P of Moody's), such change shall be effective as of the date on which it is first announced by the applicable rating agency. Each change in the Applicable Margin shall apply during the period commencing on the effective date of such change and engine on the date immediately preceding the effective date of the next such change.

SCHEDULE "B"

Cessna model 560XL Citation Excel aircraft with manufacturer's serial number 560-5129 and United States nationality and registration marks N359WC.

Pratt & Whitney model PW545A aircraft engines with manufacturer's serial numbers PCEDB0271 and PCEDB0265.

Such aircraft to be based at Spirit of Saint Louis Airport, City of Chesterfield, Missouri, Country of U.S.A.

SCHEDULE "C"

Termination Value

The Termination Value of the Aircraft shall be set forth opposite the applicable rent payment, plus accrued interest to such date.

CAPITALIZED LESSOR'S COST: $9,250,000.00

Payment Number	Monthly Period	Termination Value as a % of Cost	(1) Ten Year Straight-Line Amortization	(2) Unamortized Balance	(3) Monthly Depreciation Benefits	(4) Present Value of Depreciation Benefits	(2) + (4) Termination Value
1	10/1/01	133.83%	$77,083.33	$9,250,000.00	$154,166.67	$3,129,143.23	$12,379,143.23
2	11/1/01	131.55%	$77,083.33	$9,172,916.67	$154,166.67	$2,995,837.52	$12,168,754.19
3	12/1/01	129.27%	$77,083.33	$9,095,833.33	$154,166.67	$2,861,643.10	$11,957,476.44
4	1/1/02	126.98%	$77,083.33	$9,018,750.00	$ 61,666.67	$2,726,554.06	$11,745,304.06
5	2/1/02	125.67%	$77,083.33	$8,941,666.67	$ 61,666.67	$2,683,064.42	$11,624,731.09
6	3/1/02	124.37%	$77,083.33	$8,864,583.33	$ 61,666.67	$2,639,284.85	$11,503,868.18
7	4/1/02	123.06%	$77,083.33	$8,787,500.00	$ 61,666.67	$2,595,213.41	$11,382,713.41
8	5/1/02	121.74%	$77,083.33	$8,710,416.67	$ 61,666.67	$2,550,848.17	$11,261,264.84
9	6/1/02	120.43%	$77,083.33	$8,633,333.33	$ 61,666.67	$2,506,187.16	$11,139,520.49
10	7/1/02	119.11%	$77,083.33	$8,556,250.00	$ 61,666.67	$2,461,228.41	$11,017,478.41
11	8/1/02	117.79%	$77,083.33	$8,479,166.67	$ 61,666.67	$2,415,969.93	$10,895,136.60
12	9/1/02	116.46%	$77,083.33	$8,402,083.33	$ 61,666.67	$2,370,409.73	$10,772,493.06
13	10/1/02	115.13%	$77,083.33	$8,325,000.00	$ 61,666.67	$2,324,545.79	$10,649,545.79
14	11/1/02	113.80%	$77,083.33	$8,247,916.67	$ 61,666.67	$2,278,376.10	$10,526,292.76
15	12/1/02	112.46%	$77,083.33	$8,170,833.33	$ 61,666.67	$2,231,898.61	$10,402,731.94
16	1/1/03	111.12%	$77,083.33	$8,093,750.00	$ 37,000.00	$2,185,111.26	$10,278,861.26
17	2/1/03	110.05%	$77,083.33	$8,016,666.67	$ 37,000.00	$2,162,678.67	$10,179,345.34
18	3/1/03	108.97%	$77,083.33	$7,939,583.33	$ 37,000.00	$2,140,096.53	$10,079,679.86
19	4/1/03	107.89%	$77,083.33	$7,862,500.00	$ 37,000.00	$2,117,363.84	$ 9,979,863.84
20	5/1/03	106.81%	$77,083.33	$7,785,416.67	$ 37,000.00	$2,094,479.60	$ 9,879,896.26
21	6/1/03	105.73%	$77,083.33	$7,708,333.33	$ 37,000.00	$2,071,442.80	$ 9,779,776.13
22	7/1/03	104.64%	$77,083.33	$7,631,250.00	$ 37,000.00	$2,048,252.41	$ 9,679,502.41
23	8/1/03	103.56%	$77,083.33	$7,554,166.67	$ 37,000.00	$2,024,907.43	$ 9,579,074.10
24	9/1/03	102.47%	$77,083.33	$7,477,083.33	$ 37,000.00	$2,001,406.81	$ 9,478,490.15
25	10/1/03	101.38%	$77,083.33	$7,400,000.00	$ 37,000.00	$1,977,749.53	$ 9,377,749.53
26	11/1/03	100.29%	$77,083.33	$7,322,916.67	$ 37,000.00	$1,953,934.52	$ 9,276,851.19
27	12/1/03	99.20%	$77,083.33	$7,245,833.33	$ 37,000.00	$1,929,960.75	$ 9,175,794.09
28	1/1/04	98.10%	$77,083.33	$7,168,750.00	$117,845.00	$1,905,827.16	$ 9,074,577.16
29	2/1/04	96.13%	$77,083.33	$7,091,666.67	$117,845.00	$1,800,687.67	$ 8,892,354.34
30	3/1/04	94.16%	$77,083.33	$7,014,583.33	$117,845.00	$1,694,847.26	$ 8,709,430.59
31	4/1/04	92.17%	$77,083.33	$6,937,500.00	$117,845.00	$1,588,301.24	$ 8,525,801.24
32	5/1/04	90.18%	$77,083.33	$6,860,416.67	$117,845.00	$1,481,044.91	$ 8,341,461.58
33	6/1/04	88.18%	$77,083.33	$6,783,333.33	$117,845.00	$1,373,073.55	$ 8,156,406.88
34	7/1/04	86.17%	$77,083.33	$6,706,250.00	$117,845.00	$1,264,382.37	$ 7,970,632.37
35	8/1/04	84.15%	$77,083.33	$6,629,166.67	$117,845.00	$1,154,966.58	$ 7,784,133.25
36	9/1/04	82.13%	$77,083.33	$6,552,083.33	$117,845.00	$1,044,821.36	$ 7,596,904.70

37	10/1/04	80.10%	$77,083.33	$6,475,000.00	$117,845.00	$ 933,941.84	$ 7,408,941.84
38	11/1/04	78.06%	$77,083.33	$6,397,916.67	$117,845.00	$ 822,323.12	$ 7,220,239.78
39	12/1/04	76.01%	$77,083.33	$6,320,833.33	$117,845.00	$ 709,960.27	$ 7,030,793.60
40	1/1/05	73.95%	$77,083.33	$6,243,750.00	$ 35,520.00	$ 596,848.34	$ 6,840,598.34
41	2/1/05	72.78%	$77,083.33	$6,166,666.67	$ 35,520.00	$ 565,307.33	$ 6,731,973.99
42	3/1/05	71.60%	$77,083.33	$6,089,583.33	$ 35,520.00	$ 533,556.04	$ 6,623,139.38
43	4/1/05	70.42%	$77,083.33	$6,012,500.00	$ 35,520.00	$ 501,593.08	$ 6,514,093.08
44	5/1/05	69.24%	$77,083.33	$5,935,416.67	$ 35,520.00	$ 469,417.04	$ 6,404,833.70
45	6/1/05	68.06%	$77,083.33	$5,858,333.33	$ 35,520.00	$ 437,026.48	$ 6,295,359.82
46	7/1/05	66.87%	$77,083.33	$5,781,250.00	$ 35,520.00	$ 404,419.99	$ 6,185,669.99
47	8/1/05	65.68%	$77,083.33	$5,704,166.67	$ 35,520.00	$ 371,596.13	$ 6,075,762.79
48	9/1/05	64.49%	$77,083.33	$5,627,083.33	$ 35,520.00	$ 338,553.44	$ 5,965,636.77
49	10/1/05	63.30%	$77,083.33	$5,550,000.00	$ 35,520.00	$ 305,290.46	$ 5,855,290.46
50	11/1/05	62.11%	$77,083.33	$5,472,916.67	$ 35,520.00	$ 271,805.73	$ 5,744,722.39
51	12/1/05	60.91%	$77,083.33	$5,395,833.33	$ 35,520.00	$ 238,097.77	$ 5,633,931.10
52	1/1/06	59.71%	$77,083.33	$5,318,750.00	$ 17,760.00	$ 204,165.08	$ 5,522,915.08
53	2/1/06	58.70%	$77,083.33	$5,241,666.67	$ 17,760.00	$ 187,766.19	$ 5,429,432.85
54	3/1/06	57.68%	$77,083.33	$5,164,583.33	$ 17,760.00	$ 171,257.96	$ 5,335,841.29
55	4/1/06	56.67%	$77,083.33	$5,087,500.00	$ 17,760.00	$ 154,639.68	$ 5,242,139.68
56	5/1/06	55.66%	$77,083.33	$5,010,416.67	$ 17,760.00	$ 137,910.61	$ 5,148,327.28
57	6/1/06	54.64%	$77,083.33	$4,933,333.33	$ 17,760.00	$ 121,070.01	$ 5,054,403.35
58	7/1/06	53.63%	$77,083.33	$4,856,250.00	$ 17,760.00	$ 104,117.15	$ 4,960,367.15
59	8/1/06	52.61%	$77,083.33	$4,779,166.67	$ 17,760.00	$ 87,051.26	$ 4,866,217.93
60	9/1/06	51.59%	$77,083.33	$4,702,083.33	$ 17,760.00	$ 69,871.60	$ 4,771,954.94
61	10/1/06	50.57%	$77,083.33	$4,625,000.00	$ 17,760.00	$ 52,577.42	$ 4,677,577.42
62	11/1/06	49.55%	$77,083.33	$4,547,916.67	$ 17,760.00	$ 35,167.93	$ 4,583,084.60
63	12/1/06	48.52%	$77,083.33	$4,470,833.33	$ 17,760.00	$ 17,642.38	$ 4,488,475.72
64	1/1/07	47.50%	$77,083.33	$4,393,750.00			$ 4,393,750.00
65	2/1/07	46.67%	$77,083.33	$4,316,666.67			$ 4,316,666.67
66	3/1/07	45.83%	$77,083.33	$4,239,583.33			$ 4,239,583.33
67	4/1/07	45.00%	$77,083.33	$4,162,500.00			$ 4,162,500.00
68	5/1/07	44.17%	$77,083.33	$4,085,416.67			$ 4,085,416.67
69	6/1/07	43.33%	$77,083.33	$4,008,333.33			$ 4,008,333.33
70	7/1/07	42.50%	$77,083.33	$3,931,250.00			$ 3,931,250.00
71	8/1/07	41.67%	$77,083.33	$3,854,166.67			$ 3,854,166.67
72	9/1/07	40.83%	$77,083.33	$3,777,083.33			$ 3,777,083.33
73	10/1/07	40.00%	$77,083.33	$3,700,000.00			$ 3,700,000.00
74	11/1/07	39.17%	$77,083.33	$3,622,916.67			$ 3,622,916.67
75	12/1/07	38.33%	$77,083.33	$3,545,833.33			$ 3,545,833.33
76	1/1/08	37.50%	$77,083.33	$3,468,750.00			$ 3,468,750.00
77	2/1/08	36.67%	$77,083.33	$3,391,666.67			$ 3,391,666.67
78	3/1/08	35.83%	$77,083.33	$3,314,583.33			$ 3,314,583.33
79	4/1/08	35.00%	$77,083.33	$3,237,500.00			$ 3,237,500.00
80	5/1/08	34.17%	$77,083.33	$3,160,416.67			$ 3,160,416.67
81	6/1/08	33.33%	$77,083.33	$3,083,333.33			$ 3,083,333.33
82	7/1/08	32.50%	$77,083.33	$3,006,250.00			$ 3,006,250.00
83	8/1/08	31.67%	$77,083.33	$2,929,166.67			$ 2,929,166.67
84	9/1/08	30.83%	$77,083.33	$2,852,083.33			$ 2,852,083.33
85	10/1/08	30.00%	$77,083.33	$2,775,000.00			$ 2,775,000.00
86	11/1/08	29.17%	$77,083.33	$2,697,916.67			$ 2,697,916.67
87	12/1/08	28.33%	$77,083.33	$2,620,833.33			$ 2,620,833.33

88	1/1/09	27.50%	$77,083.33	$2,543,750.00		$ 2,543,750.00
89	2/1/09	26.67%	$77,083.33	$2,466,666.67		$ 2,466,666.67
90	3/1/09	25.83%	$77,083.33	$2,389,583.33		$ 2,389,583.33
91	4/1/09	25.00%	$77,083.33	$2,312,500.00		$ 2,312,500.00
92	5/1/09	24.17%	$77,083.33	$2,235,416.67		$ 2,235,416.67
93	6/1/09	23.33%	$77,083.33	$2,158,333.33		$ 2,158,333.33
94	7/1/09	22.50%	$77,083.33	$2,081,250.00		$ 2,081,250.00
95	8/1/09	21.67%	$77,083.33	$2,004,166.67		$ 2,004,166.67
96	9/1/09	20.83%	$77,083.33	$1,927,083.33		$ 1,927,083.33
97	10/1/09	20.00%	$77,083.33	$1,850,000.00		$ 1,850,000.00
98	11/1/09	19.17%	$77,083.33	$1,772,916.67		$ 1,772,916.67
99	12/1/09	18.33%	$77,083.33	$1,695,833.33		$ 1,695,833.33
100	1/1/10	17.50%	$77,083.33	$1,618,750.00		$ 1,618,750.00
101	2/1/10	16.67%	$77,083.33	$1,541,666.67		$ 1,541,666.67
102	3/1/10	15.83%	$77,083.33	$1,464,583.33		$ 1,464,583.33
103	4/1/10	15.00%	$77,083.33	$1,387,500.00		$ 1,387,500.00
104	5/1/10	14.17%	$77,083.33	$1,310,416.67		$ 1,310,416.67
105	6/1/10	13.33%	$77,083.33	$1,233,333.33		$ 1,233,333.33
106	7/1/10	12.50%	$77,083.33	$1,156,250.00		$ 1,156,250.00
107	8/1/10	11.67%	$77,083.33	$1,079,166.67		$ 1,079,166.67
108	9/1/10	10.83%	$77,083.33	$1,002,083.33		$ 1,002,083.33
109	10/1/10	10.00%	$77,083.33	$ 925,000.00		$ 925,000.00
110	11/1/10	9.17%	$77,083.33	$ 847,916.67		$ 847,916.67
111	12/1/10	8.33%	$77,083.33	$ 770,833.33		$ 770,833.33
112	1/1/11	7.50%	$77,083.33	$ 693,750.00		$ 693,750.00
113	2/1/11	6.67%	$77,083.33	$ 616,666.67		$ 616,666.67
114	3/1/11	5.83%	$77,083.33	$ 539,583.33		$ 539,583.33
115	4/1/11	5.00%	$77,083.33	$ 462,500.00		$ 462,500.00
116	5/1/11	4.17%	$77,083.33	$ 385,416.67		$ 385,416.67
117	6/1/11	3.33%	$77,083.33	$ 308,333.33		$ 308,333.33
118	7/1/11	2.50%	$77,083.33	$ 231,250.00		$ 231,250.00
119	8/1/11	1.67%	$77,083.33	$ 154,166.67		$ 154,166.67
120	9/1/11	0.83%	$77,083.33	$ 77,083.33		$ 77,083.33

EXHIBIT 10.5

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FORM OF

AGREEMENT OF PURCHASE AND SALE

AMONG

WILLIAMS TECHNOLOGY CENTER, LLC,
as Seller,

WILLIAMS HEADQUARTERS BUILDING COMPANY,
as Purchaser,

and

WILLIAMS COMMUNICATIONS, LLC,
as Guarantor

EXECUTED EFFECTIVE AS OF
SEPTEMBER 13, 2001

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AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT OF PURCHASE AND SALE (this "Agreement") is entered into and effective for all purposes as of Effective Date as hereinbelow defined, by and among WILLIAMS TECHNOLOGY CENTER, LLC, a Delaware limited liability company (the "Seller"), WILLIAMS COMMUNICATIONS, LLC, a Delaware limited liability company (the ("Guarantor" or "WCLLC"), and WILLIAMS HEADQUARTERS BUILDING COMPANY, a Delaware corporation (the "Purchaser").

RECITALS

A. Seller is the owner of the partially completed office building and related facilities presently under construction in Tulsa, Oklahoma, commonly known as the Williams Technology Center, which constitutes the Improvements Under Construction as hereinbelow defined.

B. Seller desires to sell to Purchaser, and Purchaser desires to purchase from Seller the Improvements Under Construction, the Real Property and the other Acquired Assets each as hereinbelow defined, and to enter into agreements relating to the construction, management and operation of the foregoing.

C. In order to induce Purchaser to enter into the transaction contemplated herein, Guarantor desires to guaranty the performance by Seller of all of the duties and obligations set forth in this Agreement.

D. Upon Closing, Purchaser desires to lease to Seller, and Seller desires to lease from Purchaser, the Real Property, Improvements and other Acquired Assets pursuant to the terms, covenants, and conditions of the Master Lease as herein below defined.

E. The parties understand that (i) the construction of the Improvements Under Construction will not be completed until some time after the Closing Date, and (ii) certain portions of the Personal Property as hereinbelow defined will not be acquired by Seller until after the Closing Date but notwithstanding such fact, Seller desires that such after-acquired Personal Property is to be the subject of the transfers as contemplated by this Agreement, as specifically transferred by the Bill of Sale as hereinbelow defined.

IN CONSIDERATION of the foregoing, the mutual promises, covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01. Definitions. For purposes of this Agreement, capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in this Section 1.01:

Acquired Assets. The term "Acquired Assets" shall mean collectively the fee simple title to the Real Property and the Improvements, including but not limited to the Improvements Under Construction; all contract rights, air rights, easements, privileges, servitudes, appurtenances and other rights belonging to or inuring to the benefit of Seller and pertaining to the Real Property and Improvements; all documents, specifications and plans related to the Real Property and Improvements; all licenses, permits, building permits, certificates of occupancy, approvals, governmental orders, resolutions, dedications, subdivision maps and entitlements issued, approved or granted by any of the Authorities in connection with the Real Property and Improvements or the construction thereof, together with all renewals and modifications thereof; all other rights, titles, interests, privileges and appurtenances related to and used exclusively in connection with the ownership, construction, use, operation or management of the Real Property and Improvements, as specifically described in this Agreement; and all Personal Property.

Agreed Allocation. The term "Agreed Allocation" shall have the meaning ascribed to such term in Section 3.02.

Aircraft Transaction. The term "Aircraft Transaction" shall mean collectively, the transactions set forth in (i) the three (3) Aircraft Dry Leases to be between Williams Communications Aircraft, LLC, a Delaware limited liability company ("WC Aircraft"), as Lessor, and WCLLC, as Lessee, covering the aircraft described therein, and (ii) the Membership Interest Purchase Agreement to be between Williams Aircraft, Inc., a Delaware corporation, as Buyer, and WCLLC, as Seller, covering all of the membership interests in WC Aircraft.

Ancillary Contracts. The term "Ancillary Contracts" shall mean collectively the agreements set forth on EXHIBIT H.

Authorities. The term "Authorities" shall mean collectively the various governmental and quasi-governmental bodies or agencies having jurisdiction over the asset, entity or matter in question.

Best Knowledge. The term "Best Knowledge" shall mean the knowledge of the party in question's current employees who, in the normal scope of their employment, would have knowledge of the subject matter in question.

Bill of Sale. The term "Bill of Sale" shall mean the Bill of Sale and Assignment covering all of the Personal Property, to be executed by Seller in favor of Purchaser in the form of SCHEDULE III.

BOK Tower. The term "BOK Tower" shall mean the multi-story office building owned by Purchaser located immediately to the west of the Center.

Business Day. The term "Business Day" shall mean any day other than a Saturday, Sunday or nationally recognized holiday.

Center. The term "Center" shall mean the structure currently under construction on the Center Parcel.

Center Parcel. The term "Center Parcel" shall mean that portion of the Real Property more particularly described in EXHIBIT A, which shall include the air rights associated with the Skywalk .

Central Plant. The term "Central Plant" shall mean the equipment, fixtures, piping, wiring, machinery, and all other items of personal property comprising the plant for chilled and hot water production and circulation, and electricity generation and transmission, currently being constructed in the basement of the Center in the Central Plant Space and on the Cooling Tower Parcel.

Central Plant Space. The term "Central Plant Space" shall mean that portion of the basement of the Center set forth on EXHIBIT B.

Central Plant Lease. The term "Central Plant Lease" shall have the meaning ascribed to such term on Exhibit H.

Closing. The term "Closing" shall mean the consummation of the purchase and sale of the Acquired Assets contemplated by this Agreement.

Closing Date. The term "Closing Date" shall mean the date on which the Closing occurs, which date shall be no later than September 13, 2001.

Closing Surviving Obligations. The term "Closing Surviving Obligations" shall mean collectively the rights, liabilities and obligations set forth in Sections 3.02, 6.01, 6.02, 10.01, 11.03, 11.04, 13.01 and 14.02, and Articles IV and VII, which are specifically designated as surviving the Closing.

Construction Completion. The term "Construction Completion" shall have the meaning ascribed to such term in the Construction Completion Agreement.

Construction Completion Agreement. The term "Construction Completion Agreement" shall mean that certain Agreement of Purchase and Sale and Construction Completion dated February 26, 2001, between Purchaser, as Seller, and WCLLC, as Purchaser, covering the Acquired Assets and the completion of construction of portions thereof.

Cooling Tower Parcel. The term "Cooling Tower Parcel" shall mean the real property upon which the cooling towers relating to the Central Plant are located, as described on Exhibit E.

Credit Agreement. The term "Credit Agreement" shall mean the Amended and Restated Credit Agreement dated as of September 8, 1999, among Williams Communications Group, Inc., a Delaware corporation, WCLLC, Bank of America, N.A., The Chase Manhattan Bank, and other parties.

Data. The term "Data" shall have the meaning ascribed to such term in the Construction Completion Agreement.

Declaration. The term "Declaration" shall mean that certain Declaration of Reciprocal Easements with Covenants and Restrictions dated February 26, 2001, executed by Purchase and Seller, recorded in Book 6521 at Page 2670 of the records of the County Clerk of Tulsa, Oklahoma.

Deed. The term "Deed" shall mean the General Warranty Deed covering the Real Property, the Improvements Under Construction and all of Seller's right, title and interest in and to and the Skywalk, specifically excluding however, all interest in and to the Central Plant which is currently owned by Purchaser, to be executed by Seller in favor of Purchaser or Purchaser's Designee, in the form of SCHEDULE I.

Documents. The term "Documents" shall mean the following types of information relating to the Acquired Assets, maintained in any format: (i) all documents that are referenced and/or incorporated in any of the contracts; (ii) all financial data, including but not limited to records, statements, and invoices; (iii) physical inspections, studies or reports; (iv) appraisals; (v) surveys; and (vi) policies and/or commitments of title insurance; (vii) relevant correspondence; provided, however, items (i) through (vii) hereinabove do not include any software owned by any management company or any information in the possession or control of any such management company which is integrated with other information not related to any of the Acquired Assets so long as such information related to the Acquired Assets is either separately provided to Purchaser in another form, or provided as part of other information under this Agreement.

Easement for Backup Generation Facility. The term " Easement for Backup Generation Facility " shall mean the easement in form of SCHEDULE IV, in which Purchaser shall grant to Seller, certain easement rights to locate Seller's backup electrical generation equipment.

Effective Date. The term "Effective Date" shall mean September 13, 2001.

Equipment Purchase Agreement. The term "Equipment Purchase Agreement" shall have the meaning ascribed to such term in the Construction Completion Agreement.

Governmental Regulations. The term "Governmental Regulations" shall mean collectively all laws, ordinances, rules and regulations of the Authorities applicable to Seller or any of its businesses or operations (or any portion thereof), or to the use, ownership, possession, operation, management or construction of the Acquired Assets or any portion thereof.

Guaranty. The term "Guaranty" shall mean the Guaranty to be executed by Guarantor, as described in the Master Lease.

Improvements. The term "Improvements" shall mean collectively all buildings, structures, fixtures, facilities, parking structures and areas, and other improvements located or to be located on or connected with the Real Property or the Skywalk, and which shall include without limitation the Improvements Under Construction.

Improvements Under Construction. The term "Improvements Under Construction" shall mean collectively the Center, the Skywalk and the Parking Garage.

Initialed Title Commitment. The term "Initialed Title Commitment" shall have the meaning ascribed to such term in Section 9.02 (f).

Insured Property. The term "Insured Property" shall have the meaning ascribed to such term in Section 6.01.

La Petite Lease. The term "La Petite Lease" shall mean that certain Ground Lease with Construction by Tenant between Williams Realty Corp. (now Williams Headquarters Building Company), as Landlord and La Petite Academy, Inc., as Tenant, dated July 22, 1987, as amended by that certain First Amendment to Lease Agreement dated February 28, 1989.

La Petite Parcel. The term "La Petite Parcel" shall mean the real property covered by the La Petite Lease.

Management Agreement. The term "Management Agreement" shall have the meaning ascribed to such term on Exhibit H.

Master Lease. The term "Master Lease" shall mean the Master Lease to be executed by Purchaser, as Landlord, and Seller, as Tenant, covering the Real Property and Improvements in form of SCHEDULE V.

Non-Foreign Entity Certification. The term "Non-Foreign Entity Certification" shall have the meaning ascribed to such term in Section 9.02(d).

Parking Garage. The term "Parking Garage" shall mean the structure currently under construction on the Parking Garage Parcel.

Parking Garage Parcel. The term "Parking Garage Parcel" shall mean that portion of the Real Property more particularly described in EXHIBIT D, which includes without limitation, the La Petite Parcel.

Permitted Exceptions. The term "Permitted Exceptions" shall have the meaning ascribed to such term in Section 6.01.

Personal Property. The term "Personal Property" shall mean collectively all of the tangible and intangible personal property constituting a portion of the Acquired Assets,

including without limitation, the Category 1 FF&E and Category 2 FF&E, each as defined in the Master Lease.

Purchase Price. The term "Purchase Price" shall have the meaning ascribed to such term in Section 3.01.

Purchaser's Affiliate. The term "Purchaser's Affiliate" shall mean an entity (i) that is Purchaser's parent organization, or a wholly owned subsidiary of Purchaser; or (ii) that acquires all or substantially all of the assets or capital stock of Purchaser; or (iii) of which Purchaser owns in excess of fifty percent (50%) of the outstanding capital stock; or (iv) that as a result of the consolidation or merger with Purchaser and/or Purchaser's parent organization, shall own all of the capital stock of Purchaser or Purchaser's parent corporation.

Real Property. The term "Real Property" shall mean the Center Parcel and the Parking Garage Parcel.

Skywalk. The term "Skywalk" shall mean an elevated pedestrian bridge and support structure, connecting the Parking Garage to the Center over a portion of South Cincinnati Avenue and a portion of East First Street, Tulsa, Oklahoma, that is approximately twenty-seven (27) feet above the driving lanes of such streets, together with the air rights for the three (3) dimensional space within which it is to be suspended.

Surveys. The term "Surveys" shall have the meaning ascribed to such term in Section 6.02.

Title Commitment. The term "Title Commitment" shall mean the Commitment for Title Insurance dated July 2, 2001, No. E-134132-A, issued by the Title Company on behalf of Lawyers Title Insurance Corporation, more particularly described on EXHIBIT F.

Title Company. The term "Title Company" shall mean Guaranty Abstract Company of Tulsa, Oklahoma, or such other title company satisfactory to Purchaser.

Title Policy. The term "Title Policy" shall mean the ALTA Form B owner's title insurance policy or policies, with standard and printed exceptions deleted (excepting survey coverage) and providing lien coverage, to be issued based upon the Title Commitment.

Utility Services Agreement. The term "Utility Services Agreement" shall have the meaning ascribed to such term on Exhibit H.

SECTION 1.02. References. Except as otherwise specifically indicated, all references in this Agreement to Articles or Sections refer to Articles or Sections of this Agreement, and all references to Exhibits or Schedules refer to Exhibits or Schedules attached hereto all of which are hereby incorporated herein by this reference for all purposes. The words "herein," "hereof," "hereinafter," "hereunder" and words and phrases of similar import refer to this Agreement as a whole and not to any particular Section or Article.

ARTICLE II

AGREEMENT OF PURCHASE AND SALE

SECTION 2.01. Agreement. For payment of the Purchase Price in accordance with Section 3.01, and in consideration of all of the other terms, covenants and conditions set forth in this Agreement, Seller hereby agrees to sell, transfer, convey, assign, and deliver to Purchaser or Purchaser's Affiliate and Purchaser hereby agrees to purchase, acquire and accept from Seller, the Acquired Assets (but as to any Licenses and Permits comprising part of the Acquired Assets, only to the extent assignable).

ARTICLE III

CONSIDERATION

SECTION 3.01. Purchase Price. The Purchase Price (the "Purchase Price") for the Acquired Assets shall be the sum of Two Hundred Forty-Five Million and No/100 Dollars ($245,000,000.00), shall be paid by Purchaser to Seller at Closing, in immediately available funds.

SECTION 3.02. Agreed Allocation. The parties hereto agree that the fair market value allocation of the Purchase Price among the Acquired Assets (the "Agreed Allocation"), is as set forth on EXHIBIT G. The provisions of this Section 3.02 shall survive the Closing without limitation.

ARTICLE IV

INDEMNIFICATIONS

SECTION 4.01 Seller's Indemnification. Subject to the obligations of Purchaser under (i) the agreements to be executed between the parties hereto pursuant to Article XVI, and (ii) the Construction Completion Agreement, Seller hereby agrees to defend, indemnify and hold harmless Purchaser and its parent, subsidiaries and affiliated companies, and Purchaser's stockholders, directors, officers, employees and agents, of and from any loss, cost, claim and liability relating to:

(a) any inaccuracy or breach by Seller of any representation or warranty set forth in Section 7.01; or

(b) any claims made by any third parties for any damages, physical injury or loss of life occurring on or about the Real Property and Improvements including without limitation, any environmental claims, arising during Seller's ownership thereof.

SECTION 4.02. Purchaser's Indemnification. Subject to the obligations of Seller under (i) the agreements to be executed between the parties hereto pursuant to Article XVI, and (ii) the

Construction Completion Agreement, Purchaser hereby agrees to defend, indemnify and hold harmless Seller and its parent, subsidiaries and affiliated companies, and Seller's members, managers, directors, officers, employees and agents, of and from any loss, cost, claim and liability relating to:

(a) any inaccuracy or breach by Purchaser of any representation or warranty set forth in Section 7.02.

SECTION 4.03. Insurance Claims. In the event any Purchaser or Seller shall suffer any claim or loss for which it is entitled to indemnification under this Article IV, the indemnifying parties shall use their best efforts, which shall include without limitation, the ascertaining and establishing of insurance coverage for such claim or loss, to pursue such claim and to collect under all applicable insurance policies maintained by or on behalf of the indemnifying party.

SECTION 4.04. Survival. The provisions of this Article IV shall survive the Closing without limitation.

ARTICLE V

EVALUATION OF ACQUIRED ASSETS

SECTION 5.01. Purchaser's Evaluation. Purchaser has familiarized itself with respect to the Acquired Assets and subject to the specific warranties, representations and covenants of Seller contained in this Agreement, Purchaser accepts the Acquired Assets on an "as-is" basis, with the understanding that Seller has not and is not making any warranties or representations of any kind whatsoever, except as set forth herein and in the Construction Completion Agreement.

ARTICLE VI

TITLE AND SURVEY MATTERS

SECTION 6.01. Title Insurance. Purchaser has previously obtained the Title Commitment which contains the commitment to issue the Title Policy to insure marketable title in Purchaser with respect to the Real Property, the Center, the Parking Garage and the Skywalk (collectively the "Insured Property"), together with copies of all documents and other matters listed as exceptions therein. Purchaser hereby waives objection to all exceptions listed in the Title Commitment (the "Permitted Exceptions"), except for those specific exceptions which should be deleted by Title Company upon presentment of a possession affidavit as to the non-existence as of the Closing Date of any tenants of any portion of the Real Property or the Improvements, executed by Seller.

SECTION 6.02. Surveys. Pursuant to the Construction Completion Agreement, Purchaser shall obtain for Purchaser's own use, and provide to Seller, certified "as built" ALTA surveys of the Real Property and the Improvements Under Construction (duly certified as of a

recent date by an Oklahoma licensed surveyor and in form acceptable to Purchaser and the Title Company) showing all easements, restrictions and rights-of-way relating thereto (the "Surveys").

ARTICLE VII

REPRESENTATIONS AND WARRANTIES

SECTION 7.01. Seller's Representations and Warranties. Subject to the limitations on survival set forth in Article XIII of this Agreement, Seller, to its Best Knowledge represents and warrants to Purchaser the following as of the Closing Date:

(a) Status. Seller is a limited liability company duly organized and validly existing under the laws of the State of Delaware, and is duly qualified to do business in the State of Oklahoma.

(b) Authority. The execution and delivery of this Agreement and the performance by Seller of its obligations hereunder have been duly authorized by all necessary action on the part of Seller, and this Agreement constitutes the legal, valid and binding obligation of Seller, enforceable in accordance with its terms.

(c) Consents. No consent, waiver, approval or authorization is required from any person or entity (which has not already been obtained and delivered to Purchaser or which will be given on or before Closing) in connection with the execution and delivery of this Agreement by Seller, or the performance by Seller of the obligations contemplated hereby.

(d) Non-Foreign Entity. Seller is not a "foreign person" or "foreign corporation" as those terms are defined in the Internal Revenue Code, as amended, and the regulations promulgated thereunder.

(e) No Governmental Consent Required. No order, license, consent, permit, authorization or approval of, or exemption by, or the giving of notice to, or the registration with or the taking of any other action with respect to any Authorities, and no filing, recording, publication or registration in any public office or any other place is required or necessary to authorize the execution, delivery and performance by Seller of this Agreement or any related documents to which it is a party.

(f) No Conflicts, etc. The execution, delivery and performance by Seller of this Agreement and any related document to which Seller is a party, shall not conflict with or result in any breach of, or constitute a default or result in the creation of a lien under, the certificate of incorporation (or other charter document), or bylaws of Seller, or any law or judgment or, assuming that the required consents are obtained, any permit held by Seller, or any loan document, lease or contract to which Seller is a party or by which Seller is bound or any of its assets is subject.

(g) Legal Matters. Seller is not in breach, default or violation of any provision of any of its certificate of formation or bylaws, or any applicable law or

judgment, which has or will have any material, adverse effect on the transactions contemplated by this Agreement. Furthermore:

(i) Except as set forth on EXHIBIT C, there is no claim or litigation pending or threatened to which Seller is a party, or which Seller is threatened to be made a party or to which any portion of the Acquired Assets is subject, or is threatened to be made subject, that would have a material, adverse effect on the Acquired Assets, and there is no litigation pending to which Seller is a party, or threatened to be made a party which seeks to restrain, enjoin, prevent the consummation of, or otherwise challenge this Agreement or any of the related documents, or any of the transactions contemplated hereby, or which seeks to recover damages in connection therewith; and

(ii) Seller is not bound or adversely affected by any unexecuted and unsatisfied judgment rendered against Seller which would materially, adversely affect any of the Acquired Assets.

(h) Improvements Under Construction and Real Property. The Improvements Under Construction and the Real Property are free and clear of all liens, claims and encumbrances, except as may be specifically set forth in the Permitted Exceptions.

(i) Condemnation Actions and Assessments. There are not presently pending or threatened any condemnation, eminent domain or other actions, or assessed any special assessments of any nature with respect to the Acquired Assets or any material part thereof, and Seller has not received any notice of, nor does Seller have any knowledge with respect to, any such condemnation, eminent domain or other actions, or special assessments.

SECTION 7.02. Purchaser's Representations and Warranties. The following constitutes the representations and warranties of Purchaser subject to the limitations of survival set forth in Article XIII of this Agreement. Purchaser, to its Best Knowledge, represents and warrants to Seller the following as of the Closing Date:

(a) Status. Purchaser is a corporation duly organized and validly existing under the laws of the State of Delaware, and is duly qualified to do business in the State of Oklahoma.

(b) Authority. The execution and delivery of this Agreement and the performance by Purchaser of its obligations hereunder have been duly authorized by all necessary action on the part of Purchaser. This Agreement has been duly authorized, executed and delivered by Purchaser.

(c) Consents. No consent, waiver, approval or authorization is required from any person or entity (that has not already been obtained) in connection with the execution and delivery of this Agreement by Purchaser or the performance by Purchaser of the transactions contemplated hereby.

(d) No Governmental Consent Required. No order, license, consent, permit, authorization or approval of, or exemption by, or the giving of notice to, or the registration with or the taking of any other action with respect to any Authorities, and no filing, recording, publication or registration in any public office or any other place is required or necessary to authorize the execution, delivery and performance by Purchaser of this Agreement or any related documents to which Purchaser is a party.

SECTION 7.03. Survival. All the representations and warranties of Seller and Purchaser set forth hereinabove in this Article VII, shall survive the Closing subject to the limitations set forth in Article VIII hereinbelow.

ARTICLE VIII

CLOSING CONDITIONS

SECTION 8.01. Conditions to Obligations of Seller. The obligations of Seller to consummate the sale contemplated hereby shall be subject to the satisfaction of the following conditions on or before the Closing Date, except to the extent that any of such conditions may be and have been waived by Seller:

(a) Representations, Warranties, Covenants and Closing Obligations of Purchasers. All representations and warranties of Purchaser in this Agreement shall be true and correct as of the Closing Date, and Purchaser shall have performed and complied with, at or prior to the Closing Date, all covenants and agreements required by this Agreement to be performed or complied with by Purchaser and shall have furnished each item required to be furnished by them at Closing;

(b) No Orders. No order, writ, injunction or decree shall have been entered and be in effect by any court of competent jurisdiction or any Authorities, and no statute, rule, regulation or other requirement shall have been promulgated or enacted and be in effect, that restrains, enjoins or invalidates the transactions contemplated hereby; and

(c) No Suits. No suit or other proceeding shall be pending or threatened by any third party not affiliated with or acting at the request of Seller before any court or any Authorities seeking to restrain, prohibit or declare illegal, or seeking damages against Seller or any of its affiliates in connection with, the transactions contemplated by this Agreement.

SECTION 8.02. Conditions to Obligations of Purchaser. The obligations of Purchaser to consummate the sale contemplated hereby shall be subject to and conditioned upon the satisfaction of the following conditions on or before the Closing Date, except to the extent that any of such conditions may be and have been waived by Purchaser:

(a) Representations, Warranties, Covenants and Closing Obligations of Seller. All representations and warranties of Seller in this Agreement shall be true and correct as of the Closing Date, and Seller shall have performed and complied with, prior

to the Closing Date, all covenants and agreements required by this Agreement to be performed or complied with by Seller, and shall have furnished each item required to be furnished by it at Closing;

(b) No Orders. No order, writ, injunction or decree shall have been entered and be in effect by any court of competent jurisdiction or any Authorities, and no statute, rule, regulation or other requirement shall have been promulgated or enacted and be in effect, that restrains, enjoins or invalidates the transactions contemplated hereby or materially, adversely affects the value of the Acquired Assets; and

(c) No Suits. No suit or other proceeding shall be pending or threatened by any third party not affiliated with or acting at the request of Purchaser, before any court or Authorities seeking to restrain, prohibit or declare illegal, or seeking damages against Purchaser in connection with, the transactions contemplated by this Agreement.

(d) Aircraft Transaction. All of the documents related to the Aircraft Transaction shall have been executed and entered into effective as of the Closing Date.

(e) Credit Agreement. Bank of America, N.A., and any other required Lenders as defined in the Credit Agreement, shall have executed the following, all in form and substance satisfactory to Purchaser in all respects: (i) a waiver and release of lien relating to any claim or interest of any of the Lenders (as defined therein), in any of the Acquired Assets pursuant to the Credit Agreement; (ii) an Intercreditor Agreement; and (iii) the consent of the Lenders to all of the transactions contemplated by this Agreement and the Aircraft Transaction (collectively the "BOA Documents").

(f) Master Lease. The Master Lease, together with all documents to be executed as contemplated therein, shall have been executed and entered into effective as of the Closing Date.

ARTICLE IX

CLOSING

SECTION 9.01. Closing. The Closing of the transactions contemplated herein shall occur on the Closing Date. At Closing, the events set forth in this Article IX shall occur, it being understood that the performance or tender of performance of all matters set forth in this Article IX are mutually concurrent conditions.

SECTION 9.02. Seller's Closing Obligations. At Closing, Seller and Guarantor shall deliver or cause to be delivered to Purchaser the following:

(a) The duly executed (and acknowledged where provided) Deed and Bill of Sale;

(b) Duly executed members' resolutions or other documentation of Seller, in form and substance reasonably satisfactory to Purchaser, authorizing the execution and performance of this Agreement by Seller;

(c) Evidence reasonably satisfactory to Purchaser and the Title Company that the persons executing the Closing documents on behalf of Seller have full right, power and authority to do so;

(d) A duly executed certificate (the "Non-Foreign Entity Certification") certifying that Seller is not a "foreign person" as defined in Section 1445 of the Internal Revenue Code of 1986, as amended, in the form of SCHEDULE II;

(e) Possession of the Acquired Assets, subject to the Permitted Exceptions;

(f) The Title Commitment, marked and initialed by a representative of the Title Company, in form satisfactory to Purchaser (the "Initialed Title Commitment");

(g) The duly executed Master Lease and the Memorandum of Lease in recordable form as required therein;

(h) The duly executed Guaranty;

(i) A sufficient number of duly executed UCC-1 Financing Statements and a UCC-3 Termination Statement, both in form and substance satisfactory to Purchaser, as contemplated by the Master Lease;

(j) The following duly executed amendments to the Ancillary Contracts, all as defined on EXHIBIT H, as specified: (i) First Amendment to Management Agreement; (ii) First Amendment to Central Plant Lease; and (iii) First Amendment to Utility Services Agreement (collectively the "Ancillary Contracts Amendments");

(k) The duly executed Third Amendment to Construction Completion Agreement;

(l) An opinion of Seller's counsel in form and substance satisfactory to Purchaser covering, among other matters, the enforceability of the Master Lease; and

(m) A certificate of the chief executive officer or chief financial officer of Seller to the effect that Seller is in compliance with all of the terms and provisions set forth in this Agreement, that the representations and warranties of Seller set forth herein are true and correct on and as of the Closing Date and that no event of default under Section 11.01 has occurred and is continuing or would result from the consummation of this transaction.

(n) Such other documents and instruments as may be reasonably necessary or appropriate in Purchaser's or Title Company's reasonable judgment, to effect the consummation of the transactions which are the subject of this Agreement.

SECTION 9.03. Purchaser's Closing Obligations. At Closing, Purchaser shall deliver or cause to be delivered to Seller the following:

(a) The Purchase Price as set forth in Section 3.01;

(b) The duly executed Easement for Backup Generation Facility;

(c) Evidence reasonably satisfactory to Seller and the Title Company that the persons executing the Closing documents on behalf of Purchaser have full right, power, and authority to do so;

(d) Corporate resolutions or other documentation for Purchaser in form and substance reasonably satisfactory to Seller, authorizing the execution and performance of this Agreement by Purchaser;

(e) The duly executed Master Lease;

(f) The duly executed Ancillary Contracts Amendments;

(g) The duly executed Third Amendment to Construction Completion Agreement; and

(h) A certificate of the chief executive officer or chief financial officer of Purchaser to the effect that Purchaser is in compliance with all of the terms and provisions set forth in this Agreement, that the representations and warranties of Purchaser set forth herein are true and correct on and as of the Closing Date and that no event of default under Section 11.02 has occurred and is continuing or would result from the consummation of this transaction.

(i) Such other documents and instruments as may be reasonably necessary or appropriate in Seller's reasonable judgment, to effect the consummation of the transactions which are the subject of this Agreement.

SECTION 9.04. Ad Valorem Taxes. Seller acknowledges and agrees that Seller shall be solely responsible for all real property and personal property ad valorem taxes and any annual special assessments relating to the Acquired Assets for the year 2001.

SECTION 9.05. Closing Costs. All Closing costs incurred in connection with the Closing shall be paid by Seller, including without limitation, the fees and expenses of Purchaser's attorneys and other representatives, and the Oklahoma Real Estate Mortgage Tax on the Master Lease.

SECTION 9.06. Documents and Data Access and Delivery. Title to all of the Documents and Data shall be in Purchaser from and after the Closing Date, subject to the provisions of Section 11.06 of the Construction Completion Agreement.

ARTICLE X

BROKERAGE

SECTION 10.01. Brokers. Both Purchaser and Seller represent to the other that no real estate brokers', agents' or finders' fees or commissions are due or shall be due or arise in conjunction with the execution of this Agreement or consummation of this transaction by reason of the acts of such party, and Purchaser and Seller shall indemnify and hereby agree to hold the other party harmless from any of the foregoing fees or commissions claimed by any person asserting its entitlement thereto at the alleged instigation of the indemnifying party for or on account of this Agreement or the transactions contemplated hereby. This Section 10.01 shall survive both any termination of, and the Closing of this Agreement without limitation.

ARTICLE XI

DEFAULTS AND REMEDIES

SECTION 11.01. Default by Seller. In the event of any default by Seller under this Agreement, subject to the provisions of Section 11.03, Purchaser may elect, as its sole and exclusive remedies, to (i) terminate all executory obligations of the parties under this Agreement, and in such event the parties hereto shall have no further liability hereunder whatsoever, or (ii) prosecute an action for specific performance of this Agreement. Notwithstanding the foregoing, nothing contained herein shall limit Purchaser's remedies at law, in equity or as herein provided, in the event of a breach by Seller of any of the Closing Surviving Obligations.

SECTION 11.02. Default by Purchaser. In the event of any default by Purchaser under this Agreement, subject to the provisions of Section 11.03, Seller may elect, as its sole and exclusive remedies, to (i) terminate all executory obligations of the parties under this Agreement, and in such event the parties shall have no further liability hereunder whatsoever, or (ii) prosecute an action for specific performance of this Agreement. Notwithstanding the foregoing, nothing contained herein shall limit Seller's remedies at law, in equity or as herein provided, in the event of a breach by Purchaser of any of the Closing Surviving Obligations.

SECTION 11.03. Notice and Cure. In the event there is a default by either Purchaser or Seller under the terms of this Agreement, the nondefaulting party shall give written notice of such default (with sufficient specificity to allow the defaulting party to determine the nature and extent of such default and to the extent possible, the manner in which such default can be remedied), and a period of thirty (30) days thereafter in which the defaulting party may cure such default, provided however, with respect to any such cure which by its nature, can not be accomplished during such period, such period shall be extended so long as the defaulting party has commenced such cure during such thirty (30) day period, and thereafter continuously and diligently prosecutes such cure thereafter. In the event a cure by the defaulting party is accomplished within such period, the parties shall be restored to their relative positions prior to the occurrence of such default as if no such default had taken place. The provisions of this Section 11.03 shall survive the Closing without limitation.

SECTION 11.04. Remedies. In the event either Seller or Purchaser defaults in the performance of any of its respective obligations under the terms of this Agreement, which default is not cured within the applicable cure period set forth in Section 11.03, the nondefaulting party shall be entitled to exercise any and all rights and remedies for such breach it may have under applicable law, provided however, in no event shall Guarantor be entitled to declare any default or pursue any rights or remedies against either Seller or Purchaser based upon any alleged default by either of such parties under this Agreement.

ARTICLE XII

NOTICES

SECTION 12.01. Notices. All notices or other communications required or permitted hereunder shall be in writing, and shall be given either by (a) personal delivery, (b) professional expedited delivery service with proof of delivery, (c) telecopy (providing that such telecopy is confirmed by the sender by expedited delivery service), or (d) certified mail return receipt requested, and if so given, shall be deemed to have been given either at the time of personal delivery, or, in the case of expedited delivery service, as of the date of first attempted delivery at the address or in the manner provided herein, or, in the case of telecopy, upon receipt or, in the case of certified mail, three (3) Business Days after posting with the U.S. Postal Service. Unless changed in accordance with the preceding sentence, the addresses for notices given pursuant to this Agreement shall be as follows:

To Purchaser:
Williams Headquarters Building Company
Attn: George D. Shahadi, Vice President-Corp. Real Estate
One Williams Center, Suite 2200
Tulsa, Oklahoma 74172
Fax No. 918/573-4049

With copy to:
The Williams Companies, Inc.
Attn: Real Estate Counsel
One Williams Center, Suite 4100
Tulsa, Oklahoma 74172
Fax No. 918/573-4503

To Seller:
Williams Technology Center, LLC
Attn: Vice President, Real Estate
One Williams Center, MD-OneOK-6
Tulsa, Oklahoma 74172
Fax No. 918/573-5614

To Guarantor: Williams Communications, LLC
Attn: General Counsel
One Williams Center, Suite 4100
Tulsa, Oklahoma 74172
Fax No. 918/573-3005

With copy to: Williams Communications, LLC
One Technology Center, MD: TC 14X
Tulsa, Oklahoma 74103
Fax No. 918/547-1108

ARTICLE XIII

LIMITED SURVIVAL OF REPRESENTATIONS, WARRANTIES AND COVENANTS

SECTION 13.01. Survival of Representations, Warranties and Covenants. Notwithstanding anything else to the contrary contained herein, any and all of the representations and warranties of Seller and Purchaser set forth in this Agreement, and the Closing Surviving Obligations (to the extent applicable) shall survive the Closing without limitation except for those contained in Article VII which shall survive the Closing for a period twelve (12) months only.

ARTICLE XIV

MISCELLANEOUS

SECTION 14.01. Waivers. No waiver of any breach of any covenant or condition contained herein shall be deemed a waiver of any preceding or succeeding breach thereof, or of any other covenant or condition contained herein. No extension of time for performance of any obligation or act shall be deemed an extension of the time for performance of any other obligation or act. No waiver shall be effective unless in writing and signed by the waiving party.

SECTION 14.02. Recovery of Certain Fees. In the event a party hereto files any action or suit against the other party hereto by reason of any breach of any of the covenants, agreements or provisions contained in this Agreement, or initiates any arbitration action pursuant to the provisions of Section 11.04, the prevailing party shall be entitled to have and recover from the other party all costs and expenses of the action, suit or arbitration, including actual reasonable attorneys' fees. The obligations set forth in this Section 14.02 shall survive the Closing and the termination of the executory obligations of the parties, as contained in this Agreement.

SECTION 14.03. Time of Essence. Seller and Purchaser hereby acknowledge and agree that time is strictly of the essence with respect to each and every term, condition, obligation and provision hereof.

SECTION 14.04. Construction. Headings at the beginning of each article and section are solely for the convenience of the parties and are not a part of this Agreement. Whenever required by the context of this Agreement, the singular shall include the plural and the masculine shall include the feminine and vice versa. This Agreement shall not be construed as if it had been prepared by one of the parties, but rather as if both parties had prepared the same. All exhibits and schedules referred to in this Agreement are attached and incorporated by this reference, and any capitalized term used in any exhibit or schedule which is not defined in such exhibit or schedule shall have the meaning attributable to such term in the body of this Agreement. In the event the date on which Purchaser or Seller is required to take or complete any action under the terms of this Agreement is not a Business Day, the action shall be taken or completed on the next succeeding Business Day.

SECTION 14.05. Counterparts. To facilitate execution of this Agreement, this Agreement may be executed in as many counterparts as may be required, and it shall not be necessary that the signatures of, or on behalf of, either party, or that the signatures of all persons required to bind any party, appear on each counterpart; rather, it shall be sufficient that the signatures of, or on behalf of, either party, or that the signatures of the persons required to bind any party, appear on one or more of the counterparts. All counterparts shall collectively constitute a single Agreement.

SECTION 14.06. Severability. If any term or provision of this Agreement is held to be invalid, illegal, or incapable of being enforced by any rule of law or public policy, all of the other terms and provisions of this Agreement shall nevertheless remain in full force and effect, so long as the economic or legal substance of the transactions contemplated hereby is not effected in any manner adverse to either party. Upon such determination that any term or provision is invalid, illegal, or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to reflect the original intent of the parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible, provided however, the failure of the parties to reach a mutually acceptable provision shall in no event be deemed to render void or unenforceable any other terms and provisions of this Agreement which terms and provisions shall remain in full force and effect.

SECTION 14.07. Entire Agreement. This Agreement, together with the Construction Completion Agreement, are the final expression of, and contain the entire agreement between the parties with respect to the subject matter hereof and thereof, and supersede all prior understandings with respect thereto. This Agreement may not be modified, changed or supplemented, nor may any obligations hereunder be waived, except by written instrument signed by the party to be charged or by its agent duly authorized in writing, or as otherwise expressly permitted herein.

SECTION 14.08. Governing Law. THIS AGREEMENT SHALL BE CONSTRUED, PERFORMED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF OKLAHOMA.

SECTION 14.09. No Recording. The parties hereto agree that neither this Agreement nor any memorandum or affidavit concerning it shall be recorded.

SECTION 14.10. No Merger. The parties hereto agree that notwithstanding the consummation of the transactions contemplated herein, the interests of Purchaser and Seller under the Central Plant Lease shall not merge in any event and shall remain in full force and effect for all purposes according to its terms.

ARTICLE XV

CONSTRUCTION COMPLETION AGREEMENT

SECTION 15.01. Survival. Nothing contained in this Agreement, nor the execution hereof and the closing of the transactions contemplated hereby, shall in any way modify, restrict or diminish any of the terms, covenants or conditions of the Construction Completion Agreement, which shall remain in full force and effect according to its terms.

IN WITNESS WHEREOF, the parties hereto have respectively executed this Agreement effective as of the Closing Date.

PURCHASER

WILLIAMS HEADQUARTERS BUILDING COMPANY, A Delaware Corporation

By: ----------

Name: ----------

Title: ----------

SELLER

WILLIAMS TECHNOLOGY CENTER, LLC, A Delaware Limited Liability Company

By: ----------

Name: ----------

Title: ----------

GUARANTOR

WILLIAMS COMMUNICATIONS, LLC, A Delaware Limited Liability Company

By: ----------

Name: ----------

Title: ----------

EXHIBIT A

CENTER PARCEL

The Easterly Half (E/2) of Block Eighty-eight (88), ORIGINAL TOWN OF TULSA, located in the City of Tulsa, Tulsa County, State of Oklahoma, according to the Official Plat thereof, more particularly described as follows:

BEGINNING at the Southeasterly corner of Block 88; thence Northerly 300 feet along the Easterly line of Block 88 to the Northeasterly corner of said Block; thence Westerly along the Northerly line of said Block a distance of 150 feet to a point; thence Southerly a distance of 300 feet to a point on the Southerly line of said Block; thence Easterly along the Southerly line 150 feet to the Point of Beginning.

AND, the following described property:

A portion of East First Street adjacent to Blocks 73 and 88 of the Original Townsite of Tulsa, Tulsa County, State of Oklahoma, a portion of South Cincinnati Avenue adjacent to Blocks 88 and 87, Original Townsite, Tulsa County, State of Oklahoma and said portion of East Second Street adjacent to Blocks 88 and 106, Original Townsite of Tulsa, Tulsa County, State of Oklahoma, that is below an elevation of Three (3) feet lower than the driving lanes of said roadway. Said potion of streets being more fully described as follows to wit:

Commencing at the point of beginning, said point being the northeast corner of Block 88; thence westerly along the northerly line of said Block 88 a distance of 160.00 feet; thence northerly and perpendicular to the northerly line of said Block 88 a distance of 3.50 feet; thence easterly and parallel the northerly line of said Block 88 a distance of 166.75 feet; thence southerly and parallel the easterly line of said Block 88 a distance of 311. 50 feet; thence westerly and parallel the southerly line of Block 88 a distance of 166.75 feet; thence northerly a distance of 8.00 feet to a point on the southerly line of said Block 88, said point being 10.00 feet westerly from the southwest corner of Lot 6, Block 88; thence easterly along the southerly line of Block 88 a distance of 160.00 feet to the southeast corner of Lot 6 Block 88; thence northerly along the easterly line of Block 88 a distance of 300.00 feet to the point of beginning.

Skywalk No. 1

The following described property:

A portion of South Cincinnati Avenue adjacent to Blocks 73 and 74, Original Townsite of Tulsa, Tulsa County, State of Oklahoma, that is above an elevation of Twenty Seven (27) feet higher than the driving lanes of the said roadway. Said portion of South Cincinnati Avenue being more fully described as follows to wit:

Commencing at the point of beginning, said point being the southwest corner of Lot 3 Block 74, Original Townsite; thence northerly along the westerly line a distance of 32.00 feet of said Lot 3, Block 74; thence westerly and perpendicular a distance of 80.00 feet

to a point on the easterly line of Lot 1, Block 73, Original Townsite; thence southerly along the easterly line a distance of 32.0 feet of said Lot 1, Block 73; thence easterly and perpendicular a distance of 80.00 feet to the point of beginning.

Skywalk No. 2

The following described property:

A portion of East First Street adjacent to Blocks 73 and 88 of the Original Townsite of Tulsa, Tulsa County, State of Oklahoma, that is above an elevation of Twenty Seven (27) feet higher than the driving lanes of the said roadway. Said portion of East First Street being more fully described as follows to wit:

Commencing at the point of beginning, said point being the southeast corner of Lot 1, Block 73, Original Townsite; thence westerly along the southerly line of Lot 1 Block 73 a distance of 26.00 feet; thence southerly and perpendicular a distance of 80.00 feet to a point on the northerly line of Lot 3, Block 88, Original Townsite; thence easterly along the northerly line of Lot 3 Block 88 a distance of 26.00 feet to the northeast corner of Lot 3, Block 88; thence northerly and perpendicular a distance of 80.00 feet to the point of beginning.

EXHIBIT C

LITIGATION AND CLAIMS

1. Potential claims arising out of the General Contractor's Agreement for Williams Center Expansion Project between Manhattan Construction Company and Purchaser dated August 27, 1999, and the General Contractor's Agreement for the Williams Technology Center Design Project between Manhattan Construction Company and Guarantor (formerly Williams Communications, Inc.), as assigned to Purchaser effective February 26, 2001.

EXHIBIT D

PARKING GARAGE PARCEL

TRACT A:

Lots One (1), Two (2), Three (3) and Four (4), Block Seventy-four (74), ORIGINAL TOWNSITE OF TULSA, now City of Tulsa, Tulsa County, State of Oklahoma, according to the Official Plat thereof;

TRACT B:

All that part of the Original Tulsa Station and Depot Grounds of the Burlington Northern Railroad Company's Right of Way located in Sections 1 and 2, Township 19 North, Range 12 East of the Indian Base and Meridian, more particularly described as follows, to-wit:

BEGINNING at a point that is the Northwest corner of Block 74, Original Town of Tulsa, now City of Tulsa, Tulsa County, Oklahoma, according to the Official Plat thereof; thence Westerly along the Westerly production of the North line of Block 74, a distance of 80.00 feet to a point, also being the Northeast corner of Block 73, said point also being the Southeast corner of that certain sale to the Tulsa Urban Renewal Authority, dated December 30, 1970, recorded December 30, 1970, in Book 3951 at Pages 1235, 1236, 1237 and 1238, and correction deed dated August 28, 1973; thence Northerly along the Northerly production of the East line of said Block 73 a distance of 200.00 feet; thence Easterly parallel 200.00 feet Northerly of the North line of said Block 74 a distance of 80.00 feet to a point on the Northerly production of the West line of Block 74; thence Southerly along the Northerly production of the West line of Block 74 a distance of 20.00 feet; thence Easterly parallel 180.00 feet Northerly of the North line of said Block 74 a distance of 60.91 feet to a point of intersection with an existing concrete retaining wall; thence Northeasterly along a deflection angle to the left of 5(degree)42'01" a distance of 240.27 feet to a point on the Northerly production of the East line of Block 74; thence Southerly along said Northerly production of the East line of Block 74 a distance of 203.86 feet to the Northeast corner of Block 74; thence Westerly along the Northerly line of Block 74 a distance of 300.00 feet to the Point of Beginning of said tract of land.

AND, the following described property:

A portion of East First Street adjacent to Block 74 and Block 87 of the Original Townsite of Tulsa, Tulsa County, State of Oklahoma, that is below an elevation of One (1) foot lower than the driving lanes of said roadway. Said portion of street being more fully described as follows to wit:

Commencing at a point of beginning, said point being the southwest corner of Block 74; thence southerly and perpendicular to the south line of Block 74 a distance of 2.75 feet; thence easterly and parallel to the southerly line of said Block 74 a distance of 302.75 feet; thence northerly and parallel to the easterly line of Block 74 a distance of 191.00 feet; thence westerly and perpendicular a distance of 2.75 feet to the east line of Block 74; thence southerly along the east line of Block 74 a distance of 188.25 feet, thence westerly along the southerly line of Block 74 a distance of 300.00 feet, to the point of beginning.

EXHIBIT E

LEGAL DESCRIPTION OF COOLING TOWER PARCEL

Lots Eight (8) and Nine (9), Block Eighty-Seven (87), Original Town, now City of Tulsa, Tulsa County, State of Oklahoma, according to the plat thereof.

EXHIBIT G

AGREED ALLOCATION

ITEM	ALLOCATION
Center	$ 79,200,000
Center Parcel	1,450,000
Parking Garage	9,000,000
Parking Garage Parcel	670,000
Fixtures	78,572,595
Furniture and Equipment	76,107,405
TOTAL	$245,000,000

EXHIBIT H

ANCILLARY CONTRACTS

1. Management Services Agreement dated April 23, 2001, executed by Purchaser, as Manager, and Seller, as Owner, covering the Acquired Assets (exclusive of the Parking Garage and the Parking Garage Parcel) (the "Management Agreement").

2. Lease Agreement dated April 23, 2001, executed by Seller, as Landlord, and Purchaser, as Tenant, pertaining to the Central Plant (the "Central Plant Lease").

3. Utility Services Agreement dated April 23, 2001, executed by Purchaser, as Owner, and Seller, as Customer (the "Utility Services Agreement").

FORM OF
MASTER LEASE

THIS MASTER LEASE ("Lease") is executed and delivered effective as of this 13th day of September, 2001 (the "Effective Date"), and is entered into by and among WILLIAMS HEADQUARTERS BUILDING COMPANY, a Delaware corporation ("Lessor"), WILLIAMS TECHNOLOGY CENTER, LLC, a Delaware limited liability company ("Lessee"), and WILLIAMS COMMUNICATIONS, LLC, a Delaware limited liability company ("Guarantor").

RECITALS

The circumstances underlying the execution and delivery of this Lease are as follows:

A. Capitalized terms used and not otherwise defined herein have the respective meanings given them in Article II, below.

B. On even date herewith, Lessor has purchased from Lessee One Technology Center also known as Williams Technology Center, and other related assets all located in Tulsa, Oklahoma (all of which comprise the Leased Properties as defined hereinbelow).

C. Lessor now wishes to lease the Leased Properties to Lessee, and Lessee wishes to lease the Leased Properties from Lessor, on the terms and conditions set forth in this Lease.

D. As a material inducement to Lessor to enter into this Lease, Guarantor desires to unconditionally guaranty the performance of all of Lessee's duties and obligations hereunder.

IN CONSIDERATION of the foregoing, the covenants and agreements contained herein, and other good and valuable consideration the receipt and adequacy of which are hereby acknowledged, Lessor, Lessee and Guarantor agree as follows:

ARTICLE I

LEASEHOLD ESTATE

1.1 LEASE. Upon and subject to the terms and conditions hereinafter set forth, Lessor leases to Lessee, and Lessee leases from Lessor, the Leased Properties. Each Facility is leased subject to all covenants, conditions, restrictions, easements and other matters affecting such Facility, whether or not of record, including the Permitted Encumbrances and other matters which would be disclosed by an inspection of the Facility or by an accurate survey thereof.

1.2 INDIVISIBILITY. This Lease constitutes one indivisible lease of the Leased Properties, and not separate leases governed by similar terms. The Leased Properties constitute one economic unit, and the Base Rent and all other provisions have been negotiated and agreed to based on a demise of all of the Leased Properties as a single, composite, inseparable

transaction and would have been substantially different had separate leases or a divisible lease been intended. Except as expressly provided herein for specific, isolated purposes (and then only to the extent expressly otherwise stated), all provisions of this Lease apply equally and uniformly to all the Leased Properties as one unit. An Event of Default with respect to any Leased Property is an Event of Default as to all of the Leased Properties. The parties intend that the provisions of this Lease shall at all times be construed, interpreted and applied so as to carry out their mutual objective to create an indivisible lease of all the Leased Properties and, in particular but without limitation, that for purposes of any assumption, rejection or assignment of this Lease under 11 U.S.C. ss.365 of the Bankruptcy Code, this is one indivisible and non-severable lease and executory contract dealing with one legal and economic unit which must be assumed, rejected or assigned as a whole with respect to all (and only all) the Leased Properties covered hereby.

1.3 TERMS. This Lease shall have the Category 1 FF&E Term for the Category 1 FF&E, the Category 2 FF&E Term for the Category 2 FF&E, and the Realty Term for the Land and Leased Improvements (collectively the "Term" or "Terms").

ARTICLE II

DEFINITIONS

2.1 DEFINITIONS. For all purposes of this Lease, except as otherwise expressly provided or unless the context otherwise requires, (i) the terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular, (ii) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with GAAP as at the time applicable, (iii) unless otherwise specifically designated, all references in this Lease to designated "Articles," Sections" and other subdivisions are to the designated Articles, Sections and other subdivisions of this Lease, and (iv) the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Lease as a whole and not to any particular Article, Section or other subdivision.

Additional Charges: All Impositions and other amounts, liabilities and obligations which Lessee assumes or agrees to pay under this Lease, including without limitation, any and all costs, expenses and charges relating to the upkeep and operation of the Leased Properties.

Affiliate: Any Person which, directly or indirectly, Controls or is Controlled by or is under common Control with another Person.

Approval Threshold: Five Hundred Thousand Dollars ($500,000.00).

Assessment: Any governmental assessment on the Leased Properties or any part thereof for public or private improvements or benefits, whether or not commenced or completed prior to the date hereof and whether or not to be completed within the Term.

Assumed Indebtedness: Any indebtedness or other obligations expressly assumed in writing by Lessor and secured by a mortgage, deed of trust or other security agreement to which Lessor's title to the Leased Properties is subject.

Award: All compensation, sums or anything of value awarded, paid or received in connection with a total or partial Taking.

Base Rent: Collectively the Category 1 FF&E Base Rent, the Category 2 FF&E Base Rent and the Realty Base Rent.

Business Day: Any day that is not a Saturday, Sunday or other day on which commercial banks in New York, New York or Dallas, Texas are authorized or required by law to remain closed; provided that, when used in connection with a Eurodollar Loan (as defined in the Credit Agreement), the term "Business Day" shall also exclude any day on which banks are not open for dealings in dollar deposits in the London interbank market.

Capital Lease Obligations: With respect to any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

Category 1 FF&E: All of the tangible personal property as set forth on EXHIBIT K.

Category 1 FF&E Base Rent: During the Category 1 FF&E Term, the Category 1 FF&E Base Rent shall be the sum computed as set forth on EXHIBIT L.

Category 1 FF&E Expiration Date: September 12, 2006.

Category 1 FF&E Term: Five (5) Lease Years commencing on the Commencement Date and ending on the Category 1 FF&E Expiration Date.

Category 2 FF&E: All of the tangible personal property as set forth on EXHIBIT M.

Category 2 FF&E Base Rent: During the Category 2 FF&E Term, the Category 2 FF&E Base Rent shall be the sum computed as set forth on EXHIBIT N.

Category 2 FF&E Expiration Date: September 12, 2004.

Category 2 FF&E Term: Three (3) Lease Years commencing on the Commencement Date and ending on the Category 2 FF&E Expiration Date.

Center: The multi-story office building located on the Center Parcel, commonly known as the One Technology Center and Williams Technology Center.

Center Parcel: The real property more particularly described on EXHIBIT A attached hereto and made a part hereof on which the Center is located.

Central Plant: As defined in the Construction Completion Agreement.

Change in Control: means

(a) the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person other than Guarantor or WCG, of any ownership interest in the Lessee;

(b) the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or group (within the meaning of Section 13(d) or 14(d) of the Exchange Act and the rules of the SEC thereunder as in effect on the date hereof) other than Guarantor, of interests representing more than thirty-five percent (35%) of either (i) the aggregate ordinary voting power represented by the issued and outstanding ownership interests of Lessee, Guarantor or WCG, or (ii) the issued and outstanding ownership interests of Lessee, Guarantor or WCG;

(c) occupation of a majority of the seats (other than vacant seats) on the board of directors of Lessee, Guarantor or WCG, by Persons who were neither (i) nominated by the respective board of directors of Lessee, Guarantor, or WCG nor (ii) appointed by directors so nominated; or

(d) the acquisition of direct or indirect Control of Lessee, Guarantor or WCG, by any Person or group.

Clean-Up: The investigation, removal, restoration, remediation and/or elimination of, or other response to, Contamination, in each case to the satisfaction of all governmental agencies having jurisdiction, in compliance with or as may be required by Environmental Laws.

Code: The Internal Revenue Code of 1986, as amended.

Collateral: Whether now in existence or hereinafter created and/or acquired, collectively all Leased Personal Property and Fixtures, and insurance proceeds and products thereof, together with all books and records, computer files, programs, printouts and other computer materials and records related thereto.

Commencement Date: The Effective Date.

Condemnor: Any public or quasi-public authority, or private corporation or individual, having the power of condemnation.

Construction Completion Agreement. The Agreement of Purchase and Sale and Construction Completion dated effective as of February 26, 2001, as amended, between Lessor as Seller, and Lessee as Purchaser, covering a portion of the Leased Properties.

Construction Funds: The Net Proceeds and such additional funds as may be deposited with Lessor by Lessee pursuant to Section 14.6 for restoration or repair work pursuant to this Lease.

Contamination: The presence, Release or threatened Release of any Hazardous Materials at the Leased Properties in violation of any Environmental Law, or in a quantity that would give rise to any affirmative Clean-Up obligations under an Environmental Law, including, but not limited to, the existence of any injury or potential injury to public health, safety, natural resources or the environment associated therewith, or any other environmental condition at, in, about, under or migrating from or to the Leased Properties.

Control: The possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have correlative meanings.

Credit Agreement: The Amended and Restated Credit Agreement dated as of September 8, 1999, among Guarantor, WCG, Bank of America, N.A., The Chase Manhattan Bank, and other parties, as may be amended or waived from time to time with respect to the financial covenants therein, a copy of which constituted as of the Effective Date is attached hereto as EXHIBIT C.

Date of Taking: The date on which the Condemnor has the right to possession of the Leased Property that is the subject of the Taking or Partial Taking.

Debt: This includes, without duplication, (a) all obligations of such Person for borrowed money or with respect to deposits or advances of any kind, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (d) all obligations of such Person in respect of the deferred purchase price of property or services (excluding (i) current accounts payable incurred in the ordinary course of business and (ii) payment obligations of such Person to the owner of assets used in a Telecommunications Business (as defined in the Credit Agreement) for the use thereof pursuant to a lease or other similar arrangement with respect to such assets or a portion thereof entered into in the ordinary course of business), (e) all Debt of others secured by (or for which the holder of such Debt has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Debt secured thereby has been assumed, (f) all guarantees by such Person of the Debt of others, (g) all Capital Lease Obligations of such Person (provided that Capital Lease Obligations in respect of fiber optic cable capacity arising in connection with exchanges of such capacity shall constitute Debt only to the extent of the amount of such Person's liability in respect thereof net (but not less than zero) of such

Person's right to receive payments obtained in exchange therefor), (h) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty, and (i) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances. The Debt of any Person shall include the Debt of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Debt provide that such Person is not liable therefor.

Encumbrance: With respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

Environmental Audit: A written certificate, in form and substance satisfactory to Lessor, from an environmental consulting or engineering firm acceptable to Lessor, which states that there is no Contamination on the Leased Properties and that the Leased Properties are otherwise in strict compliance with Environmental Laws.

Environmental Documents: Each and every (i) document received by Lessee or any Affiliate from, or submitted by Lessee or any Affiliate to, the United States Environmental Protection Agency and/or any other federal, state, county or municipal agency responsible for enforcing or implementing Environmental Laws with respect to the condition of the Leased Properties, or Lessee's operations at the Leased Properties; and (ii) review, audit, report, or other analysis data pertaining to environmental conditions, including, but not limited to, the presence or absence of Contamination, at, in, or under or with respect to the Leased Properties that have been prepared by, for or on behalf of Lessee.

Environmental Laws: All federal, state and local laws (including, without limitation, common law), statutes, codes, ordinances, regulations, rules, orders, permits or decrees relating to the introduction, emission, discharge or release of Hazardous Materials into the indoor or outdoor environment (including without limitation, air, surface water, groundwater, (land or soil) or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, transportation or disposal of Hazardous Materials; or the Clean-Up of Contamination, all as are now or may hereinafter be in effect.

Equipment: Collectively, all the items of machinery and equipment as defined in Article 9 of the UCC comprising part of the Leased Personal Property.

ERISA: The Employee Retirement Income Security Act of 1974, as amended from time to time.

ERISA Event: (a) any "reportable event", as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30-day

notice period is waived); (b) the existence with respect to any Plan of an "accumulated funding deficiency" (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived; (c) the filing pursuant to Section 412(d) of the Code or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by Lessee or Guarantor of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by Lessee or Guarantor from the Pension Benefit Guaranty Corporation as defined in ERISA (and any successor entity) or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan; (f) the incurrence by Lessee or Guarantor of any liability with respect to the withdrawal or partial withdrawal from any Plan or multiemployer plan (as defined in Section 4001(a)(3) of ERISA); or (g) the receipt by Lessee or Guarantor of any notice, or the receipt by any multiemployer plan from Lessee or Guarantor of any notice, concerning the imposition of Withdrawal Liability or a determination that a multiemployer plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA.

Event of Default: The occurrence of any of the following:

(a) Lessee fails to pay or cause to be paid the Rent when due and payable;

(b) Any of Lessee, Guarantor or WCG, has a petition in bankruptcy filed against it, is adjudicated a bankrupt or has an order for relief thereunder entered against it, or a court of competent jurisdiction enters an order or decree appointing a receiver of Lessee, Guarantor or WCG or of the whole or substantially all of its property, or approving a petition filed against Lessee seeking reorganization or arrangement of Lessee under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof, and such judgment, order or decree is not vacated or set aside or stayed within sixty (60) days from the date of the entry thereof, subject to the applicable provisions of the Bankruptcy Code (11 U.S.C. Section 101, et seq.) and to the provisions of Section 16.7;

(c) Lessee, Guarantor or WCG: (i) admits in writing its inability to pay its debts generally as they become due, (ii) files a petition in bankruptcy or a petition to take advantage of any insolvency law, (iii) makes a general assignment for the benefit of its creditors, (iv) consents to the appointment of a receiver of itself or of the whole or any substantial part of its property, or (v) files a petition or answer seeking reorganization or arrangement under the Federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof, subject to the applicable provisions of the Bankruptcy Code (11 U.S.C. Section 101, et seq.) and to the provisions of Section 16.7;

(d) Lessee, Guarantor or WCG, is liquidated or dissolved, or begins a Proceeding toward liquidation or dissolution, or has filed against it a petition or other Proceeding to cause it to be liquidated or dissolved and the Proceeding is not dismissed within thirty (30) days thereafter, or Lessee or Guarantor in any manner permits the sale or divestiture of substantially all of its assets;

(e) The estate or interest of Lessee in the Leased Properties or any part thereof is levied upon or attached in any Proceeding and the same is not vacated or discharged within thirty (30) days thereafter (unless Lessee is in the process of contesting such lien or attachment in good faith in accordance with Article XII);

(f) Any representation or warranty made by Lessee or Guarantor in the Purchase Agreement or in the certificates delivered in connection therewith shall prove to be incorrect in any material respect when made or deemed made, Lessor is materially and adversely affected thereby and Lessee or Guarantor as the case may be, fails within twenty (20) days after Notice from Lessor thereof to cure such condition by terminating such adverse effect and making Lessor whole for any damage suffered therefrom, or, if with due diligence such cure cannot be effected within twenty (20) days, if Lessee has failed to commence to cure the same within the twenty (20) days or failed thereafter to proceed promptly and with due diligence to cure such condition and complete such cure prior to the time that such condition causes a default in any Facility Mortgage or any other lease to which Lessee is subject and prior to the time that the same results in civil or criminal penalties to Lessor, Lessee, Guarantor or any Affiliates of any of such parties or the Leased Properties;

(g) Lessee defaults, or permits a default, under any Facility Mortgage, related documents or obligations thereunder which default is not cured within any applicable grace period provided for therein;

(h) A default occurs under the Guaranty;

(i) A Transfer occurs without the prior written consent of Lessor;

(j) Except as otherwise provided in subsection (o) below, a default occurs under any Material Debt when and as the same become due and payable (subject to any applicable grace period);

(k) Lessee fails to purchase the Leased Properties if and as required under this Lease;

(l) Lessee, Guarantor or WCG breaches any of the financial covenants set forth in Article VIII hereof and the breach is not cured within a period of thirty (30) days after the earlier to occur of (i) the Notice thereof from Lessor, or (ii) knowledge thereof by Lessee, Guarantor or WCG;

(m) Lessee or Guarantor fails to observe or perform any other term, covenant or condition of this Lease and the failure is not cured by Lessee within a period of thirty (30) days after Notice thereof from Lessor;

(n) Lessee or Guarantor breaches any representation or warranty made by it in this Lease;

(o) An Event of Default (as defined in the Credit Agreement), occurs and an acceleration of any of the Loans as defined in the Credit Agreement results;

(p) One or more judgments for the payment of money in an aggregate amount in excess of $25,000,000 shall be rendered against Lessee, Guarantor or WCG, or any combination thereof and the same shall remain undischarged for a period of thirty (30) consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of Lessee, Guarantor or WCG to enforce any such judgment;

(q) An ERISA Event shall have occurred that, in the opinion of the Lessor, when taken together with all other ERISA Events that have occurred, could reasonably be expected to result in liability of Lessee, Guarantor or WCG in an aggregate amount exceeding $25,000,000 for all periods;

(r) The Guaranty shall cease for any reason (other than the merger out of existence of the Guarantor pursuant to a transaction permitted hereunder or pursuant to the express terms of the Guaranty) to be in full force and effect, or Guarantor shall so assert in writing;

(s) A Change in Control shall occur;

(t) Lessee or Guarantor fails to observe or perform any provisions of Article XIII regarding insurance; or

(u) This Lease together with the Purchase Agreement are determined not to be a Qualifying Issuance as defined in the Credit Agreement.

Facility: Each of the Center and the Parking Structure.

Facility Mortgage: Any mortgage, deed of trust or other security agreement which with the express, prior, written consent of Lessor is a lien upon any or all of the Leased Properties, whether such lien secures an Assumed Indebtedness or another obligation or obligations.

Facility Mortgagee: The secured party to a Facility Mortgage.

Financial Statement: As to WCG, for any period, a statement of earnings and retained earnings and of changes in financial position and profit and loss for such period, and for the period from the beginning of the fiscal year to the end of such period, and the related balance sheet as at the end of such period, together with the notes thereto, all in reasonable detail and setting forth in comparative form the corresponding figures for the corresponding period in the preceding fiscal year, and prepared in accordance with GAAP, certified to be accurate and complete by the chief financial officer of WCG. WCG's fiscal year-end Financial Statement shall be an audited financial report prepared by Ernst & Young LLP or other independent certified public accountants of recognized national standing and otherwise reasonably satisfactory to Lessor, containing WCG's balance sheet as of the end of that year, its related profits and losses, a statement of shareholder's equity for that year, a statement of cash flows for that year, any management letter prepared by those certified public accountants and such

comments and financial details as are customarily included in reports of like character and the unqualified opinion of the certified public accountants as to the fairness of the statements therein.

Fixtures: Collectively, all permanently affixed Equipment, machinery, and fixtures, all as defined in Article 9 of the UCC, and other items of real and/or personal property (excluding Leased Personal Property and any portion of the Central Plant), including all components thereof, now and hereafter located in, on or used in connection with, and permanently affixed to or incorporated into the Leased Improvements, including, without limitation, all furnaces, boilers, heaters, electrical equipment, heating, plumbing, lighting, ventilating, refrigerating, incineration, air and water pollution control, waste disposal, air-cooling and air-conditioning systems and apparatus (other than individual units), sprinkler systems and fire and theft protection equipment, towers and other devices for the transmission of radio, television and other signals, all of which, to the greatest extent permitted by law, are hereby deemed by the parties hereto to constitute real estate, together with all replacements, modifications, alterations and additions thereto.

GAAP: Generally accepted accounting principles in the United States of America, in effect at the time in question.

Governmental Authority: The government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

Guaranty: The Guaranty of even date herewith in the form attached hereto as EXHIBIT H executed by Guarantor.

Hazardous Materials: All explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law as hazardous, toxic, a pollutant or a contaminant.

Impositions: Collectively, all taxes (including, without limitation, all capital stock and franchise taxes of Lessor and all ad valorem, sales and use, single business, gross receipts, transaction privilege, rent or similar taxes to the extent the same are assessed against Lessor on the basis of its gross or net income from this Lease or the value of the Leased Properties), assessments (including Assessments), ground rents, water, sewer or other rents and charges, excises, tax levies, fees (including, without limitation, license, permit, inspection, authorization and similar fees), and all other governmental charges, in each case whether general or special, ordinary or extraordinary, or foreseen or unforeseen, of every character in respect of the Leased Properties or the businesses conducted thereon by Lessee and/or the Rent (including all interest and penalties thereon), which at any time prior to, during or in respect of the Term may be assessed or imposed on or in respect of or be a lien upon (i) Lessor or Lessor's interest in the

Leased Properties, (ii) the Leased Properties or any part thereof or any rent therefrom or any estate, right, title or interest therein, or (iii) any occupancy, operation, use or possession of, or sales from, or activity conducted on, or in connection with the Leased Properties or the leasing or use of the Leased Properties or any part thereof or (iv) the Rent; notwithstanding the foregoing, Imposition shall not include: (i) except as provided above, any tax imposed on Lessor's gross or net income generally and not specifically arising in connection with the Leased Properties (unless such a tax is levied, assessed or imposed in lieu of a portion or all of a tax which was included within the definition of "Imposition,") or (ii) any transfer or other tax imposed with respect to any subsequent sale, exchange or other disposition by Lessor of the Leased Properties or any part thereof or the proceeds thereof.

Insurance Requirements: All terms of any insurance policy required by this Lease and all requirements of the issuer of any such policy.

Interest Rate: The rate as set forth on EXHIBIT I.

Inventory: Collectively, all of the inventory as defined in Article 9 of the UCC comprising part of the Leased Personal Property.

Investigation: Soil and chemical tests or any other environmental investigations, examinations or analyses.

Judgment Date: The date on which a judgment is entered against Lessee which establishes, without the possibility of appeal, the amount of liquidated damages to which Lessor is entitled hereunder.

Land: The Center Parcel and the Parking Structure Parcel.

La Petite Lease. The term "La Petite Lease" shall mean that certain Ground Lease with Construction by Lessee between Williams Realty Corp. (now Williams Headquarters Building Company), as Landlord and La Petite Academy, Inc., as Lessee, dated July 22, 1987, as amended by that certain First Amendment to Lease Agreement dated February 28, 1989.

La Petite Parcel. The term "La Petite Parcel" shall mean the real property covered by the La Petite Lease.

Lease: As defined in the Preamble.

Lease Year: Each period of twelve (12) calendar months commencing with the Commencement Date, and any succeeding twelve (12) month period during the Term.

Leased Improvements: Collectively, all buildings, structures, Fixtures and other improvements of every kind on the Land including, but not limited to the Center, the Parking Structure and the Skywalk, and all alleyways, sidewalks, utility pipes, conduits and lines (on-site and off-site), parking areas and roadways appurtenant to such buildings and structures.

Leased Personal Property: The Category 1 FF&E, the Category 2 FF&E, and all Personal Property leased to Lessee on the Commencement Date, and all Personal Property that pursuant to the terms of the Lease becomes the property of Lessor during the Term.

Leased Property: The Land on which a Facility is located, the Leased Improvements on such portion of the Land, the Related Rights with respect to such portion of the Land.

Leased Properties: All Leased Property and Leased Personal Property, SPECIFICALLY EXCLUDING, however, the Central Plant.

Leased Properties Trade Name: The name under which the Leased Properties do business during the Term. The current Leased Properties Trade Name is both "One Technology Center" and "Williams Technology Center".

Legal Requirements: All federal, state, county, municipal and other governmental statutes, laws, rules, orders, waivers, regulations, ordinances, judgments, decrees and injunctions affecting the Leased Properties or any portion thereof, Lessee's Personal Property or the construction, use or alteration thereof, including but not limited to the Americans with Disabilities Act, whether enacted and in force before, after or on the Commencement Date, and including any which may (i) require repairs, modifications, alterations or additions in or to any portion or all of the Facilities, or (ii) in any way adversely affect the use and enjoyment thereof, and all permits, licenses and authorizations and regulations relating thereto, and all covenants, agreements, restrictions and Encumbrances contained in any instruments, either of record or known to Lessee (other than Encumbrances created by Lessor without the consent of Lessee), in force at any time during the Term.

Lessee's Certificate: A statement in writing in substantially the form of EXHIBIT D (with such changes thereto as may reasonably be requested by the person relying on such certificate).

Lessee's Personal Property: Personal Property owned or leased by Lessee that is not included within the definition of Leased Personal Property but is used by Lessee in the operation of the Facilities, including Personal Property provided by Lessee in compliance with Section 6.3.

Manager: The Person to which management of the operation of a Facility is delegated.

Material Adverse Change: Any event, development or circumstance that has had or could reasonably expect to have a Material Adverse Effect.

Material Adverse Effect: A material adverse effect on (a) the business, assets, operations, prospects or condition, financial or otherwise, of Lessee, Guarantor, or WCG, taken as a whole, (b) the ability of Lessee, Guarantor, or WCG to perform any of its duties or obligations under this Lease or the Credit Agreement, or (c) the rights of or benefits available to the Lessor under this Lease.

Material Debt: Any Debt (other than the financial obligations under this Lease), of the Lessee, Guarantor, or WCG, in an aggregate principal amount exceeding $25,000,000.00.

Net Proceeds: All proceeds, net of any costs incurred by Lessor in obtaining such proceeds, payable under any policy of insurance required by Article XIII of this Lease (including any proceeds with respect to Lessee's Personal Property that Lessee is required or elects to restore or replace pursuant to Section 14.3) or paid by a Condemnor for the Taking of any of all or any portion of a Leased Property.

Notice: A notice given in accordance with Article XXXI.

Notice of Termination: A Notice from Lessor that it is terminating this Lease by reason of an Event of Default or otherwise as specifically set forth in this Lease.

Officer: The chairman of the board of directors, the president, any vice president and the secretary of any corporation, a general partner of any partnership, and a manager or managing member of any limited liability company.

Officer's Certificate: If for a corporation, a certificate signed by one or more officers of the corporation authorized to do so by the bylaws of such corporation or a resolution of the Board of Directors thereof; if for a partnership, limited liability company or any other kind of entity, a certificate signed by a Person having the authority to so act on behalf of such entity.

Overdue Rate: On any date, the interest rate per annum, that is equal to two percent (2%) (two hundred (200) basis points) above the Prime Rate, but in no event greater than the maximum rate then permitted under applicable law.

Parking Structure. The multi-story parking facility located on the Parking Structure Parcel.

Parking Structure Parcel. The real property more particularly described on EXHIBIT B on which the Parking Structure is located, which includes without limitation, the La Petite Parcel.

Partial Taking: A taking of less than the entire fee of a Leased Property that either (i) does not render the Leased Property Unsuitable for its Primary Use, or (ii) renders a Leased Property Unsuitable for its Primary Intended Use, but neither Lessor nor Lessee elects pursuant to Section 15.1 hereof to terminate this Lease.

Payment Date: Any due date for the payment of the installments of Base Rent or for the payment of Additional Charges or any other amount required to be paid by Lessee hereunder.

Permitted Encumbrances: Encumbrances listed on attached EXHIBIT E.

Person: Any natural person, trust, partnership, corporation, joint venture, limited liability company or other legal entity.

Personal Property: All tangible and intangible personal property including but not limited to machinery, equipment, furniture, furnishings, movable walls or partitions, computers (and all associated software), trade fixtures and other personal property (but excluding consumable inventory and supplies owned by Lessee) used in connection with the Leased Properties, together with all replacements, substitutions, and alterations thereof and additions thereto including all tangible personal property acquired hereafter used in connection with the Leased Properties, except items, if any, (i) included within the definition of Fixtures or Leased Improvements, and (ii) any and all components of the Central Plant.

Plan: Any employee pension benefit plan (other than a multiemployer plan as defined in Section 4001(a)(3) of ERISA) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which Lessee or Guarantor is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

Primary Intended Use: Multi-use office and technology facility.

Prime Rate: On any date, an interest rate equal to the prime rate published by the Wall Street Journal, but in no event greater than the maximum rate then permitted under applicable law. If the Wall Street Journal ceases to be in existence, or for any reason no longer publishes such prime rate, the Prime Rate shall be the rate announced as its prime rate by Citibank, N.A., and if such bank no longer exists or does not announce a prime rate at such time, the Prime Rate shall be the rate of interest announced as its prime rate by Bank of America, N.A.

Proceeding: Any litigation, action, proposal or investigation by or against any agency or entity, including without limitation Lessee and Guarantor.

Purchase Agreement: The Purchase and Sale Agreement of even date herewith, among Lessor, as Purchaser, Lessee, as Seller, and Guarantor, covering the Leased Properties.

Rate: As defined on EXHIBIT I.

Realty: Collectively, the Land and Leased Improvements.

Realty Base Rent: During the Realty Term, the Realty Base Rent shall be the sum computed as set forth on EXHIBIT J.

Realty Base Rent Interest: As defined on EXHIBIT J.

Realty Base Rent Principal: As defined on EXHIBIT J.

Realty Expiration Date: September 1, 2011.

Realty Term: Ten (10) Lease Years commencing on the Commencement Date and ending on the Realty Expiration Date.

Regulatory Actions: Any claim, demand, notice, action or Proceeding brought, threatened or initiated by any governmental authority in connection with any Environmental Law, including, without limitation, any civil, criminal and administrative Proceeding whether or not the remedy sought is costs, damages, equitable remedies, penalties or expenses.

Related Rights: All easements, rights-of-way and appurtenances relating to the Land and the Leased Improvements.

Release: The intentional or unintentional spilling, leaking, dumping, pouring, emptying, seeping, disposing, discharging, emitting, depositing, injecting, leaching, escaping, abandoning, or any other release or threatened release, however defined, of any Hazardous Materials.

Rent: Collectively, Base Rent and Additional Charges.

Replacement Cost: The actual replacement cost of a Leased Property. Replacement Cost shall be an amount sufficient that neither Lessor nor Lessee is deemed to be a co-insurer of the Leased Property in question. Lessor shall have the right from time to time, but no more frequently than once in any period of three (3) consecutive Lease Years, to have Replacement Cost reasonably redetermined by the all-risk property insurance company or another reputable appraisal service, which determination shall be final and binding on the parties hereto, and upon such determination Lessee shall forthwith increase, but not decrease, the amount of the insurance carried pursuant to Section 13.2.1 to the amount so determined, subject to the approval of any Facility Mortgagee. Lessee shall pay the fee, if any, of the insurer making such determination.

Repurchase Price: The total Base Rent remaining unpaid at the time of repurchase of the Realty (and the Leased Personal Property, if applicable), by the Lessee together with all accrued, unpaid Additional Charges.

SEC: Securities and Exchange Commission.

Skywalk: The elevated pedestrian bridge and support structure, connecting the Parking Structure to the Center over a portion of South Cincinnati Avenue and a portion of East First Street, Tulsa, Oklahoma, that is approximately twenty-seven (27) feet above the driving lanes of such streets, together with the air rights for the three (3) dimensional space within which it is suspended.

State: The State of Oklahoma.

Taken: Conveyed pursuant to a Taking.

Taking: A taking or voluntary conveyance during the Term of all or part of a Leased Property, or any interest therein or right accruing thereto or use thereof, as the result of, or in settlement of any condemnation or other eminent domain Proceeding affecting the Leased Property whether or not the same shall have actually been commenced.

Terms: As defined in Section 1.3.

Termination Date: The date on which this Lease terminates pursuant to a Notice of Termination.

Third Party Claims: Any claim, action, demand or Proceeding (other than Regulatory Actions) howsoever based (including without limitation those based on negligence, trespass, strict liability, nuisance, toxic tort or detriment to health welfare or property) due to Contamination, whether or not the remedy sought is costs, damages, penalties or expenses, brought by any person or entity other than a governmental agency.

Transfer: The (a) assignment, mortgaging or other encumbering of all or any part of Lessee's interest in this Lease or in the Leased Properties, (b) Change in Control of Lessee, Guarantor or WCG, or (c) sale, issuance or transfer, cumulatively or in one transaction, of any interest, or the termination of any interest, in Lessee, Guarantor or WCG, if Lessee, Guarantor or WCG is a joint venture, partnership, limited liability company or other association, which results in a Change of Control of such joint venture, partnership, limited liability company or other association.

Transferee: An assignee, subtenant or other occupant of a Leased Property pursuant to a Transfer.

TWC: The Williams Companies, Inc., a Delaware corporation.

UCC: The Uniform Commercial Code as in effect in the State.

Unsuitable for Its Primary Intended Use: A state or condition of a Facility such that by reason of a Partial Taking, the Facility cannot be operated on a commercially practicable basis for its Primary Intended Use, taking into account, among other relevant factors, the number of usable square footage permitted by applicable law and regulation in the Facility after the

Partial Taking, the square footage Taken and the estimated revenue impact of such Partial Taking.

WCG: Williams Communications Group, Inc., a Delaware corporation.

Withdrawal Liability: The liability to a multiemployer plan as a result of a complete or partial withdrawal from such multiemployer plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

ARTICLE III

RENT

3.1 BASE RENT; MONTHLY INSTALLMENTS. In addition to all other payments to be made by Lessee under this Lease, Lessee shall pay Lessor the Base Rent in lawful money of the United States of America which is legal tender for the payment of public and private debts, in arrears, in monthly installments. The first installment of Base Rent shall be payable on October 1, 2001, provided however, with respect to levels two (2) and three (3) of the Center, no Realty Base Rent shall be payable (provided however, such Realty Base Rent shall accrue) until both such levels are completed and ready for occupancy, which prorated amount of Realty Base Rent (2/15ths of each monthly installment of Realty Base Rent) shall be deducted from the total Base Rent otherwise payable under this Lease. The Realty Base Rent Interest accruing up to and including the date upon which such levels are completed and ready for occupancy, shall be converted to Realty Base Rent Principal on a monthly basis. Thereafter, installments of Base Rent shall be payable on the first (1st) day of each calendar month. Base Rent shall be paid to Lessor, or to such other Person as Lessor from time to time may designate by Notice to Lessee, by check or wire transfer of immediately available federal funds to the bank account designated in writing by Lessor. If Lessor directs Lessee to pay any Base Rent or Additional Charges to any Person other than Lessor, Lessee shall send to Lessor simultaneously with such payment a copy of the transmittal letter or invoice and check whereby such payment is made, or such other evidence of such payment as Lessor may require.

3.2 ADDITIONAL CHARGES. In addition to the Base Rent, Lessee will also pay as and when due, all Additional Charges.

3.3 LATE CHARGE; INTEREST. If any Rent payable to Lessor is not paid when due, Lessee shall pay Lessor on demand, as an Additional Charge, (a) a late charge equal to the greater of (i) two percent (2%) of the amount not paid within five (5) days of the date when due and (ii) any and all charges, expenses, fees or penalties imposed on Lessor by a Facility Mortgagee for late payment, plus (b) if such Rent (including the late charge) is not paid within ten (10) days of the date due, interest thereon at the Overdue Rate from such tenth (10th) day until such Rent (including the late charge and interest) is paid in full.

3.4 NET LEASE.

3.4.1 Absolute Obligation. The Rent shall be paid absolutely net to Lessor, so that this Lease shall yield to Lessor the full amount of the Rent payable to Lessor hereunder throughout the Term, subject only to any provisions of the Lease which expressly provide for adjustment or abatement of Rent or other charges.

3.4.2 No Counterclaim or Cross Complaint. If Lessor commences any Proceeding for non-payment of Rent, Lessee will not interpose any counterclaim or cross complaint or similar pleading of any nature or description in such Proceeding unless Lessee would lose or waive such claim by the failure to assert it, but Lessee does not waive any rights to assert such claim in a separate action brought by Lessee. The covenants to pay Rent are independent covenants, and Lessee shall have no right to hold back, offset or fail to pay any Rent because of any alleged default by Lessor or for any other reason whatsoever.

ARTICLE IV

IMPOSITIONS

4.1 PAYMENT OF IMPOSITIONS. Subject to Article XII relating to permitted contests, Lessee will pay all Impositions at least twenty (20) days before any fine, penalty, interest or cost is added for non-payment, and will promptly, upon request, furnish to Lessor copies of official receipts or other satisfactory proof evidencing such payments. If at the option of the taxpayer any Imposition may lawfully be paid in installments, Lessee may pay the same in the required installments provided it also pays any and all interest due thereon as and when due.

4.2 ADJUSTMENT OF IMPOSITIONS. Impositions imposed in respect of the tax-fiscal period during which the Term ends shall be adjusted and prorated between Lessor and Lessee, whether or not imposed before or after the expiration of the Term or the earlier termination thereof, and Lessee's obligation to pay its prorated share thereof shall survive such expiration or earlier termination.

4.3 UTILITY CHARGES. Lessee will pay or cause to be paid when due all charges for electricity, power, gas, oil, water and other utilities imposed upon the Leased Properties or upon Lessor or Lessee with respect to the Leased Properties.

4.4 INSURANCE PREMIUMS. Lessee shall pay or cause to be paid when due all premiums for the insurance coverage required to be maintained pursuant to Article XIII during the Term.

4.5 TAX RETURNS AND REFUNDS Lessee shall prepare and file as and when required all tax returns and reports required by governmental authorities with respect to all Impositions. Lessor and Lessee shall each, upon request, provide the other with such data, including without limitation cost and depreciation records, as is maintained by the party to whom

the request is made as is necessary to prepare any required returns and reports. If any provision of any Facility Mortgage requires deposits for payment of Impositions, Lessee shall either pay the required deposits to Lessor monthly and Lessor shall make the required deposits, or, if directed in writing to do so by Lessor, Lessee shall make such deposits directly. Lessee shall be entitled to receive and retain any refund from a taxing authority in respect of an Imposition paid by Lessee if at the time of the refund no Event of Default has occurred and is continuing, but if an Event of Default has occurred and is continuing at the time of the refund, Lessee shall not be entitled to receive or retain such refund and if and when received by Lessor such refund shall be applied as provided in Article XVI.

ARTICLE V

NO TERMINATION AND WAIVER

5.1 NO TERMINATION, ABATEMENT, ETC. Lessee shall not take any action without the consent of Lessor to modify, surrender or terminate this Lease, and shall not seek or be entitled to any abatement, deduction, deferment or reduction of Rent, or setoff against Rent. The respective obligations of Lessor and Lessee shall not be affected by reason of (i) any damage to, or destruction of, the Leased Properties or any portion thereof from whatever cause or any Taking of the Leased Properties or any portion thereof, except as expressly set forth herein; (ii) the lawful or unlawful prohibition of, or restriction upon, Lessee's use of the Leased Properties, or any portion thereof, or the interference with such use by any Person or by reason of eviction by paramount title; (iii) any claim which Lessee has or might have against Lessor or by reason of any default or breach of any warranty by Lessor under this Lease or any other agreement between Lessor and Lessee, or to which Lessor and Lessee are parties, (iv) any bankruptcy, insolvency, reorganization, composition, readjustment, liquidation, dissolution, winding up or other Proceeding affecting Lessor or any assignee or transferee of Lessor, or (v) any other cause whether similar or dissimilar to any of the foregoing other than a discharge of Lessee from any such obligations as a matter of law. Lessee hereby specifically waives all rights, arising from any occurrence whatsoever, which may now or hereafter be conferred upon it by law to (a) modify, surrender or terminate this Lease or quit or surrender the Leased Properties or any portion thereof, or (b) entitle Lessee to any abatement, reduction, suspension or deferment of the Rent or other sums payable by Lessee hereunder except as otherwise specifically provided in this Lease.

ARTICLE VI

LEASE CHARACTERIZATION

6.1 STATUS OF OWNERSHIP OF THE LEASED PROPERTIES. Lessor and Lessee agree that to the full extent permitted by applicable tax law and GAAP, for Lessee, this Lease shall be treated (i) as an operating lease for tax purposes, and (ii) as a capital lease for financial purposes. Notwithstanding anything contained in this Section 6.1 or anywhere else in this Lease to the contrary, Lessor, Lessee and Guarantor agree that it is their intention that this Lease be treated as a true lease for purposes of the UCC and other applicable laws of the State.

6.2 LEASED PERSONAL PROPERTY. Lessee shall, during the Term, maintain all of the Leased Personal Property in good order, condition and repair as shall be necessary in order to operate the Facilities for the Primary Intended Use in compliance with all applicable licensure and certification requirements, all applicable Legal Requirements and Insurance Requirements, and customary industry practice for the Primary Intended Use. If any of the Leased Personal Property requires replacement in order to comply with the foregoing, Lessee shall replace it with similar property of the same or better quality at Lessee's sole cost and expense, and when such replacement property is placed in service with respect to the Leased Properties it shall become Leased Personal Property. Lessee shall not permit or suffer Leased Personal Property to be subject to any lien, charge, Encumbrance, financing statement, contract of sale, equipment Lessor's interest or the like, except for any purchase money security interest or equipment Lessor's interest expressly approved in advance, in writing, by Lessor. Unless Lessee purchases the Leased Properties as provided in this Lease, upon the expiration or earlier termination of this Lease, all of Leased Personal Property shall be surrendered to Lessor with the Leased Properties at or before the time of the surrender of the Leased Properties in at least as good a condition as at the Commencement Date (or, as to replacements, in at least as good a condition as when placed in service at the Facilities) except for ordinary wear and tear.

6.3 LESSEE'S PERSONAL PROPERTY. Lessee shall provide and maintain during the Term such Personal Property, in addition to the Leased Personal Property, as shall be necessary and appropriate in order to operate the Facilities for the Primary Intended Use in compliance with all licensure and certification requirements, in compliance with all applicable Legal Requirements and Insurance Requirements and otherwise in accordance with customary practice in the industry for the Primary Intended Use. Without the prior written consent of Lessor, Lessee shall not permit or suffer Lessee's Personal Property to be subject to any lien, charge, Encumbrance, financing statement or contract of sale or the like. Unless Lessee purchases the Leased Properties as provided in this Lease, upon the expiration of the Term or the earlier termination of this Lease, without the payment of any additional consideration by Lessor, Lessee shall be deemed to have sold, assigned, transferred and conveyed to Lessor all of Lessee's right, title and interest in and to any of Lessee's Personal Property that, in Lessor's reasonable judgment, is integral to the Primary Intended Use of the Facilities (or if some other use thereof has been approved by Lessor as required herein, such other use as is then being made by Lessee) and, as provided in Section 34.1, Lessor shall have the option to purchase any of Lessee's Personal Property that is not then integral to such use. Without Lessor's prior written consent, Lessee shall not remove Lessee's Personal Property that is in use at the expiration or earlier termination of the Term from the Leased Properties until such option to purchase has expired or been waived in writing by Lessor. Any of Lessee's Personal Property that is not integral to the use of the Facilities being made by Lessee and is not purchased by Lessor pursuant to Section 34.1 may be removed by Lessee upon the expiration or earlier termination of this Lease, and, if not removed within twenty (20) days following the expiration or earlier termination of this Lease, shall be considered abandoned by Lessee and may be appropriated, sold, destroyed or otherwise disposed of by Lessor without giving notice thereof to Lessee and without any payment to Lessee or any obligation to account therefor. Lessee shall reimburse Lessor for any and all expense incurred by Lessor in disposing of any of Lessee's Personal Property that Lessee may remove but within such twenty (20) day period fails to remove, and shall either at its own expense restore the

Leased Properties to the condition required by Section 9.1.5, including repair of all damage to the Leased Properties caused by the removal of any of Lessee's Personal Property, or reimburse Lessor for any and all expense incurred by Lessor for such restoration and repair.

ARTICLE VII

CONDITION, USE AND ENVIRONMENTAL MATTERS

7.1 CONDITION OF THE LEASED PROPERTIES. Lessee acknowledges that it has inspected and otherwise has knowledge of the condition of the Leased Properties prior to the execution and delivery of this Lease and has found the same to be in good order and repair and satisfactory for its purposes hereunder. Lessee is leasing the Leased Properties "as is" in their condition on the Commencement Date. Lessee waives any claim or action against Lessor in respect of the condition of the Leased Properties. LESSOR MAKES NO WARRANTY OR REPRESENTATION EXPRESS OR IMPLIED, IN RESPECT OF THE LEASED PROPERTIES OR ANY PART THEREOF, EITHER AS TO ITS FITNESS FOR USE, DESIGN OR CONDITION FOR ANY PARTICULAR USE OR PURPOSE OR OTHERWISE AS TO THE QUALITY OF THE MATERIAL OR WORKMANSHIP THEREIN, LATENT OR PATENT, IT BEING AGREED THAT ALL SUCH RISKS ARE TO BE BORNE BY LESSEE. Lessee further acknowledges that throughout the Term Lessee is solely responsible for the condition of the Leased Properties. Subject in all cases to the provisions of Section 3.4.2, nothing contained in this Agreement including without limitation, this Section 7, shall be deemed to inhibit, restrict or waive any independent rights Lessee may have under the Construction Completion Agreement.

7.2 USE OF THE LEASED PROPERTIES. Throughout the Term, Lessee shall continuously use the Leased Properties for the Primary Intended Use and uses incidental thereto. Lessee shall not use the Leased Properties or any portion thereof for any other use without the prior written consent of Lessor. No use shall be made or permitted to be made of, or allowed in, the Leased Properties, and no acts shall be done, which will cause the cancellation of, or be prohibited by, any insurance policy covering the Leased Properties or any part thereof, nor shall the Leased Properties or Lessee's Personal Property be used for any unlawful purpose. Lessee shall not commit or suffer to be committed any waste on the Leased Properties, or cause or permit any nuisance thereon, or suffer or permit the Leased Properties or any portion thereof, or Lessee's Personal Property, to be used in such a manner as (i) might reasonably tend to impair Lessor's (or Lessee's, as the case may be) title thereto or to any portion thereof, or (ii) may reasonably make possible a claim or claims of adverse usage or adverse possession by the public, as such, or of implied dedication of the Leased Properties or any portion thereof.

7.3 CERTAIN ENVIRONMENTAL MATTERS.

7.3.1 Prohibition Against Use of Hazardous Materials. Lessee shall not permit, conduct or allow on the Leased Properties, the generation, introduction, presence, maintenance, use, receipt, acceptance, treatment, manufacture, production, installation, management, storage, disposal or release of any Hazardous Materials except for those

types and quantities of Hazardous Materials necessary for and ordinarily associated with the conduct of Lessee's business which are used in full compliance with all Environmental Laws.

7.3.2 Notice of Environmental Claims, Actions or Contaminations. Lessee shall notify Lessor, in writing, immediately upon learning of any existing, pending or threatened: (a) investigation, inquiry, claim or action by any governmental authority in connection with any Environmental Laws, (b) Third Party Claims, (c) Regulatory Actions, and/or (d) Contamination of any portion of the Leased Properties.

7.3.3 Costs of Remedial Actions with Respect to Environmental Matters. If any investigation and/or Clean-Up of any Hazardous Materials or other environmental condition on, under, about or with respect to a Leased Property is required by any Environmental Law, Lessee shall complete, at its own expense, such investigation and/or Clean-Up or cause any other Person that may be legally responsible therefore to complete such investigation and/or Clean-Up.

7.3.4 Delivery of Environmental Documents. Lessee shall deliver to Lessor complete copies of any and all Environmental Documents that may now be in or at any time hereafter come into the possession of Lessee.

7.3.5 Environmental Audit. At Lessee's expense, Lessee shall deliver to Lessor, an Environmental Audit from time to time, upon and within thirty (30) days of Lessor's request therefor, but no more than once every two (2) calendar years, except in the event of (i) any construction or excavation of, or material alteration to any portion of the Leased Properties, or (ii) Lessor reasonably suspects that Contamination of any portion of the Leased Properties has occurred or been discovered, in either case Lessor may thereafter request an Environmental Audit. All tests and samplings shall be conducted using generally accepted and scientifically valid technology and methodologies. Lessee shall give the engineer or environmental consultant conducting the Environmental Audit reasonable and complete access to the Leased Properties and to all records in the possession of Lessee that may indicate the presence (whether current or past) of a Release or threatened Release of any Hazardous Materials on, in, under, about and adjacent to any Leased Property. Lessee shall also provide the engineer or environmental consultant full access to and the opportunity to interview such persons as may be employed in connection with the Leased Properties as the engineer or consultant deems appropriate. However, Lessor shall not be entitled to request an Environmental Audit from Lessee unless (a) after the Commencement Date there have been changes, modifications or additions to Environmental Laws as applied to or affecting any of the Leased Properties; (b) a significant change in the condition of any of the Leased Properties has occurred; (c) there are fewer than six (6) months remaining in the Term; or (d) Lessor has another good reason for requesting such certificate or certificates. If the Environmental Audit discloses the presence of Contamination or any noncompliance with Environmental Laws, Lessee shall immediately perform all of Lessee's obligations hereunder with respect to such Hazardous Materials or noncompliance.

7.3.6 Entry onto Leased Properties for Environmental Matters. If Lessee fails to provide an Environmental Audit as and when required by Section 7.3.5, in addition to Lessor's other remedies Lessee shall permit Lessor from time to time, by its employees, agents, contractors or representatives, to enter upon the Leased Properties for the purpose of conducting such Investigations as Lessor may desire, the expense of which shall promptly be paid or reimbursed by Lessee as an Additional Charge. Lessor, and its employees, agents, contractors, consultants and/or representatives, shall conduct any such Investigation in a manner which does not unreasonably interfere with Lessee's use of and operations on the Leased Properties (however, reasonable temporary interference with such use and operations is permissible if the investigation cannot otherwise be reasonably and inexpensively conducted). Other than in an emergency, Lessor shall provide Lessee with prior notice before entering any of the Leased Properties to conduct such Investigation, and shall provide copies of any reports or results to Lessee, and Lessee shall cooperate fully in such Investigation.

7.3.7 Environmental Matters Upon Termination of the Lease or Expiration of Term. Upon the expiration or earlier termination of the Term of this Lease, Lessee shall cause the Leased Properties to be delivered free of any and all Regulatory Actions and Third Party Claims and otherwise in compliance with all Environmental Laws with respect thereto, and in a manner and condition that is reasonably required to ensure that the then present use, operation, leasing, development, construction, alteration, refinancing or sale of the Leased Property shall not be restricted by any environmental condition existing as of the date of such expiration or earlier termination of the Term.

7.3.8 Compliance with Environmental Laws. Lessee shall comply with, and cause its agents, servants and employees, to comply with, and shall use reasonable efforts to cause each occupant and user of any of the Leased Properties, and the agents, servants and employees of such occupants and users, to comply with each and every Environmental Law applicable to Lessee, the Leased Properties and each such occupant or user with respect to the Leased Properties. Specifically, but without limitation:

7.3.8.1 Maintenance of Licenses and Permits. Lessee shall obtain and maintain (and Lessee shall use reasonable efforts to cause each tenant, occupant and user to obtain and maintain) all permits, certificates, licenses and other consents and approvals required by any applicable Environmental Law from time to time with respect to Lessee, each and every part of the Leased Properties and/or the conduct of any business at a Facility or related thereto;

7.3.8.2 Contamination. Lessee shall not cause, suffer or permit any Contamination;

7.3.8.3 Clean-Up. If a Contamination occurs, the Lessee promptly shall Clean-Up and remove any Hazardous Materials or cause the Clean-Up and the removal of any Hazardous Materials and in any such case such Clean-Up and

removal of the Hazardous Materials shall be effected to Lessor's reasonable satisfaction and in any event in strict compliance with and in accordance with the provisions of the applicable Environmental Laws;

7.3.8.4 Discharge of Lien. Within twenty (20) days of the date any lien is imposed against the Leased Properties or any part thereof under any Environmental Law, Lessee shall cause such lien to be discharged (by payment, by bond or otherwise to Lessor's absolute satisfaction);

7.3.8.5 Notification of Lessor. Within five (5) Business Days after receipt by Lessee of notice or discovery by Lessee of any fact or circumstance which might result in a breach or violation of any covenant or agreement, Lessee shall notify Lessor in writing of such fact or circumstance; and

7.3.8.6 Requests, Orders and Notices. Within five (5) Business Days after receipt of any request, order or other notice relating to the Leased Properties under any Environmental Law, Lessee shall forward a copy thereof to Lessor.

7.3.9 Environmental Related Remedies. In the event of a breach by Lessee beyond any applicable notice and/or grace period of its covenants with respect to environmental matters, Lessor may, in its sole discretion, do any one or more of the following (the exercise of one right or remedy hereunder not precluding the simultaneous or subsequent exercise of any other right or remedy hereunder):

7.3.9.1 Cause a Clean-Up. Cause the Clean-Up of any Hazardous Materials or other environmental condition on or under the Leased Properties, or both, at Lessee's cost and expense; or

7.3.9.2 Payment of Regulatory Damages. Pay on behalf of Lessee any damages, costs, fines or penalties imposed on Lessee or Lessor as a result of any Regulatory Actions; or

7.3.9.3 Payments to Discharge Liens. On behalf of Lessee, make any payment or perform any other act or cause any act to be performed which will prevent a lien in favor of any federal, state or local governmental authority from attaching to the Leased Properties or which will cause the discharge of any lien then attached to the Leased Properties; or

7.3.9.4 Payment of Third Party Damages. Pay, on behalf of Lessee, any damages, cost, fines or penalties imposed on Lessee as a result of any Third Party Claims; or

7.3.9.5 Demand of Payment. Demand that Lessee make immediate payment of all of the costs of such Clean-Up and/or exercise of the remedies set

forth in this Section 7.3 incurred by Lessor and not theretofore paid by Lessee as of the date of such demand.

7.3.10 Environmental Indemnification. Lessee and Guarantor shall and do hereby indemnify, and shall defend and hold harmless Lessor, its principals, Officers, directors, agents, employees, parents, and Affiliates from each and every incurred and potential claim, cause of action, damage, demand, obligation, fine, laboratory fee, liability, loss, penalty, imposition settlement, levy, lien removal, litigation, judgment, Proceeding, disbursement, expense and/or cost (including without limitation the cost of each and every Clean-Up), however defined and of whatever kind or nature, known or unknown, foreseeable or unforeseeable, contingent, incidental, consequential or otherwise (including, but not limited to, attorneys' fees, consultants' fees, experts' fees and related expenses, capital, operating and maintenance costs, incurred in connection with (i) any Investigation or monitoring of site conditions, (ii) any amounts paid or advanced by Lessor on behalf of Lessee as set forth in this Article 7, and (iii) any Clean-Up required or performed by any federal, state or local governmental entity or performed by any other entity or person because of the presence of any Hazardous Materials, Release, threatened Release or any Contamination on, in, under or about any of the Leased Properties) which may be asserted against, imposed on, suffered or incurred by, each and every indemnitee arising out of or in any way related to, or allegedly arising out of or due to any environmental matter including, but not limited to, any one or more of the following:

7.3.10.1 Release Damage or Liability. The presence of Contamination in, on, at, under, or near a Leased Property or migrating to a Leased Property from another location;

7.3.10.2 Injuries. All injuries to health or safety (including wrongful death), or to the environment, by reason of environmental matters relating to the condition of or activities past or present on, at, in, under a Leased Property;

7.3.10.3 Violations of Law. All violations, and alleged violations, of any Environmental Law relating to a Leased Property or any activity on, in, at, under or near a Leased Property;

7.3.10.4 Misrepresentation. All material misrepresentations relating to environmental matters in any documents or materials furnished by Lessee to Lessor and/or its representatives in connection with the Lease;

7.3.10.5 Event of Default. Each and every Event of Default relating to environmental matters;

7.3.10.6 Lawsuits. Any and all lawsuits brought or threatened, settlements reached and governmental orders relating to any Hazardous Materials at, on, in, under or near a Leased Property, and all demands of governmental authorities, and

all policies and requirements of Lessor's, based upon or in any way related to any Hazardous Materials at, on, in, under a Leased Property; and

7.3.10.7 Presence of Liens. All liens imposed upon any of the Leased Properties in favor of any governmental entity or any person as a result of the presence, disposal, release or threat of release of Hazardous Materials at, on, in, from, or under a Leased Property.

7.3.11 Rights Cumulative and Survival. The rights granted Lessor under this Section 7.3 are in addition to and not in limitation of any other rights or remedies available to Lessor hereunder or allowed at law or in equity or rights of indemnification provided to Lessor in any agreement pursuant to which Lessor purchased any of the Leased Properties. The payment and indemnification obligations set forth in this Section 7.3 shall survive the expiration or earlier termination of the Term of this Lease.

ARTICLE VIII

LEGAL AND INSURANCE REQUIREMENTS; ADDITIONAL COVENANTS

8.1 COMPLIANCE WITH LEGAL AND INSURANCE REQUIREMENTS. In its use, maintenance, operation and any alteration of the Leased Properties, Lessee, at its expense, will promptly (i) comply with all Legal Requirements and Insurance Requirements, whether or not compliance therewith requires structural changes in any of the Leased Improvements (which structural changes shall be subject to Lessor's prior written approval, which approval shall not be unreasonably withheld or delayed) or interferes with or prevents the use and enjoyment of the Leased Properties, and (ii) procure, maintain and comply with all licenses, and other authorizations required for the use of the Leased Properties and Lessee's Personal Property then being made, and for the proper erection, installation, operation and maintenance of the Leased Properties or any part thereof. The judgment of any court of competent jurisdiction, or the admission of Lessee in any action or Proceeding against Lessee, whether or not Lessor is a party thereto, that Lessee has violated any such Legal Requirements or Insurance Requirements shall be conclusive of that fact as between Lessor and Lessee.

8.2 CERTAIN COVENANTS.

8.2.1 Existence; Conduct of Business. Lessee, Guarantor, and WCG each will (i) continue to engage in business of the same general type as now conducted and (ii) do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges, franchises, patents, copyrights, trademarks and trade names material to the conduct of its business.

8.2.2 Payment of Obligations. Lessee, Guarantor and WCG each (i) will pay its Debt and other material obligations, including tax liabilities, before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate legal process, (b) has set aside on its books adequate reserves with respect thereto in accordance with GAAP, (c) such contest effectively suspends collection of the contested obligation and the enforcement of any Encumbrance securing such obligation and (d) the failure to make payment pending such contest could not reasonably be expected to result in a Material Adverse Effect and (ii) shall not breach, in any material respect, or permit to exist any material default under, the terms of any material lease, commitment, contract, instrument or obligation to which it is a party, or by which its properties or assets are bound, except where the failure to do the foregoing would not in the aggregate have a Material Adverse Effect.

8.2.3 Maintenance of Properties. Lessee, Guarantor, and WCG each will keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted.

8.2.4 Insurance. Lessee, Guarantor, and WCG each will maintain, with financially sound and reputable insurance companies, insurance in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations.

8.2.5 Casualty and Condemnation. The Lessee will furnish to Lessor prompt written notice of any casualty or other insured damage to any portion of any of Guarantor's property or assets or the commencement of any action or Proceeding for the taking of any of Guarantor's property or assets or any part thereof or interest therein under power of eminent domain or by condemnation or similar Proceeding (in each case with a value in excess of $10,000,000).

8.2.6 Books and Records; Inspection and Audit Rights. Lessee, Guarantor, and WCG each will keep proper books of record and account in which materially full, true and correct entries are made of all dealings and transactions in relation to its business and activities. Lessee, Guarantor, and WCG each will permit any representatives designated by the Lessor at the expense of Lessor, or, if an Event of Default shall have occurred and be continuing, at the expense of the Lessee, upon reasonable prior notice, to visit and inspect its properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and independent accountants, all at such reasonable times and as often as reasonably requested.

8.2.7 Compliance with Laws. Lessee, Guarantor, and WCG each will comply with all laws, rules, regulations and orders of any Governmental Authority applicable to it or its property (including, without limitation, Environmental Laws and ERISA and the rules and regulations thereunder), except where the necessity of compliance therewith is contested in good faith by appropriate action and such failure to comply, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

8.2.8 Further Assurances. At any time and from time to time, Lessee and Guarantor each will execute any and all further documents, financing statements, agreements and instruments, and take all such further actions (including the filing and recording of financing statements, fixture filings, mortgages, deeds of trust and other documents), which may be required under any applicable law, or which the Lessor may reasonably request, to effectuate the transactions contemplated by this Lease or to grant, preserve, protect or perfect the Encumbrances created or intended to be created in connection with this Lease or any of the other documents contemplated herein, required to be in effect or the validity or priority of any such Encumbrance, all at the expense of Lessee and Guarantor. Lessee and Guarantor also agree to provide to Lessor, from time to time upon request, evidence reasonably satisfactory to Lessor as to the perfection and priority of the Encumbrance created or intended to be created in connection with this Lease or any of the other documents contemplated herein.

8.3 CERTAIN NEGATIVE COVENANTS.

8.3.1 No Other Debt. Lessee shall not, directly or indirectly, incur or otherwise become liable for any Debt or obligation to pay money to any Person other than to (i) Lessor pursuant to this Lease and (ii) lessors of leased equipment used in the operation of the Facilities.

8.3.2 Limitation of Distributions. In or with respect to any Lease Year, Lessee shall not pay or distribute to its shareholders or any Affiliate in the form of dividends, fees for any services or reimbursements for shareholder expenditures or overhead on behalf of Lessee or to its Affiliates.

8.3.3 Pledge or Encumber Assets. Lessee shall not pledge or otherwise encumber any of its assets, other than leased equipment used in the operation of the Facilities and liens on assets permitted under Section 11.1.

8.3.4 Guarantees Prohibited. Lessee shall not guarantee any indebtedness of any Person (other than the guarantee of the indebtedness under the Credit Agreement).

8.3.5 Encumbrances. Neither Lessee nor Guarantor will create, incur, assume or permit to exist any Encumbrance on any property or asset now owned or hereafter acquired by it, or assign or sell any income or revenues or rights in respect of any thereof, except for any Permitted Encumbrances or Encumbrances created in connection with or specifically contemplated by this Lease or permitted by the Credit Agreement.

8.3.6 Fundamental Changes. Neither Lessee, Guarantor nor WCG will merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or liquidate or dissolve, except that, if at the time thereof and immediately after giving effect thereto no Event of Default shall have occurred and be continuing (i) any Person may merge into the Lessee in a transaction in which the Lessee is the surviving entity, provided that any such merger involving a Person that is not

wholly owned by either Guarantor or WCG immediately prior to such merger shall not be permitted, and (ii) any person may merge into the Guarantor or WCG in a transaction in which the Guarantor or WCG, respectively, is the surviving corporation.

8.3.7 Other Material Agreements. Lessee shall not (i) enter into any other material agreement relating to any portion of the Leased Properties, or (ii) if entered into with Lessor's consent, thereafter, amend, modify, renew, replace or otherwise change the terms of any such material agreement without the prior written consent of Lessor. For purposes of this Section 8.3.7, a "material agreement" shall mean any agreement or commitment which requires total payments by Lessee in excess of $1,500,000.00, or accumulated annual payments in excess of $500,000.00.

8.4 ADDITIONAL FINANCIAL COVENANTS.

8.4.1 Certain Definitions. For purposes of this Section 8.4.1, capitalized terms not otherwise specifically defined in this Lease, shall have the meanings described for such capitalized terms as contained in the Credit Agreement (and capitalized terms contained within such definitions as set forth in the Credit Agreement shall similarly have the meanings described for such capitalized terms therein). Lessee shall provide copies of any amendments or restatements or waivers to the Credit Agreement to Lessor within five (5) days of execution thereof. Such amendments or restatements or waivers shall automatically become a part hereof.

8.4.2 Total Net Debt to Contributed Capital Ratio. The Total Net Debt to Contributed Capital ratio shall at no time prior to January 1, 2002 exceed .65 to 1.00.

8.4.3 Minimum EBITDA. The amount equal to (i) EBITDA for the period of four (4) fiscal quarters ending during any period set forth below plus (ii) ADP Interest Expense for such period minus (iii) gains for such period attributable to Dark Fiber and Capacity Dispositions plus (iv) Dark Fiber and Capacity Proceeds for such period shall not be less than the amount set forth below opposite such period:

PERIOD	AMOUNT
January 1, 2001-March 31, 2001	$200,000,000
April 1, 2001-June 30, 2001	$300,000,000
July 1, 2001-September 30, 2001	$350,000,000
October 1, 2001-December 31, 2001	$350,000,000

8.4.4 Total Leverage Ratio. (a) The Total Leverage Ratio during any period set forth below shall not exceed the ratio set forth below opposite such period:

PERIOD	TOTAL LEVERAGE RATIO
March 31, 2002-December 30, 2002	12.50:1.00
December 31, 2002-December 30, 2003	9.50:1.00
December 31, 2003 and thereafter	4.00:1.00

8.4.5 Senior Leverage Ratio. The Senior Leverage Ratio during any period set forth below shall not exceed the ratio set forth below opposite such period:

PERIOD	SENIOR LEVERAGE RATIO
March 31, 2002-December 30, 2002	5.25:1.00
December 31, 2002-December 30, 2003	3.25:1.00
December 31, 2003 and thereafter	2.50:1.00

8.4.6 Interest Coverage Ratio . The Interest Coverage Ratio for any period of four (4) consecutive fiscal quarters ending during any period set forth below shall not be less than the ratio set forth below opposite such period:

PERIOD	INTEREST COVERAGE RATIO
June 30, 2002-June 29, 2003	1.00:1.00
June 30, 2003-December 30, 2003	1.50:1.00
December 31, 2003 and thereafter	2.00:1.00

ARTICLE IX

MAINTENANCE

9.1 MAINTENANCE AND REPAIR.

9.1.1 Status and Quality. Lessee, at its expense, will keep or cause to be kept, the Leased Properties, and all landscaping, private roadways, sidewalks and curbs appurtenant thereto which are under Lessee's control and Lessee's Personal Property in good order and repair, whether or not the need for such repairs arises out of Lessee's use, any prior use, the elements or the age of the Leased Properties or any portion thereof, or any cause whatsoever except the act or negligence of Lessor, and with reasonable promptness shall make all necessary and appropriate repairs thereto of every kind and nature, whether interior or exterior, structural or non-structural, ordinary or extraordinary, foreseen or unforeseen or arising by reason of a condition existing prior to the Commencement Date (concealed or otherwise). Lessee shall at all times maintain, operate and otherwise manage the Leased Properties on a basis and in a manner consistent with the higher of that (i) customarily applied to Class A commercial office buildings in the vicinity of the City of Tulsa, Oklahoma, or (ii) utilized by Lessor in the management of Lessor's facilities adjacent to the Center. All repairs shall, to the extent reasonably

achievable, be at least equivalent in quality to the original work or the property to be repaired shall be replaced. Lessee will not take or omit to take any action the taking or omission of which might materially impair the value or the usefulness of the Leased Properties or any parts thereof for the Primary Intended Use.

9.1.2 No Liability of Lessor. Lessor shall not under any circumstances be required to maintain, build or rebuild any improvements on the Leased Properties (or any private roadways, sidewalks or curbs appurtenant thereto), or to make any repairs, replacements, alterations, restorations or renewals of any nature or description to the Leased Properties, whether ordinary or extraordinary, structural or non-structural, foreseen or unforeseen, or upon any adjoining property, whether to provide lateral or other support or abate a nuisance, or otherwise, or to make any expenditure whatsoever with respect thereto, in connection with this Lease. Lessee hereby waives, to the extent permitted by law, the right to make repairs at the expense of Lessor pursuant to any law in effect at the time of the execution of this Lease or hereafter enacted.

9.1.3 Contracting with Third Parties. Nothing contained in this Lease shall be construed as (i) constituting the consent or request of Lessor, expressed or implied, to any contractor, subcontractor, laborer, materialmen or vendor to or for the performance of any labor or services or the furnishing of any materials or other property for the construction, alteration, addition, repair or demolition of or to any Leased Property or any part thereof, or (ii) giving Lessee any right, power or permission to contract for or permit the performance of any labor or services or the furnishing of any materials or other property in such fashion as would permit the making of any claim against Lessor in respect thereof or to make any agreement that may create, or in any way be the basis for any right, title, interest, lien, claim or other Encumbrance upon the estate of Lessor in the Leased Properties, or any portion thereof. Lessor shall have the right to give, record and post, as appropriate, notices of non-responsibility under any mechanics' and construction lien laws now or hereafter existing.

9.1.4 Replacements. Lessee (i) shall promptly replace any of the Leased Improvements or Leased Personal Property which become worn out, obsolete or unusable or unavailable for the purpose for which intended, and (ii) in Lessee's reasonable judgment, may acquire a substitute for any item or items of Leased Personal Property which is of higher or better quality, performance or function than the item for which it is substituted. All replacements shall have a value and utility at least equal to that of the items replaced and shall become part of the Leased Properties immediately upon their acquisition by Lessee. Upon Lessor's request, Lessee shall promptly execute and deliver to Lessor a bill of sale or other instrument establishing Lessor's lien-free ownership of such replacements. Lessee shall promptly repair all damage to the Leased Properties incurred in the course of such replacement.

9.1.5 Vacation and Surrender. Lessee will, upon the expiration or prior termination of the Term, vacate and surrender the Leased Properties to Lessor in the condition in which they were originally received from Lessor, in good operating

condition, ordinary wear and tear excepted, except as repaired, rebuilt, restored, altered or added to as permitted or required by the provisions of this Lease.

9.2 ENCROACHMENTS; RESTRICTIONS. ETC. If, at any time, any of the Leased Improvements are alleged to encroach upon any property, street or right of way adjacent to a Leased Property, or to violate any restrictive covenant, or to impair the rights of others under any easement or right of way, Lessee shall promptly settle such allegations or take such other lawful action as may be necessary in order to be able to continue the use of a Leased Property for the Primary Intended Use substantially in the manner and to the extent such Leased Property was being used at the time of the assertion of such violation, impairment or encroachment, provided, however, that no such action shall violate any other provision of this Lease and any alteration of a Leased Property must be made in conformity with the applicable requirements of Article X. Lessee shall not have any claim against Lessor or offset against any of Lessee's obligations under this lease with respect to any such violation, impairment or encroachment.

ARTICLE X

ALTERATIONS AND ADDITIONS

10.1 Construction of Alterations and Additions to the Leased Properties. Lessee shall not (a) make or permit to be made any structural alterations, improvements or additions of or to the Leased Properties or any part thereof, or (b) materially alter the plumbing, HVAC or electrical systems thereon or (c) make any other alterations, improvements or additions the cost of which exceeds (i) Two Hundred Thousand Dollars ($200,000.00), per alteration, improvement or addition, or (ii) One Million Dollars ($1,000,000.00), in any Lease Year, unless and until Lessee has (d) caused complete plans and specifications therefor to have been prepared by a licensed architect and submitted to Lessor at least ninety (90) Business Days before the planned start of construction thereof, (e) obtained Lessor's written approval thereof and if required, the approval of any Facility Mortgagee, and (f) if required to do so by Lessor, provided Lessor with reasonable assurance of the payment of the cost of any such alterations, improvements or additions, in the form of a bond, letter of credit or cash deposit. If Lessor requires a deposit, Lessor shall retain and disburse the amount deposited in the same manner as is provided for insurance proceeds in Section 14.6. If the deposit is reasonably determined by Lessor at any time to be insufficient for the completion of the alteration, improvement or addition, Lessee shall immediately increase the deposit to the amount reasonably required by Lessor. Lessee shall be responsible for the completion of such improvements in accordance with the plans and specifications approved by Lessor, and shall promptly correct any failure with respect thereto.

10.1.1 Lessor's Approval Not Required. Alterations and improvements not falling within the categories described in Section 10.1 may be made by Lessee without the prior approval of Lessor, (i) but only in the event any such alternatives or improvements do not result in a material reduction in Lessor's opinion, in the value of the Leased Properties, and (ii) Lessee shall give Lessor at least thirty (30) days prior written Notice of any such alterations and improvements in each and every case.

10.1.2 Quality of Work. All alterations, improvements and additions shall be constructed in a first class, workmanlike manner, in compliance with all Insurance Requirements and Legal Requirements, be in keeping with the character of the Leased Properties and the area in which the Leased Properties are located and be designed and constructed so that the value of the Leased Properties will not be diminished or and that the Primary Intended Use of the Leased Properties will not be changed. All improvements, alterations and additions shall immediately become a part of the Leased Properties.

10.1.3 No Claim Against Lessor. Lessee shall have no claim against Lessor at any time in respect of the cost or value of any such improvement, alteration or addition. There shall be no adjustment in the Rent by reason of any such improvement, alteration or addition. With Lessor's consent, expenditures made by Lessee pursuant to this Article X may be included as capital expenditures for purposes of inclusion in the capital expenditures budget for the Facilities and for measuring compliance with the obligations of Lessee set forth in Section 8.2.

10.1.4 Asbestos - Containing Material. In connection with any alteration which involves the removal, demolition or disturbance of any asbestos-containing material, Lessee shall cause to be prepared at its expense a full asbestos assessment applicable to such alteration, and shall carry out such asbestos monitoring and maintenance program as shall reasonably be required thereafter in light of the results of such a assessment.

ARTICLE XI

LIENS

11.1 LIENS. Without the consent of Lessor or as expressly permitted elsewhere herein, Lessee will not directly or indirectly create or allow to remain and will promptly discharge at its expense any lien, Encumbrance, attachment, title retention agreement or claim upon the Leased Properties, and any attachment, levy, claim or Encumbrance in respect of the Rent, except for (i) Permitted Encumbrances, (ii) liens of mechanics, laborers, materialmen, suppliers or vendors for sums not yet due, and (iii) liens created by the wrongful acts or negligence of Lessor.

ARTICLE XII

PERMITTED CONTESTS AND DEPOSITS

12.1 PERMITTED CONTESTS. Lessee, on its own or on Lessor's behalf (or in Lessor's name), but at Lessee's sole cost and expense, shall have the right to contest, by an appropriate legal Proceeding conducted in good faith and with due diligence, the amount or validity of any Imposition, Legal Requirement or Insurance Requirement or Claim, provided (a) prior Notice of such contest is given to Lessor, (b) the Leased Properties would not be in any danger of being sold, uninsured or underinsured, forfeited or attached as a result of such contest, and there is no risk to Lessor of a loss of or interruption in the payment of, Rent, (c) in the case of

an unpaid Imposition or Claim, collection thereof is suspended during the pendency of such contest, (d) in the case of a contest of a Legal Requirement, compliance may legally be delayed pending such contest. Upon request of Lessor, Lessee shall deposit funds or assure Lessor in some other manner reasonably satisfactory to Lessor that a contested Imposition or Claim, together with interest and penalties, if any, thereon, and any and all costs for which Lessee is responsible will be paid if and when required upon the conclusion of such contest. Lessee shall defend, indemnify and save harmless Lessor from all costs or expenses arising out of or in connection with any such contest, including but not limited to attorneys' fees. If at any time Lessor reasonably determines that payment of any Imposition or Claim, or compliance with any Legal or Insurance Requirement being contested by Lessee is necessary in order to prevent loss of any of the Leased Properties or Rent or civil or criminal penalties or other damage, upon such prior Notice to Lessee as is reasonable in the circumstances Lessor may pay such amount, require Lessee to comply with such Legal or Insurance Requirement or take such other action as it may deem necessary to prevent such loss or damage. If reasonably necessary, upon Lessee's written request Lessor, at Lessee's expense, shall cooperate with Lessee in a permitted contest, provided Lessee upon demand reimburses Lessor for Lessor's costs incurred in cooperating with Lessee in such contest.

ARTICLE XIII

INSURANCE

13.1 GENERAL INSURANCE REQUIREMENTS. Lessee will carry or cause to be carried and maintained in force throughout the entire Term (except as specifically noted to the contrary) insurance as described in Sections 13.1.1 through 13.1.5, with insurance companies and deductibles/retentions reasonably acceptable to Lessor. The limits set forth below are minimum limits and will not be construed to limit Lessee's liability. All costs and deductible amounts will be for the sole account of the Lessee.

13.1.1 Worker's Compensation Insurance. Workers' compensation insurance complying with the laws of the State or States having jurisdiction over each employee, whether or not Lessee is required by such laws to maintain such insurance, and Employer's Liability with limits of $1,000,000 each accident, $1,000,000 disease each employee, and $1,000,000 disease policy limit, provided however, in lieu of such insurance, Lessee may become a qualified self insured for such coverage, in which event such coverage shall not be required unless Lessee loses its status as a qualified self insured.

13.1.2 Commercial General Liability Insurance. Commercial or Comprehensive general liability insurance on an occurrence form with a combined single limit of $1,000,000 each occurrence, and annual aggregates of $1,000,000, for bodily injury and property damage, including coverage for premises-operations, blanket contractual liability,

broad form property damage, personal injury liability, independent contractors, products/completed operations, sudden and accidental pollution and explosion, collapse and underground.

13.1.3 Automobile Liability. Automobile Liability insurance with a combined single limit of $1,000,000 each occurrence for bodily injury and property damage to include coverage for all owned, non-owned, and hired vehicles.

13.1.4 Excess Liability Insurance. Excess or Umbrella Liability insurance with a combined single limit of $25,000,000 each occurrence, and annual aggregates of $25,000,000, for bodily injury and property damage covering excess of Employer's Liability and the insurance described in 13.1.2 and 13.1.3 above.

13.1.5 Property Insurance. From and after the date upon which Lessor is no longer responsible to carry such coverage under the Construction Completion Agreement, All-Risk Property insurance providing for the full replacement cost of all property located in or on the Leased Properties, including Leased Personal Property and Lessee's Personal Property. This policy shall include coverage for earthquake, flood, and windstorm. The policy shall also include business interruption insurance, if due to a covered loss, covering the Base Rent due Lessor for a period of no less than twelve (12) months. Lessor will be the sole loss payee as required by Article XIV. So long as no Event of Default is then in existence, Lessor shall make available to Lessee, any proceeds of business interruption insurance remaining after the payment of all accrued Rent, within thirty (30) days of Lessor's actual receipt of such proceeds, in good funds.

13.1.6 Status of Insurance Company. Irrespective of the insurance requirements above, the insolvency, bankruptcy, or failure of any such insurance company providing insurance for Lessee, or the failure of any such insurance company to pay claims that occur will not be held to waive any of the provisions hereof.

13.1.7 Waiver of Subrogation. In each of the above described policies, Lessee agrees to waive and will require its insurers to waive any rights of subrogation or recovery they may have against Lessor, its parent, subsidiary or affiliated companies. Lessor will have no liability to Lessee for any damage or destruction of any portion of the Leased Properties or any of Lessee's Personal Property.

13.1.8 Additional Insureds. Under the insurance policies described hereinabove (except in Section 13.1.1), Lessor, its parent, subsidiary and Affiliates and will be named as additional insureds with respect to the policies listed in Section 13.1.2 through 13.1.4, and as sole loss payees with respect to the policy listed in Section 13.1.5 as their interests appear. This insurance will be primary over any other insurance maintained by Lessor, its parent, subsidiary or Affiliates. All policies shall provide a severability of interests clause.

13.1.9 Non-Renewal. Non-renewal or cancellation of policies described above, will be effective only after written notice is received by Lessor from the insurance company sixty (60) days in advance of any such non-renewal or cancellation. Prior to commencing the Lease hereunder, Lessee will deliver to Lessor certificates of insurance evidencing the existence of the insurance and endorsements required above.

13.1.10 Original or Certified Copies. In the event of a loss or claim arising out of or in connection with this contract, Lessee agrees, upon request of Lessor, to submit the original or a certified copy of its insurance policies for inspection by Lessor.

13.2 PREMIUM DEPOSITS. If any provision of a Facility Mortgage requires deposits of premiums for insurance to be made with the Facility Mortgagee, Lessee shall pay to Lessor monthly the amounts required and Lessor shall transfer such amounts to the Facility Mortgagee, unless, pursuant to written direction by Lessor, Lessee makes such deposits directly with the Facility Mortgagee.

13.3 INCREASE IN LIMITS. If from time to time Lessor determines, in the exercise of its reasonable business judgment, that the limits of the personal injury or property damage - public liability insurance then being carried are insufficient, upon Notice from Lessor Lessee shall cause such limits to be increased to the level specified in such Notice until further increase pursuant to the provisions of this Section.

13.4 BLANKET POLICY. Any insurance required by this Lease may be provided by so called blanket policies of insurance carried by Lessee, provided, however, that the coverage afforded Lessor thereby may not thereby be less than or materially different from that which would be provided by a separate policies meeting the requirements of this Lease, and provided further that such policies meet the requirements of all Facility Mortgages.

13.5 COPIES OF POLICIES; CERTIFICATES. Copies of the policies of insurance required by this Lease and certificates thereof shall be delivered to Lessor not less than thirty (30) days prior to their effective date (and, with respect to any renewal policy, not less than twenty (20) days prior to the expiration of the existing policy), and in the event of the failure of Lessee either to carry the required insurance or pay the premiums therefor, or to deliver copies of policies or certificates to Lessor as required, Lessor shall be entitled, but shall have no obligation, to obtain such insurance and pay the premiums therefor when due, which premiums shall be repayable to Lessor upon written demand therefor as Additional Charges.

ARTICLE XIV

DISBURSEMENT OF INSURANCE PROCEEDS

14.1 INSURANCE PROCEEDS. Net Proceeds shall be paid to Lessor and held, disbursed or retained by Lessor as provided herein.

14.1.1 Proceeds of All-Risk Property Insurance. If the Net Proceeds are less than the Approval Threshold, and no Event of Default has occurred and is continuing, Lessor

shall pay the Net Proceeds to Lessee promptly upon Lessee's completion of the restoration of the damaged or destroyed Leased Property. If the Net Proceeds equal or exceed the Approval Threshold, and no Event of Default has occurred and is continuing, the Net Proceeds shall be made available for restoration or repair as provided in Section 14.6. Within fifteen (15) days of the receipt of the Net Proceeds of All-Risk Insurance, Lessor shall determine in its reasonable judgment, as to the portion thereof, if any, attributable to the Lessee's Personal Property that Lessee is not required and does not elect to restore or replace, and the portion so determined attributable to the Lessee's Personal Property that Lessee is not required and does not elect to restore or replace shall be paid to Lessee.

14.2 RESTORATION IN THE EVENT OF DAMAGE OR DESTRUCTION. If all or any portion of the Leased Properties is damaged by fire or other casualty, Lessee shall (a) give Lessor Notice of such damage or destruction within five (5) Business Days of the occurrence thereof, (b) within thirty (30) Business Days of the occurrence commence the restoration of the Leased Properties and (c) thereafter diligently proceed to complete such restoration to substantially the same (or better) condition as the Leased Properties were in immediately prior to the damage or destruction as quickly as is reasonably possible, but in any event within one hundred eighty (180) days of the occurrence. Regardless of the anticipated cost thereof, if the restoration of a Leased Property requires any modification of structural elements, prior to commencing such modification Lessee shall obtain Lessor's written approval of the plans and specifications therefor.

14.3 RESTORATION OF LESSEE'S PROPERTY. If Lessee is required to restore the Leased Properties, Lessee shall also concurrently restore any of Lessee's Personal Property that is integral to the Primary Intended Use of the Leased Properties at the time of the damage or destruction.

14.4 NO ABATEMENT OF RENT. Absent termination of this Lease as provided herein, there shall be no abatement of Rent by reason of any damage to or the partial or total destruction of any portion of the Leased Properties.

14.5 WAIVER. Except as provided elsewhere in this Lease, Lessee hereby waives any statutory or common law rights of termination which may arise by reason of any damage to or destruction of the Leased Properties.

14.6 DISBURSEMENT OF INSURANCE PROCEEDS EQUAL TO OR GREATER THAN THE APPROVAL THRESHOLD. If Lessee restores or repairs the Leased Properties pursuant to this Article XIV, and if the Net Proceeds equal or exceed the Approval Threshold, the restoration or repair and disbursement of funds to Lessee shall be in accordance with the following procedures:

14.6.1 Plans and Specifications. The restoration or repair work shall be done pursuant to plans and specifications approved by Lessor and a certified construction cost statement, to be obtained by Lessee from a contractor reasonably acceptable to Lessor, showing the total cost of the restoration or repair; to the extent the cost exceeds the Net

Proceeds, Lessee shall deposit with Lessor the amount of the excess cost, and Lessor shall disburse the funds so deposited in payment of the costs of restoration or repair before any disbursement of Net Proceeds.

14.6.2 Construction Funds. Construction Funds shall be made available to Lessee upon request, no more frequently than monthly, as the restoration and repair work progresses, subject to a ten (10%) percent holdback, pursuant to certificates of an architect selected by Lessee that, in the judgment of Lessor, reasonably exercised, is highly qualified in the design and construction of the type of Facility being repaired and is otherwise reasonably acceptable to Lessor, which certificates must be in form and substance reasonably acceptable to Lessor.

14.6.3 Lien Waivers. After the first disbursement to Lessee, sworn statements and lien waivers in an amount at least equal to the amount of Construction Funds previously paid to Lessee shall be delivered to Lessor from all contractors, subcontractors and material suppliers covering all labor and materials furnished through the date of the previous disbursement.

14.6.4 Progress of Work. Lessee shall deliver to Lessor such other evidence as Lessor may reasonably request from time to time during the course of the restoration and repair, as to the progress of the work, compliance with the approved plans and specifications, the cost of restoration and repair and the total amount needed to complete the restoration and repair, and showing that there are no liens against the Leased Properties arising in connection with the restoration and repair and that the cost of the restoration and repair at least equals the total amount of Construction Funds then disbursed to Lessee hereunder.

14.6.5 Inadequacy of Construction Funds. If the Construction Funds are at any time determined by Lessor to be inadequate for payment in full of all labor and materials for the restoration and repair, Lessee shall immediately pay the amount of the deficiency to Lessor to be held and disbursed as Construction Funds prior to the disbursement of any other Construction Funds then held by Lessor.

14.6.6 Disbursement. The Construction Funds may be disbursed by Lessor to Lessee or to the persons entitled to receive payment thereof from Lessee, and such disbursement in either case may be made directly or through a third party escrow agent, such as, but not limited to, a title insurance company, or its agent, all as Lessor may determine in its sole discretion. Provided Lessee is not in default hereunder, any excess Construction Funds shall be paid to Lessee upon completion of the restoration or repair.

14.6.7 Lessee Default. If Lessee at any time fails to promptly and fully perform the conditions and covenants set out hereinabove in this Section 14.6, and the failure is not corrected within ten (10) days of written Notice thereof, or if during the restoration or repair an Event of Default occurs hereunder, Lessor may, at its option, immediately cease making any further payments to Lessee for the restoration and repair.

14.6.8 Lessor Reimbursement. Lessor may reimburse itself out of the Construction Funds for its reasonable expenses incurred in administering the Construction Funds and inspecting the restoration and repair work, including without limitation attorneys' and other professional fees and escrow fees and expenses.

14.7 NET PROCEEDS PAID TO FACILITY MORTGAGEE. Notwithstanding anything herein to the contrary, if any Facility Mortgagee is entitled to any Net Proceeds, or any portion thereof, under the terms of any Facility Mortgage, the Net Proceeds shall be applied, held and/or disbursed in accordance with the terms of the Facility Mortgage. Lessor shall make commercially reasonable efforts to cause the Net Proceeds to be applied to the restoration of the Leased Properties.

14.8 TERMINATION OF LEASE. Notwithstanding anything herein to the contrary, in the event the amount of the Net Proceeds from any one (1) occurrence, (i) exceeds $80,000,000.00, or (ii) exceeds $20,000,000.00 during the final two (2) years of the Realty Term, Lessor may exercise its option to require Lessee to purchase the Leased Properties as set forth in Section 42.2.

ARTICLE XV

CONDEMNATION

15.1 TOTAL TAKING OR OTHER TAKING WITH EITHER LEASED PROPERTY RENDERED UNSUITABLE FOR ITS PRIMARY INTENDED USE. If title to the fee of the whole of a Leased Property is Taken, this Lease shall cease and terminate as to the Leased Property Taken as of the Date of Taking by the Condemnor and Rent shall be apportioned as of the termination date, provided, however, that if the Award to Lessor is less than the Repurchase Price for such Leased Property at the time of such Award, it shall be a condition precedent to the termination of this Lease as to such Leased Property that Lessee pay the amount of the deficiency to Lessor. If title to the fee of less than the whole of a Leased Property is Taken, but such Leased Property is thereby rendered Unsuitable for Its Primary Intended Use, Lessee and Lessor shall each have the option by written Notice to the other, at any time prior to the taking of possession by, or the date of vesting of title in, the Condemnor, whichever first occurs, to terminate this Lease with respect to such Leased Property as of the date so determined, in which event this Lease shall thereupon so cease and terminate as of the earlier of the date specified in such Notice or the date on which possession is taken by the Condemnor. If this Lease is so terminated as to a Leased Property, Rent shall be apportioned as of the termination date, and Lessee shall be deemed to have elected to purchase such Leased Property for the Repurchase Price therefor. Lessee shall complete the purchase within forty-five (45) days of the Taking, and Lessee shall receive credit against such Repurchase Price for any portion of the Award received by Lessor.

15.2 ALLOCATION OF AWARD. The total Award made with respect to all or any portion of a Leased Property or for loss of Rent, or for loss of business, shall be solely the property of and payable to Lessor. Nothing contained in this Lease will be deemed to create any

additional interest in Lessee, or entitle Lessee to any payment based on the value of the unexpired term or so-called "bonus value" to Lessee of this Lease. Any Award made for the taking of Lessee's Personal Property that is not integral to the Primary Intended Use of the Facilities, or for removal and relocation expenses of Lessee in any such Proceeding shall be payable to Lessee. Any Award made for the taking of Lessee's Personal Property that is integral to the Primary Intended Use of the Facilities shall be payable to Lessor. In any Proceeding with respect to an Award, Lessor and Lessee shall each seek its own Award in conformity herewith, at its own expense. Notwithstanding the foregoing, Lessee may pursue a claim for loss of its business, provided that under the laws of the State, such claim will not diminish the Award to Lessor.

15.3 PARTIAL TAKING. In the event of a Partial Taking, and Lessee, at its own cost and expense, shall within sixty (60) days of the taking of possession by, or the date of vesting of title in, the Condemnor, whichever first occurs/date on which such Notice is given commence the restoration of the Leased Premises to a complete architectural unit of the same general character and condition (as nearly as may be possible under the circumstances) as existed immediately prior to the Partial Taking, and complete such restoration with all reasonable dispatch, but in any event within one hundred eighty (180) days of the date on which such Notice is given. Lessor shall contribute to the cost of restoration only such portion of the Award as is made therefor. As long as no Event of Default has occurred and is continuing, if such portion of the Award is in an amount less than the Approval Threshold, Lessor shall pay the same to Lessee upon completion of such restoration. As long as no Event of Default has occurred and is continuing, if such portion of the Award is in an amount equal to or greater than the Approval Threshold, Lessor shall make such portion of the Award available to Lessee in the manner provided in Section 14.6 with respect to Net Proceeds in excess of the Approval Threshold.

15.4 TEMPORARY TAKING. If there is a Taking of possession or the use of all or part of a Leased Property, but the fee of such Leased Property is not Taken in whole or in part, until such Taking of possession or use continues for more than six (6) months, all the provisions of this Lease shall remain in full force and effect and the entire amount of any Award made for such Taking shall be paid to Lessee provided there is then no Event of Default. Upon the termination of any such period of temporary use or occupancy, Lessee at its sole cost and expense shall restore the affected Leased Property, as nearly as may be reasonably possible, to the condition existing immediately prior to such Taking. If any temporary Taking continues for longer than six (6) months, and fifty percent (50%) or more of any Leased Property is thereby rendered Unsuitable for Its Primary Use, this Lease shall cease and terminate as to the affected Leased Property as of the last day of the sixth (6th) month, but if less than fifty percent (50%) of such Facility is thereby rendered Unsuitable for Its Primary Use, Lessee and Lessor shall each have the option by at least sixty (60) day's prior written Notice to the other, at any time prior to the end of the temporary taking, to terminate this Lease as to the affected Leased Property of the date set forth in such Notice, and Lessor shall be entitled to any Award made for the period of such temporary Taking prior to the date of termination of the Lease. In no event shall Rent or any Additional Charges abate during the period of any temporary Taking.

15.5 AWARDS PAID TO FACILITY MORTGAGEE. Notwithstanding anything herein to the contrary, if any Facility Mortgagee is entitled to any Award or any portion thereof,

under the terms of any Facility Mortgage such Award shall be applied, held and/or disbursed in accordance with the terms of the Facility Mortgage. If the Facility Mortgagee elects to apply the Award to the indebtedness secured by the Facility Mortgage: (i) if the Award represents an Award for Partial Taking as described in Section 15.3 above, Lessee shall restore the affected Facility (as nearly as possible under the circumstances) to a complete architectural unit of the same general character and condition as that of the Facility existing immediately prior to such Taking; or (ii) if the Award represents an Award for a Total Taking as described in Section 15.1 above, Lessee shall pay to Lessor an amount equal to the Repurchase Price and Lessor shall transfer its portion of the award and its interest in the affected Leased Property to Lessee. In any such restoration or purchase, Lessee shall receive full credit for any portion of any award retained by Lessor and the Facility Mortgagee.

ARTICLE XVI

LESSOR'S RIGHTS ON EVENT OF DEFAULT

16.1 LESSOR'S RIGHTS UPON AN EVENT OF DEFAULT. If an Event of Default shall occur Lessor may terminate this Lease by giving Lessee a Notice of Termination, and in such event, the Term shall end and all rights of Lessee under this Lease shall cease on the Termination Date. The Notice of Termination shall be in lieu of and not in addition to any notice required by the laws of any State as a condition to bringing an action for possession of the Leased Premises or to recover damages under this Lease. In addition to Lessor's right to terminate this Lease, Lessor shall have all other rights set forth in this Lease and all remedies available at law and in equity. Lessee shall, to the extent permitted by law, pay as Additional Charges all costs and expenses incurred by or on behalf of Lessor, including, without limitation, reasonable attorneys' fees and expenses (whether or not litigation is commenced, and if litigation is commenced, including fees and expenses incurred in any appeals and post judgment Proceeding) as a result of any default of Lessee hereunder.

16.2 CERTAIN REMEDIES. If an Event of Default shall occur, whether or not this Lease has been terminated pursuant to Section 16.1, if required to do so by Lessor, Lessee shall immediately surrender to Lessor the Leased Properties to Lessor in the condition required by Section 9.1.5 and quit the same, and Lessor may enter upon and repossess the Leased Properties by reasonable force, any summary Proceeding, ejectment or otherwise, and may remove Lessee and all other persons and any and all personal properties from the Leased Properties, subject to any Legal Requirements. In addition to all other remedies set forth or referred to in this Article XVI.

16.3 DAMAGES. Neither (i) the termination of this Lease pursuant to Section 16.1, (ii) the repossession of the Leased Properties, (iii) the failure of Lessor to relet the Leased Properties, (iv) the reletting of all or any portion thereof, nor (v) the failure of Lessor to collect or receive any rentals due upon such any reletting, shall relieve Lessee of its liability and obligations hereunder, all of which shall survive any such termination, repossession or reletting. In the event this Lease is terminated by Lessor, Lessee shall forthwith pay to Lessor all accrued and future Rent due and payable with respect to the Leased Properties to and including the Realty

Expiration Date all of which shall become immediately due and payable, including without limitation all interest and late charges payable under Section 3.3 with respect to any late payment of such Rent, and all Additional Charges.

16.4 LESSEE'S OBLIGATION TO PURCHASE. If an Event of Default occurs, Lessor may require Lessee to purchase the Leased Properties on the first Rent payment date occurring after the date of receipt of, or such later date as may be specified in, a Notice from Lessor requiring such purchase. The purchase price of the Leased Properties shall be an amount equal to the then Repurchase Price of the Leased Properties, plus all Rent then due and payable (excluding the installment of Base Rent due on the purchase date) as of the date of purchase. If Lessor exercises such right, Lessor shall convey the Leased Properties to Lessee on the date fixed therefor upon receipt of such purchase price and this Lease shall thereupon terminate. Any purchase by Lessee of the Leased Properties pursuant to this Section shall be credited against the damages specified in Section 16.3.

16.5 WAIVER. If this Lease is terminated pursuant to Section 16.1, Lessee waives, to the extent permitted by applicable law, (i) any right of reentry, repossession or redesignation, (ii) any right to a trial by jury in the event of any summary Proceeding to enforce the remedies set forth in this Article XVI, and (iii) the benefit of any laws now or hereafter in force exempting property from liability for rent or for debt. Acceptance of Rent at any time does not prejudice or remove any right of Lessor as to any right or remedy. No course of conduct shall be held to bar Lessor from literal enforcement of the terms of this Lease.

16.6 APPLICATION OF FUNDS. Any payments received by Lessor under any of the provisions of this Lease during the existence or continuance of any Event of Default shall be applied to Lessee's obligations in the order which Lessor may determine or as may be prescribed by law.

16.7 BANKRUPTCY.

16.7.1 No Transfer. Neither Lessee's interest in this Lease, nor any estate hereby created in Lessee's interest nor any interest herein or therein, shall pass to any trustee or receiver or assignee for the benefit of creditors or otherwise by operation of law, except as may specifically be provided pursuant to the Bankruptcy Code (11 U.S.C.ss.101 et. seq.), as the same may be amended from time to time.

16.7.2 Rights and Obligations Under the Bankruptcy Code.

Payment of Rent. Upon filing of a petition by or against Lessee under the Bankruptcy Code, Lessee, as debtor and as debtor-in-possession, and any trustee who may be appointed with respect to the assets of or estate in bankruptcy of Lessee, agree to pay monthly in advance on the first day of each month, as reasonable compensation for the use and occupancy of the Leased Properties, an amount equal to all Rent due pursuant to this Lease.

Other Conditions and Obligations. Included within and in addition to any other conditions or obligations imposed upon Lessee or its successor in the event of the assumption and/or assignment of the Lease are the following: (i) the cure of any monetary defaults and reimbursement of pecuniary loss within not more than thirty (30) days of assumption and/or assignment; (ii) the deposit of an additional amount equal to not less than three (3) months' Base Rent, which amount is agreed to be a necessary and appropriate deposit to secure the future performance under the Lease of Lessee or its assignee; (iii) the continued use of the Leased Properties for the Primary Intended Use; and (iv) the prior written consent of any Facility Mortgagee.

16.8 LESSOR'S RIGHT TO CURE LESSEE'S DEFAULT. If Lessee fails to make any payment or perform any act required to be made or performed under this Lease, and fails to cure the same within any grace or cure period applicable thereto, upon such Notice as may be expressly required herein (or, if Lessor reasonably determines that the giving of such Notice would risk loss to the Leased Properties or cause damage to Lessor, upon such Notice as is practical under the circumstances), and without waiving or releasing any obligation of Lessee, Lessor may make such payment or perform such act for the account and at the expense of Lessee, and may, to the extent permitted by law, enter upon the Leased Properties for such purpose and take all such action thereon as, in Lessor's sole opinion, may be necessary or appropriate. No such entry shall be deemed an eviction of Lessee. All amounts so paid by Lessor and all costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) so incurred, together with the late charge and interest provided for in Section 3.3 thereon, shall be paid by Lessee to Lessor on demand. The obligations of Lessee and rights of Lessor contained in this Article shall survive the expiration or earlier termination of this Lease.

ARTICLE XVII

ADDITIONAL REPRESENTATIONS, WARRANTIES AND COVENANTS

17.1 ADDITIONAL REPRESENTATIONS, WARRANTIES AND COVENANTS. Lessee, Guarantor, and WCG each jointly and severally represent, warrant and covenant that:

17.1.1 Organization; Powers. Both Lessee and Guarantor are duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, has all requisite power and authority to carry on its business as now conducted and, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required.

17.1.2 Authorization; Enforceability. The execution of and performance under this Lease is within each of the Lessee's and Guarantor' entity powers and has been duly authorized by all necessary member, corporate and, if required, stockholder action as the case may be. This Lease has been duly executed and delivered by each of the Lessee and Guarantor and constitutes a legal, valid and binding obligation of the Lessee and

Guarantor (as the case may be), enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a Proceeding in equity or at law.

17.1.3 Governmental Approvals; No Conflicts . The Lease or any of the other documents contemplated herein, (a) does not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect and except filings necessary to perfect Lessor's rights under this Lease, (b) will not violate any applicable law or regulation or the charter, by-laws or other organizational documents of Lessee or Guarantor or any order of any Governmental Authority, (c) will not violate or result in a default under any indenture, agreement or other instrument binding upon Lessee or Guarantor or any of their respective assets, or give rise to a right thereunder to require any payment to be made by Lessee or Guarantor, and (d) will not result in the creation or imposition of any Encumbrance on any asset of Lessee or Guarantor, except any Encumbrance created by or in accordance with the Lease.

17.1.4 Financial Condition; No Material Adverse Change. Guarantor has heretofore furnished to Lessor consolidated balance sheet and statements of operations, stockholders equity and cash flows as of and for the fiscal years ended December 31, 1998, December 31, 1999 and December 31, 2000, audited by Ernst & Young LLP, independent public accountants. Such financial statements present fairly, in all material respects, the financial position and results of operations and cash flow of Guarantor as of such dates and for such periods in accordance with GAAP.

17.1.4.1 Pro Formas. Guarantor has heretofore furnished to the Lessor its pro forma consolidated balance sheet as of December 31, 2000 and projected pro forma statements of operations and cash flows for the fiscal year ended December 31, 2001. Such projected pro forma consolidated balance sheets and statements of operations and cash flows (i) have been prepared in good faith based on the same assumptions used to prepare the pro forma financial statements (which assumptions are believed by Lessee and Guarantor to be reasonable), (ii) are based on the best information available to Lessee and Guarantor after due inquiry, (iii) present fairly, in all material respects, the pro forma financial position of Lessee and Guarantor as of such date and for such periods.

17.1.4.2 Material Contingent Liabilities. Except as disclosed in the financial statements referred to above, neither the Lessee or Guarantor has, as of the Effective Date, any material contingent liabilities, unusual material long-term commitments or unrealized material losses.

17.1.4.3 Material Adverse Change. Since December 31, 2000, there has been no Material Adverse Change.

17.1.5 Properties. Lessee and Guarantor each has good title to, or valid leasehold interests in, all its real and personal property material to its business (including the Leased Properties), except for minor defects in title that do not interfere with its ability to conduct its business as currently conducted or to utilize such properties for their intended purposes. None of the properties and assets of Lessee or Guarantor is subject to any Encumbrance other than Permitted Encumbrances, and Encumbrances created by or in connection with this Lease.

17.1.5.1 Intellectual Property. Lessee and Guarantor each owns, or is licensed to use, all trademarks, trade names, copyrights, patents and other intellectual property material to its business, and the use thereof by Lessee and Guarantor does not infringe upon the rights of any other Person, except for any such infringements that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

17.1.6 Litigation and Environmental Matters. There is no action, suit or Proceeding by or before any arbitrator or Governmental Authority pending against or, to the knowledge of Lessee or Guarantor, threatened against or affecting Lessee or Guarantor (i) as to which there is a reasonable possibility of an adverse determination and that, if adversely determined, could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect or (ii) that involve this Lease or any of the other documents contemplated herein.

17.1.6.1 Environmental Compliance. Except with respect to other matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, neither Lessee nor Guarantor (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has become subject to any liability with respect to any Environmental Law, (iii) has received written notice of any claim with respect to any Environmental Law or (iv) knows of any basis for any violations of any Environmental Law or any release, threatened release or exposure to any Hazardous Materials that is likely to form the basis of any liability under any Environmental Law.

17.1.7 Compliance with Laws and Agreements. Lessee and Guarantor each is in compliance with all laws, regulations and orders of any Governmental Authority applicable to it or its property and all indentures, agreements and other instruments binding upon it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. No Default has occurred and is continuing.

17.1.8 Investment and Holding Company Status. Neither Lessee or Guarantor is (a) an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940 or (b) a "holding company" as defined in, or subject to regulation under, the Public Utility Holding Company Act of 1935.

17.1.9 Taxes. Lessee, Guarantor, and WCG each has timely filed or caused to be filed all tax returns and reports required to have been filed and has paid or caused to be paid all taxes required to have been paid by or with respect to it, except (a) taxes that are being contested in good faith by an appropriate Proceeding and for which Lessee or Guarantor, as applicable, has set aside on its books adequate reserves or (b) to the extent that the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

17.1.10 ERISA. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, could reasonably be expected to result in a Material Adverse Effect. The present value of all accumulated benefit obligations under each Plan (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the date of the most recent financial statements reflecting such amounts, exceed by more than $25,000,000 the fair market value of the assets of such Plan, and the present value of all accumulated benefit obligations of all underfunded Plans (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the date of the most recent financial statements reflecting such amounts, exceed by more than $25,000,000 the fair market value of the assets of all such underfunded Plans.

17.1.11 Disclosure. Lessee and Guarantor have disclosed to the Lessor all agreements, instruments and corporate or other restrictions to which Lessee or Guarantor is subject, and all other matters known to any of them, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. None of the reports, financial statements, certificates or other information furnished by or on behalf of Lessee or Guarantor in connection with the negotiation of this Lease or delivered hereunder (as modified or supplemented by other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, with respect to projected financial information, Lessee and Guarantor represent only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

17.1.12 Insurance. As of the Effective Date, all premiums in respect of all insurance described in Article XIII have been paid.

17.1.13 Labor Matters. As of the Effective Date, there are no strikes, lockouts or slowdowns against Lessee or Guarantor pending or, to the knowledge of Lessee or Guarantor, threatened. The hours worked by and payments made to employees of Lessee and Guarantor have not been in violation of the Fair Labor Standards Act or any other applicable Federal, state, local or foreign law dealing with such matters. All payments due from Lessee or Guarantor, or for which any claim may be made against Lessee or Guarantor, on account of wages and employee health and welfare insurance and other benefits, have been paid or accrued as a liability on the books of Lessee or Guarantor. The execution of this Lease has not and will not give rise to any right of termination or

right of renegotiation on the part of any union under any collective bargaining agreement by which Lessee or Guarantor is bound.

17.1.14 Solvency. Immediately after the Effective Date and immediately following the purchase of the Leased Properties by Lessor pursuant to the Purchase Agreement made on the Effective Date and after giving effect to the application of the Purchase Price, (a) the fair value of the assets of Lessee, Guarantor, and WCG will exceed its debts and liabilities, subordinated, contingent or otherwise; (b) the present fair saleable value of the property of Lessee, Guarantor and WCG will be greater than the amount that will be required to pay the probable liability of its debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured; (c) Lessee, Guarantor, and WCG each will be able to pay its debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; and (d) Lessee, Guarantor, and WCG each will not have unreasonably small capital with which to conduct the business in which it is engaged as such business is now conducted and is proposed to be conducted following the Effective Date.

17.1.15 No Burdensome Restrictions. No contract, lease, agreement or other instrument to which Lessee or Guarantor is a party or by which any of its property is bound or affected, no charge, corporate restriction, judgment, decree or order and no provision of applicable law or governmental regulation could reasonably be expected to have Material Adverse Effect.

17.1.16 Representations True and Correct. As of the dates when made and as of the Effective Date, each representation and warranty of Lessee or Guarantor thereto contained in the Purchase Agreement, this Lease or any other documents executed in connection herewith, is true and correct.

ARTICLE XVIII

OCCUPANCY AFTER EXPIRATION OF TERM

18.1 HOLDING OVER. If Lessee remains in possession of all or any of the Leased Properties after the expiration of the Term or earlier termination of this Lease, such possession shall be as a month-to-month tenant, and throughout the period of such possession Lessee shall pay as Rent for each month one hundred fifty percent (150%) times the sum of: (i) one-twelfth (1/12th) of the Base Rent payable during the Lease Year in which such expiration or termination occurs, plus (ii) all Additional Charges accruing during the month, plus (iii) any and all other sums payable by Lessee pursuant to this Lease. During such period of month-to-month tenancy, Lessee shall be obligated to perform and observe all of the terms, covenants and conditions of this Lease, but shall have no rights hereunder other than the right, to the extent given by applicable law to month-to-month tenancies, to continue its occupancy and use of the Leased Properties until the month-to-month tenancy is terminated. Nothing contained herein shall constitute the consent, express or implied, of Lessor to the holding over of Lessee after the expiration or earlier termination of this Lease.

18.2 INDEMNITY. If Lessee fails to surrender the Leased Properties in a timely manner and in accordance with the provisions of Section 9.1.5 upon the expiration or termination of this Lease, in addition to any other liabilities to Lessor accruing therefrom, Lessee shall defend, indemnify and hold Lessor, its principals, officers, directors, agents and employees harmless from loss or liability resulting from such failure, including, without limiting the generality of the foregoing, loss of rental with respect to any new lease in which the rental payable thereunder exceeds the Rent paid by Lessee pursuant to this Lease during Lessee's hold-over and any claims by any proposed new tenant founded on such failure. The provisions of this Section 18.2 shall survive the expiration or termination of this Lease.

ARTICLE XIX

SUBORDINATION AND ATTORNMENT

19.1 SUBORDINATION. Upon written request of Lessor, any Facility Mortgagee, or the beneficiary of any deed of trust of Lessor, Lessee will enter into a written agreement subordinating its rights pursuant to this Lease (i) to the lien of any mortgage, deed of trust or the interest of any lease in which Lessor is the lessee and to all modifications, extensions, substitutions thereof (or, at Lessor's option, agree to the subordination to this Lease of the lien of said mortgage, deed of trust or the interest of any lease in which Lessor is the lessee), and (ii) to all advances made or hereafter to be made thereunder. In connection with any such request, Lessor shall provide Lessee with a "Non-Disturbance Agreement" reasonably acceptable to such mortgagee, beneficiary or lessor providing that if such mortgagee, beneficiary or lessor acquires the Leased Properties by way of foreclosure or deed in lieu of foreclosure, such mortgagee, beneficiary or lessor will not disturb Lessee's possession under this Lease and will recognize Lessee's rights hereunder if and for so long as no Event of Default has occurred and is continuing. Lessee agrees to consent to amend this Lease as reasonably required by the Facility Mortgagee, and shall be deemed to have unreasonably withheld or delayed its consent if the required changes do not materially (i) alter the economic terms of this Lease, (ii) diminish the rights of Lessee, or (iii) increase the obligations of Lessee, provided that Lessee shall also have received the non-disturbance agreement provided for in this Article.

19.2 ATTORNMENT. If any Proceeding is brought for foreclosure, or if the power of sale is exercised under any mortgage or deed of trust made by Lessor encumbering the Leased Properties, or if a lease in which Lessor is the lessee is terminated, Lessee shall attorn to the purchaser or lessor under such lease upon any foreclosure or deed in lieu thereof, sale or lease termination and recognize the purchaser or lessor as Lessor under this Lease, provided the purchaser or lessor acquires and accepts the Leased Properties subject to this Lease.

19.3 LESSEE'S CERTIFICATE. Lessee shall, upon not less than ten (10) days prior Notice from Lessor, execute, acknowledge and deliver to Lessor, Lessee's Certificate containing then-current facts. It is intended that any Lessee's Certificate delivered pursuant hereto may be relied upon by Lessor, any prospective tenant or purchaser of the Leased Properties, any mortgagee or prospective mortgagee, and by any other party who may reasonably rely on such

statement. Lessee's failure to deliver the Lessee's Certificate within such time shall constitute an Event of Default. In addition, Lessee hereby authorizes Lessor to execute and deliver a certificate to the effect (if true) that Lessee represents and warrants that (i) this Lease is in full force and effect without modification, and (ii) Lessor is not in breach or default of any of its obligations under this Lease.

ARTICLE XX

RISK OF LOSS

20.1 RISK OF LOSS. During the Term, the risk of loss or of decrease in the enjoyment and beneficial use of the Leased Properties in consequence of the damage or destruction thereof by fire, the elements, casualties, thefts, riots, wars or otherwise, or in consequence of foreclosures, attachments, levies or executions is assumed by Lessee, and, in the absence of gross negligence, willful misconduct or material breach of this Lease by Lessor, Lessor shall in no event be answerable or accountable therefor nor shall any of the events mentioned in this Article XX entitle Lessee to any abatement of Rent.

ARTICLE XXI

INDEMNIFICATION

21.1 INDEMNIFICATION. Notwithstanding the existence of any insurance or self-insurance provided for in Article XIII, and without regard to the policy limits of any such insurance or self-insurance, Lessee shall protect, indemnify, save harmless and defend Lessor, its principals, officers, directors, agents, employees, parents, and affiliates from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses), to the extent permitted by law, imposed upon or incurred by or asserted against Lessor by reason of: (i) any accident, injury to or death of persons or loss of or damage to property occurring on or about the Leased Properties or adjoining sidewalks, including without limitation any claims of malpractice, (ii) any use, misuse, non-use, condition, maintenance or repair by Lessee of the Leased Properties, (iii) the failure to pay any Impositions, (iv) any failure on the part of Lessee to perform or comply with any of the terms of this Lease, and (v) the nonperformance of any contractual obligation, express or implied, assumed or undertaken by Lessee or any party in privity with Lessee with respect to the Leased Properties or any business or other activity carried on with respect to the Leased Properties during the Term or thereafter during any time in which Lessee or any such other party is in possession of the Leased Properties or thereafter to the extent that any conduct by Lessee or any such person (or failure of such conduct thereby if the same should have been undertaken during such time of possession and leads to such damage or loss) causes such loss or claim. Any amounts which become payable by Lessee under this Section shall be paid within ten (10) days after liability therefor on the part of Lessee is determined by litigation or otherwise, and if not timely paid, shall bear interest (to the extent permitted by law) at the Overdue Rate from the date of such determination to the date of payment. Nothing herein shall be construed as indemnifying Lessor against its own grossly negligent acts or omissions or willful misconduct.

Lessee's liability under this Article shall survive the expiration or any earlier termination of this Lease.

ARTICLE XXII

RESTRICTIONS ON TRANSFERS

22.1 GENERAL PROHIBITION AGAINST TRANSFERS. Lessee acknowledges that a significant inducement to Lessor to enter into this Lease with Lessee on the terms set forth herein is the combination of financial strength, experience, skill and reputation possessed by the Lessee named herein, the Person or Persons in Control of Lessee and Guarantor, together with Lessee's assurance that Lessor shall have the unrestricted right to approve or disapprove any proposed Transfer. Therefore, there shall be no Transfer except as specifically permitted by this Lease or consented to in advance by Lessor in writing. Lessee agrees that Lessor shall have the right to withhold its consent to any proposed Transfer on the basis of Lessor's judgment as to the effect the proposed Transfer may have on the Leased Properties and the future performance of the obligations of the Lessee under this Lease, whether or not Lessee agrees with such judgment. Any attempted Transfer which is not specifically permitted by this Lease or consented to by Lessor in advance in writing shall be null and void and of no force and effect whatsoever. In the event of a Transfer, Lessor may collect Rent and other charges from the assignee, subtenant or other occupant or transferee (any and all of which are herein referred to as a "Transferee") and apply the amounts collected to the Rent and other charges herein reserved, but no Transfer or collection of Rent and other charges shall be deemed to be a waiver of Lessor's rights to enforce Lessee's covenants or an acceptance of the Transferee as Lessee, or a release of the Lessee named herein from the performance of its covenants. Notwithstanding any Transfer, Lessee and Guarantor shall remain fully liable for the performance of all terms, covenants and provisions of this Lease. Any violation of this Lease by any Transferee shall be deemed to be a violation of this Lease by Lessee.

22.2 CONSENT TO CERTAIN TRANSFERS. Lessor acknowledges that Lessee, as sublessor, intends to enter into subleases with the parties identified on SCHEDULE 22.2, as sublessees, with respect to the Facilities identified on such Schedule. Lessor consents to such subleases provided that all such sublease agreements satisfy all of the requirements set forth in this Lease and otherwise are satisfactory in form and substance to Lessor. The conditions set forth in the immediately preceding sentence shall be deemed satisfied as to any sublease with respect to which Lessor has executed and delivered a Consent and Non-Disturbance Agreement in substantially the form of EXHIBIT F. Notwithstanding any such sublease, Lessee and Guarantor shall remain fully liable for the performance of all terms, covenants and provisions of this Lease.

22.3 SUBORDINATION AND ATTORNMENT. Lessee shall insert in any sublease permitted by Lessor provisions to the effect that (i) such sublease is subject and subordinate to all of the terms and provisions of this Lease and to the rights of Lessor hereunder, (ii) if this Lease terminates before the expiration of such sublease, the sublessee thereunder will, at Lessor's option, attorn to Lessor and waive any right the sublessee may have to terminate the sublease or to surrender possession thereunder, as a result of the termination of this Lease, and (iii) if the

sublessee receives a written Notice from Lessor or Lessor's assignee, if any, stating that Lessee is in default under this Lease, the sublessee shall thereafter be obligated to pay all rentals accruing under the sublease directly to the party giving such Notice, or as such party may direct, which payments shall be credited against the amounts owing by Lessee under this Lease.

ARTICLE XXIII

LESSEE AND GUARANTOR INFORMATION

23.1 OFFICER'S CERTIFICATES AND FINANCIAL STATEMENTS. Lessee and Guarantor shall furnish or cause to be furnished to Lessor:

23.1.1 Fiscal Year Information. (i) within ninety (90) days after the end of each fiscal year of WCG, its audited consolidated balance sheets and related audited consolidated statements of operations, stockholders' or members' equity and cash flows as of the end of and for such fiscal year (including segment reporting with respect to each of WCG's business segments consistent), setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by Ernst & Young LLP or other independent public accountants of recognized national standing, and otherwise reasonably satisfactory to Lessor (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of WCG on a consolidated basis in accordance with GAAP consistently applied, and (ii) within ninety (90) days after the end of each fiscal year of WCG, supplemental unaudited balance sheets and related unaudited statements of operations, stockholders' or members' equity and cash flows as of the end of and for such fiscal year, setting forth in tabular form in each case the figures for the previous year, for WCG and the consolidating adjustments with respect thereto.

23.1.2 Quarterly Information. (i) within forty-five (45) days after the end of each of the first three (3) fiscal quarters of each fiscal year of WCG, unaudited consolidated and consolidating balance sheets and related consolidated and consolidating statements of operations, stockholders' or members' equity and cash flows of Guarantor and WCG as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of the previous fiscal year (or in the case of the balance sheet, as of the end of the previous fiscal year), all certified by an Officer's Certificate as presenting fairly in all material respects the financial condition and results of operations of Guarantor and WCG on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes and (ii) within forty-five (45) days after the end of each of the first three (3) fiscal quarters of each fiscal year of Guarantor, unaudited balance sheets and related statements of operations, stockholders' or members' equity and cash flow of Guarantor as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of the previous

fiscal year (or, in the case of the balance sheet, as of the end of the previous fiscal year) all certified by an Officer's Certificate as presenting fairly in all material respects the financial condition and results of operations of Guarantor in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes.

23.1.3 Officers Certificate. Concurrently with any delivery of financial statements under Sections 23.1.1 and 23.1.2, and at any time and from time to time, within ten (10) days of Lessor's request, an Officer's Certificate of the Lessee (i) certifying as to whether an Event of Default has occurred and, if an Event of Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (ii) setting forth in reasonable detail calculations demonstrating compliance with Sections 8.4.2 through 8.4.6 (iii) stating whether any change in GAAP or in the application thereof has occurred since the date of audited financial statements referred to in Section 17.1.4 and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such Officer's Certificate, and (iv) certifying as to the compliance by Lessee and Guarantor, with the provisions of this Lease, and such other matters set forth in this Lease or the Credit Agreement, as Lessor may specify.

23.1.4 Accounting Firm Certificate. Concurrently with any delivery of financial statements under Section 23.1.1, a certificate of the accounting firm that reported on such financial statements stating whether they obtained knowledge during the course of their examination of such financial statements of any Event of Default (which certificate may be limited to the extent required by accounting rules or guidelines).

23.1.5 Budget. As soon as practicable after approval by the Board of Directors of WCG, and in any event not later than one hundred and twenty (120) days after the commencement of each fiscal year of WCG, a consolidated and consolidating budget of WCG for such fiscal year and a consolidated budget of the Lessee for such fiscal year and, promptly when available, any significant revisions of any such budget.

23.1.6 SEC Filings. Promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and other materials filed by WCG or any of its Affiliates with the SEC, or any Governmental Authority succeeding to any or all of the functions of the SEC, or with any national securities exchange, or distributed by WCG to its shareholders generally, as the case may be, except to the extent any such report, proxy statement or other material is available electronically on a publicly-accessible website.

23.1.7 Other Information. Promptly following any request therefor, such other information regarding the operations, business affairs and financial condition of Lessee, Guarantor or WCG, or compliance with the terms of this Lease or any of the documents contemplated herein, as Lessor may reasonably request.

23.1.8 Credit Agreement Information. To the extent not previously covered by the provisions of this Section 23.1, copies of all information provided by Guarantor, WCG or any Affiliates of either pursuant to the Credit Agreement, contemporaneously with its delivery pursuant thereto.

23.2 PUBLIC OFFERING INFORMATION. Lessee, Guarantor and WCG, specifically agree that subject to the approval of Lessee, which approval shall not be unreasonably withheld or delayed, Lessor may include financial information and information concerning the operation of the Facilities in offering memoranda or prospectus, or similar publications in connection with syndications or public offerings of Lessor's securities or interests, and any other reporting requirements under applicable Federal and State Laws, including those of any successor to Lessor. Lessee, Guarantor, and WCG, agree to provide such other reasonable information necessary with respect to Lessee, Guarantor, and WCG, and the Leased Properties to facilitate a public offering or to satisfy SEC or regulatory disclosure requirements. Upon request of Lessor, Lessee shall notify Lessor of any necessary corrections to information Lessor proposes to publish within a reasonable period of time (not to exceed ten (10) days) after being informed thereof by Lessor.

23.3 NOTICES OF MATERIAL EVENTS. Upon its respective knowledge thereof, Lessee and Guarantor each will furnish to Lessor prompt written notice of the following. Each notice delivered under this Section shall be accompanied by a statement of an Officer's Certificate, duly executed, setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

23.3.1 Event of Default. The occurrence of any Event of Default.

23.3.2 Action, Suit or Proceeding. The filing or commencement of any action, suit or Proceeding by or before any arbitrator or Governmental Authority against or affecting Lessee, Guarantor or WCG or any Affiliate thereof that could reasonably be expected to result in a Material Adverse Effect.

23.3.3 ERISA Event. The occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, could reasonably be expected to result in a Material Adverse Effect.

23.3.4 Other Matters. Any other development that results in, or could reasonably be expected to result in, a Material Adverse Effect.

ARTICLE XXIV

INSPECTION

24.1 LESSOR'S RIGHT TO INSPECT. Lessee shall permit Lessor and its authorized representatives to inspect the Leased Properties and Lessee's books and records pertaining thereto during normal business hours at any time upon reasonable Notice. Notwithstanding the

foregoing, Lessee is and shall be in exclusive control and possession of the Leased Properties as provided herein, and Lessor shall not in any event whatsoever be liable for any injury or damage to any property or to any person happening on or about the Leased Properties nor for any injury or damage to any property of Lessee, or of any other person, except in the event any such injury or damage is the direct result of the gross negligence or malfeasance of Lessor. The right of Lessor to enter and inspect the Leased Properties are for the purpose of enabling Lessor to be informed as to whether or not Lessee is complying with the terms, covenants and conditions of this Lease and to do such acts as Lessee may have failed to do, provided however, in no event shall Lessor have any obligation whatsoever to so perform such acts.

ARTICLE XXV

NO WAIVER

25.1 NO WAIVER. No failure by Lessor to insist upon the strict performance of any term hereof or to exercise any right, power or remedy consequent upon a breach hereof, and no acceptance of full or partial payment of Rent during the continuance of any such breach, shall constitute a waiver of any such breach or of any such term. No waiver of any breach shall affect or alter this Lease, which shall continue in full force and effect with respect to any other then existing or subsequent breach.

ARTICLE XXVI

REMEDIES CUMULATIVE

26.1 REMEDIES CUMULATIVE. To the extent permitted by law, each legal, equitable or contractual right, power and remedy of Lessor now or hereafter provided either in this Lease or by statute or otherwise shall be cumulative and concurrent and shall be in addition to every other right, power and remedy and the exercise or beginning of the exercise by Lessor of any one or more of such rights, powers and remedies shall not preclude the simultaneous or subsequent exercise by Lessor of any or all of such other rights, powers and remedies.

ARTICLE XXVII

SURRENDER

27.1 ACCEPTANCE OF SURRENDER. No surrender to Lessor of this Lease or of the Leased Properties or any part thereof, or of any interest therein, shall be valid or effective unless agreed to and accepted in writing by Lessor, and no act by Lessor or any representative or agent of Lessor, other than such a written acceptance by Lessor, shall constitute an acceptance of any such surrender.

ARTICLE XXVIII

RELATIONSHIP

28.1 NO MERGER OF TITLE. There shall be no merger of this Lease or of the leasehold estate created hereby by reason of the fact that the same person, firm, corporation or other entity may acquire, own or hold, directly or indirectly, (i) this Lease or the leasehold estate created hereby or any interest in this Lease or such leasehold estate, and (ii) the fee estate in the Leased Properties.

28.2 NO PARTNERSHIP. Nothing contained in this Lease will be deemed or construed to create a partnership or joint venture between Lessor and Lessee or to cause either party to be responsible in any way for the debts or obligations of the other or any other party, it being the intention of the parties that the only relationship hereunder is that of Lessor and Lessee.

ARTICLE XXIX

CONVEYANCE BY LESSOR

29.1 CONVEYANCE BY LESSOR. Lessor may at its sole option, transfer the Leased Properties and in connection with any such transfer, may assign this Lease. If Lessor or any successor owner of the Leased Properties conveys the Leased Properties other than as security for a debt, Lessor or such successor owner, as the case may be, shall thereupon be released from all future liabilities and obligations of Lessor under this Lease arising or accruing from and after the date of such conveyance or other transfer and all such future liabilities and obligations shall thereupon be binding upon the new owner.

ARTICLE XXX

QUIET ENJOYMENT

30.1 QUIET ENJOYMENT. So long as Lessee pays all Rent as it becomes due and complies with all of the terms of this Lease and performs its obligations hereunder, Lessee shall peaceably and quietly have, hold and enjoy the Leased Properties for the Term, free of any claim or other action by Lessor or anyone claiming by, through or under Lessor, but subject to all liens and Encumbrances of record as of the date hereof or hereafter provided for in this Lease or consented to by Lessee. Except as otherwise provided in this Lease, no failure by Lessor to comply with the foregoing covenant will give Lessee any right to cancel or terminate this Lease or abate, reduce or make a deduction from or offset against the Rent or any other sum payable under this Lease, or to fail to perform any other obligation of Lessee. Lessee shall, however, have the right, by separate and independent action, to pursue any claim it may have against Lessor as a result of a breach by Lessor of the covenant of quiet enjoyment contained in this Section.

ARTICLE XXXI

NOTICES

31.1 NOTICES. Any notice, request or other communication to be given by any party hereunder shall be in writing and shall be sent by registered or certified mail, postage prepaid, by overnight deliver, hand delivery or facsimile transmission to the following address:

To Lessor: Williams Headquarters Building Company
Attn: George D. Shahadi, Vice President-Corp. Real Estate
One Williams Center, Suite 2200
Tulsa, Oklahoma 74172
Fax No. 918/573-4049

With copies to: The Williams Companies, Inc.
Attn: Real Estate Counsel
One Williams Center, Suite 4100
Tulsa, Oklahoma 74172
Fax No. 918/ 573-4503

The Williams Companies, Inc.
Attn: Treasurer
One Williams Center, Suite 5000
Tulsa, Oklahoma 74172
Fax No. 918/ 573-2065

To Lessee: Williams Technology Center, LLC
Attn: Vice President, Real Estate
One Williams Center, MD-OneOK-6
Tulsa, Oklahoma 74172
Fax No. 918/ 573-5614

With copy to: Williams Communications, LLC.
Attn: P. David Newsome, Jr., Esq., General Counsel
One Williams Center, MD-41-3
Tulsa, Oklahoma 74172
Fax No. 918/ 573-3005

To Guarantor: Williams Communications, LLC
Attn: P. David Newsome, Jr., Esq., General Counsel
One Williams Center, MD-41-3
Tulsa, Oklahoma 74172
Fax No. 918/ 573-3005

With copy to: Williams Communications, LLC
Attn: Assistant Treasurer
One Technology Center, MD: TC 14X
Tulsa, Oklahoma 74103
Fax No.: 918/547-1108

or to such other address as either party may hereafter designate. Notice shall be deemed to have been given on the date of delivery if such delivery is made on a Business Day, or if not, on the first Business Day after delivery. If delivery is refused, Notice shall be deemed to have been given on the date delivery was first attempted. Notice sent by facsimile transmission shall be deemed given upon confirmation that such Notice was received at the number specified above or in a Notice to the sender. If Lessee has vacated the Leased Properties, Lessor's Notice may be posted on the door of a Leased Property. No failure of any addressee designated as "With copy to", to be sent or to receive any Notice shall invalidate the effectiveness of Notice sent to and received by any party to this Lease.

ARTICLE XXXII

[INTENTIONALLY OMITTED]

ARTICLE XXXIII

[INTENTIONALLY OMITTED]

ARTICLE XXXIV

LESSOR'S OPTION TO PURCHASE

34.1 LESSOR'S OPTION TO PURCHASE LESSEE'S PERSONAL PROPERTY. Unless Lessee purchases the Leased Properties as provided in this Lease, upon the expiration or termination of this Lease, Lessor shall have the option on the terms hereinafter set forth to purchase any of Lessee's Personal Property that is not deemed to have been sold, assigned, transferred and conveyed to Lessor pursuant to Section 6.3 hereof, for an amount equal to the then book value thereof (acquisition cost less accumulated depreciation on the books of Lessee pertaining thereto), subject to, and with appropriate credits for, any obligations owing from Lessee to Lessor and for the then outstanding balances owing on all equipment leases, conditional sale contracts and any other Encumbrances to which such Lessee's Personal Property is subject. Lessor's option shall be exercised by Notice to Lessee no more than one hundred eighty (180) days, nor less than ninety (90) days, before the expiration of the Realty Term, unless this Lease is terminated prior to its expiration date by reason of an Event of Default, in which event Lessor's option shall be exercised not more than ninety (90) days after the date of

termination. Lessor's option shall terminate upon Lessee's purchase of the Leased Properties. If Lessee does not receive Lessor's Notice exercising its option before the expiration of the relevant time period, Lessee shall give Lessor Notice thereof and Lessor's option shall continue in full force and effect for a period of thirty (30) days after such Notice from Lessee. If Lessor exercises its option, Lessee shall, in exchange for Lessor's payment of the purchase price, deliver the purchased Lessee's Personal Property to Lessor, together with a bill of sale and such other documents as Lessor may reasonably request in order to carry out the purchase, and the purchase shall be closed by such delivery and such payment on the date set by Lessor in its Notice of exercise. Lessor shall be responsible for applicable sales, use and other similar taxes which are assessed on the sale of Lessee's Personal Property to Lessor.

34.2 LEASED PROPERTIES TRADE NAME. If this Lease is terminated pursuant to Section 16.1 or Lessor exercises its option to purchase Lessee's Personal Property pursuant to Section 34.1, Lessee shall be deemed to have assigned to Lessor the exclusive right to use Leased Properties Trade Name in perpetuity.

34.3 TRANSFER OF OPERATIONAL CONTROL OF THE FACILITIES. Lessee shall cooperate fully in transferring operational control of all of the Facilities which are then subject to this Lease to Lessor or Lessor's nominee if the Term expires without renewal or this Lease is terminated upon the occurrence of an Event of Default or for any other reason, and Lessee shall use its best efforts to cause the business conducted at all such Facilities to continue without interruption. To that end, pending completion of the transfer of the operational control of such Facilities to Lessor or its nominee:

34.3.1 Employees. Lessee will not terminate the employment of any Leased Properties maintenance and operations employees without just cause, or change any salaries, provided, however, that without the advance written consent of Lessor, Lessee may grant pre-announced wage increases of which Lessor has knowledge, increases required by written employment agreements and normal raises to non-officers at regular review dates; and Lessee will not hire any additional employees except in good faith in the ordinary course of business;

34.3.2 Change in Control. Lessee will provide all necessary information requested by Lessor or its nominee for the preparation and filing of any and all necessary applications or notifications of any federal or state governmental authority having jurisdiction over a change in the operational control of the Facilities, and any other information reasonably required to effect an orderly transfer of the Facilities;

34.3.3 Business and Organization. Lessee shall use all reasonable efforts to keep the business and organization of the Facilities intact and to preserve for Lessor or its nominee the goodwill of the suppliers, distributors, residents and others having business relations with Lessee with respect to the Facilities;

34.3.4 Operations in Ordinary Course. Lessee shall engage only in transactions or other activities with respect to the Facilities which are in the ordinary course of its

business and shall perform all maintenance and repairs reasonably necessary to keep the Facilities in satisfactory operating condition and repair;

34.3.5 Employee Benefits. Lessee shall provide Lessor or its nominee with full and complete information regarding the employees of the Facilities and shall reimburse Lessor or its nominee for all outstanding accrued employee benefits, including accrued vacation, sick and holiday pay calculated on a true accrual basis, including all earned and a prorated portion of all unearned benefits;

34.3.6 Third Party Consents. Lessee shall use all reasonable efforts to obtain the acknowledgment and the consent of any creditor, lessor or sublessor, mortgagee, beneficiary of a deed of trust or security agreement affecting the real and personal properties of Lessee or any other party whose acknowledgment and/or consent would be required because of a change in the operational control of the Facilities and transfer of personal property. The consent must be in form, scope and substance satisfactory to Lessor or its nominee, including, without limitation, an acknowledgment in respect to all such contracts, leases, deeds of trust, mortgage, security agreements, or other agreements that Lessee and all predecessors or successors-in-interest thereto are not in default in respect thereto, that no condition known to the consenting party exists which with the giving of notice or lapse of time would result in such a default, and, if requested, affirmatively consenting to the change in the operational control of the Facilities;

34.3.7 Lessor as Attorney-in-Fact. To more fully preserve and protect Lessor's rights under this Section, Lessee does hereby make, constitute and appoint Lessor its true and lawful attorney-in-fact, for it and in its name, place and stead to execute and deliver all such instruments and documents, and to do all such other acts and things, as Lessor may deem to be necessary or desirable to protect and preserve the rights granted under this Section. Lessee hereby grants to Lessor the full power and authority to appoint one or more substitutes to perform any of the acts that Lessor is authorized to perform under this Section, with a right to revoke such appointment of substitution at Lessor's pleasure. The power of attorney granted pursuant to this Section is coupled with an interest and therefore is irrevocable. Any person dealing with Lessor may rely upon the representation of Lessor relating to any authority granted by this power of attorney, including the intended scope of the authority, and may accept the written certificate of Lessor that this power of attorney is in full force and effect. Photographic or other facsimile reproductions of this executed Lease may be made and delivered by Lessor, and may be relied upon by any person to the same extent as though the copy were an original. Anyone who acts in reliance upon any representation or certificate of Lessor, or upon a reproduction of this Lease, shall not be liable for permitting Lessor to perform any act pursuant to this power of attorney. Notwithstanding the foregoing, Lessor covenants with Lessee that Lessor shall refrain from exercising the power of attorney granted hereby except in the case of an Event of Default hereunder or in the event of a default, which, in Lessor's reasonable judgment, may lead to the suspension or revocation of any license of Lessee or of any sublessee.

34.4 INTANGIBLES AND PERSONAL PROPERTY. Notwithstanding any other provision of this Lease but subject to Articles 40 or 41 relating to the security interest in favor of Lessor, Leased Personal Property shall not include goodwill nor shall it include any other intangible personal property that is severable from Lessor's " interests in real property" within the meaning of Section 856(d) of the Code, or any similar or successor provision thereto.

ARTICLE XXXV

[INTENTIONALLY OMITTED]

ARTICLE XXXVI

MISCELLANEOUS

36.1 COMPLIANCE WITH FACILITY MORTGAGE. Lessee covenants and agrees that it will duly and punctually observe, perform and comply with all of the terms, covenants and conditions (including, without limitation, covenants requiring the keeping of books and records and delivery of Financial Statements and other information) of any Facility Mortgage and that it will not directly or indirectly, do any act or suffer or permit any condition or thing to occur, which would or might constitute a default under a Facility Mortgage. Anything in this Lease to the contrary notwithstanding, if the time for performance of any act required of Lessee by the terms of a Facility Mortgage is shorter than the time allowed by this Lease for performance of such act by Lessee, then Lessee shall perform such act within the time limits specified in such Facility Mortgage.

36.2 SURVIVAL, CHOICE OF LAW. Anything contained in this Lease to the contrary notwithstanding, all claims against, and liabilities of, Lessee or Lessor arising prior to the date of expiration or termination of this Lease shall survive such expiration or termination. If any term or provision of this Lease or any application thereof is held invalid or unenforceable, the remainder of this Lease and any other application of such term or provisions shall not be affected thereby. Neither this Lease nor any provision hereof may be changed, waived, discharged or terminated except by an instrument in writing and in recordable form signed by Lessor and Lessee. All the terms and provisions of this Lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. The headings in this Lease are for convenience of reference only and shall not limit or otherwise affect the meaning hereof. This Lease shall be governed by and construed in accordance with the laws of the State, except as to matters which, under applicable procedural conflicts of laws rules require the application of laws of another State.

LESSEE CONSENTS TO IN PERSONAM JURISDICTION BEFORE THE STATE AND FEDERAL COURTS OF THE STATES OF OKLAHOMA AND AGREES THAT ALL DISPUTES CONCERNING THIS LEASE BE HEARD IN THE STATE AND FEDERAL COURTS LOCATED IN THE STATE OF OKLAHOMA. LESSEE AGREES THAT SERVICE OF PROCESS MAY BE EFFECTED UPON IT UNDER ANY METHOD PERMISSIBLE

UNDER THE LAWS OF THE STATE OF OKLAHOMA AND IRREVOCABLY WAIVES ANY OBJECTION TO VENUE IN THE STATE AND FEDERAL COURTS OF THE STATE OF OKLAHOMA.

36.3 LIMITATION ON RECOVERY. Lessee specifically agrees to look solely to Lessor's interest in the Leased Properties for recovery of any judgment from Lessor, it being specifically agreed that no constituent shareholder, officer or director of Lessor shall ever be personally liable for any such judgment or for the payment of any monetary obligation to Lessee. Furthermore, Lessor (original or successor) shall never be liable to Lessee for any indirect, consequential, special or punitive damages suffered by Lessee from whatever cause.

36.4 WAIVERS. Lessee waives any defense by reason of any disability of Lessee, and waives any other defense based on the termination of Lessee's (including Lessee's successor's) liability from any cause. Lessee waives all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor, and notices of acceptance, and waives all notices of the existence, creation, or incurring of new or additional obligations.

36.5 CONSENTS. Whenever the consent or approval of Lessor is required hereunder, Lessor may in its sole discretion and without reason withhold that consent or approval unless otherwise specifically provided.

36.6 COUNTERPARTS. This Lease may be executed in separate counterparts, each of which shall be considered an original when each party has executed and delivered to the other one or more copies of this Lease.

36.7 RIGHTS CUMULATIVE. Except as provided herein to the contrary, the respective rights and remedies of the parties specified in this Lease shall be cumulative and in addition to any rights and remedies not specified in this Lease.

36.8 ENTIRE AGREEMENT. There are no oral or written agreements or representations between the parties hereto affecting this Lease. This Lease supersedes and cancels any and all previous negotiations, arrangements, representations, brochures, agreements and understandings, if any, between Lessor and Lessee.

36.9 AMENDMENTS IN WRITING. No provision of this Lease may be amended except by an agreement in writing signed by Lessor and Lessee.

36.10 SEVERABILITY. If any provision of this Lease or the application of such provision to any person, entity or circumstance is found invalid or unenforceable by a court of competent jurisdiction, such determination shall not affect the other provisions of this Lease and all other provisions of this Lease shall be deemed valid and enforceable.

36.11 ESTOPPEL CERTIFICATE. At any time and from time to time, Lessee shall, without charge, within ten (10) days after request by Lessor, certify by a written instrument executed and acknowledged by a duly authorized representative of Lessee, addressed to Lessor

and any mortgagee or purchaser, or proposed mortgagee or proposed purchaser, or any other party, firm or corporation specified by Lessor, as to the validity and status of this Lease, as to the existence of any default on the part of any party hereunder, as to the existence of any offsets, counterclaims, or defenses thereto which may be alleged on the part of Lessee, and as to any other matters which may be reasonably requested by Lessor.

36.12 TIME OF THE ESSENCE. Except for the delivery of possession of the Facilities to Lessee, time is of the essence of all provisions of this Lease of which time is an element.

36.13 LESSOR'S COSTS AND EXPENSES. Lessee shall be responsible for and shall pay on demand by Lessor, all of Lessor's reasonable costs and expenses incurred in connection with the negotiation and preparation of this Lease, including without limitation, the reasonable fees and expenses of Lessor's attorneys.

ARTICLE XXXVII

BROKERS

37.1 COMMISSIONS. Lessee represents and warrants to Lessor that no real estate commission, finder's fee or the like is due and owing to any person in connection with this Lease. Lessee agrees to save, indemnify and hold Lessor harmless from and against any and all claims, liabilities or obligations for brokerage, finder's fees or the like in connection with this Lease or the transactions contemplated hereby, asserted by any person on the basis of any statement or act alleged to have been made or taken by Lessee.

ARTICLE XXXVIII

MEMORANDUM OF LEASE

38.1 MEMORANDUM OR SHORT FORM OF LEASE. Lessor and Lessee shall, promptly upon the request of either, enter into a Memorandum or Short Form of Lease, substantially in the form of EXHIBIT G with such modifications as may be appropriate under the laws and customs of the States and in the customary form suitable for recording under the laws of each of the States. Lessee shall pay all costs and expenses of recording such memorandum or short form of this Lease.

ARTICLE XXXIX

RECHARACTERIZATION

39.1 RECHARACTERIZATION AS A SECURITY DOCUMENT. In the event that notwithstanding the intent of Lessor, Lessee and Guarantor as set forth herein, that this Lease be treated as a true lease for purposes of the UCC and other applicable laws of the State, a court of competent jurisdiction recharacterizes this Lease as a security document serving as collateral for a financing, the additional provisions set forth in Article XL and Article XLI shall apply,

provided however, such application shall in no event otherwise diminish, restrict or eliminate any of the Lessor's rights or remedies set forth in this Lease or in any of the other documents executed in connection herewith, all of the foregoing to remain in full force and effect for all purposes.

ARTICLE XL

GRANT OF MORTGAGE LIEN

40.1 GRANT OF LIEN AND SECURITY INTEREST; ASSIGNMENT OF RENTS. To secure to the Lessor the performance by the Lessee of its covenants, agreements and obligations under the Lease, Lessee hereby agrees as follows:

40.1.1 Mortgage. Subject to the terms and conditions of the Lease, and in addition to all other rights and remedies of Lessor as contained herein or under applicable law, the Lessee does hereby mortgage, pledge, grant, bargain, sell, convey, assign, warrant, transfer and set over to the Lessor, WITH POWER OF SALE, to the extent permitted by applicable law: (i) all of the Lessee's right, title and interest, if any, in the Leased Properties, and (ii) all of the Lessee's right, title and interest in and to all proceeds of the conversion, whether voluntary or involuntary, of any of the above-described property into cash or other liquid claims, including, without limitation, all awards, payments or proceeds, including interest thereon, and the right to receive the same, which may be made as a result of casualty, any exercise of the right of eminent domain or deed in lieu thereof, the alteration of the grade of any street and any injury to or decrease in the value thereof, the foregoing collectively being referred to hereinafter as the "Security Property".

TO HAVE AND TO HOLD the foregoing rights, interests and properties, and all rights, estates, powers and privileges appurtenant thereto, unto the Lessor, its successors and assigns, forever, for the uses and purposes herein expressed, but not otherwise.

40.1.2 Security Interest. Subject to the terms and conditions of the Lease, the Lessee hereby grants to the Lessor a security interest in the Lessee's interest, if any, in that portion of the Security Property (the "UCC Property") subject to the Uniform Commercial Code of the state in which the Leased Properties are located (the "UCC"). This Lease shall also be deemed to be a security agreement and a financing statement filed as a fixture filing pursuant to 12A O.S. Section 1-9-502 and shall support any financing statement showing the Lessor's interest as a secured party with respect to any portion of the UCC Property described in such financing statement. The Lessee agrees, at its sole cost and expense, to execute, deliver and file from time to time such further instruments as may be requested by the Lessor to confirm and perfect the lien of the security interest in the collateral described in this Lease.

40.1.3 Assignment of Leases and Rents. The Lessee hereby irrevocably assigns, conveys, transfers and sets over unto the Lessor (subject, however, to the Lease and the

rights of the Lessee thereunder and hereunder) all and every part of the rents, issues and profits that may from time to time become due and payable on account of any and all subleases or other occupancy agreements now existing, or that may hereafter come into existence with respect to the Leased Properties or any part thereof, including any guaranties of such subleases or other occupancy agreements. Upon request of the Lessor, the Lessee shall execute and cause to be recorded, at its expense, supplemental or additional assignments of any subleases or other occupancy agreements, of the Leased Properties. Upon the occurrence and continuance of a Event of Default, the Lessor is hereby fully authorized and empowered in its discretion (in addition to all other powers and rights herein granted), and subject to the Lease and the rights of the Lessee thereunder and hereunder, to apply for and collect and receive all such rents, issues and profits and to enforce any guaranty or guaranties, and all money so received under and by virtue of this assignment shall be held and applied as further security for the payment of the indebtedness secured hereby and to assure the performance by the Lessee of its covenants, agreements and obligations under the Lease.

40.2 REMEDIES. Upon the occurrence and continuance of an Event of Default:

40.2.1 Power of Sale Foreclosure. The Lessor shall have the power and authority, to the extent provided by law, after proper notice and lapse of such time as may be required by the Oklahoma Power of Sale Mortgage Foreclosure Act, 46 O.S. Sections 40-49, as amended from time to time (the "Act"), to sell the Security Property at the time and place of sale fixed by the Lessor in said notice of sale, either as a whole, or in separate lots or parcels and in such order as the Lessor may elect, at auction to the highest bidder for cash in lawful money of the United States payable at the time of sale, all in accordance with the Act and any other applicable laws of the jurisdiction in which the Leased Properties are located, it being acknowledged that A POWER OF SALE HAS BEEN GRANTED IN THIS INSTRUMENT. A POWER OF SALE MAY ALLOW THE LESSOR TO TAKE THE SECURITY PROPERTY AND SELL IT WITHOUT GOING TO COURT IN A FORECLOSURE ACTION UPON THE OCCURRENCE AND CONTINUANCE OF AN EVENT OF DEFAULT BY THE LESSEE.

40.2.2 Judicial Foreclosure. The Lessor may proceed by a suit or suits in equity or at law, whether for a foreclosure hereunder, or for the sale of the Security Property, or, subject to the terms and conditions of the Lease, against the Lessee for the Rent, or for the specific performance of any covenant or agreement herein contained or in aid of the execution of any power herein granted, or for the appointment of a receiver pending any foreclosure hereunder or the sale of the Security Property, or for the enforcement of any other appropriate legal or equitable remedy.

40.2.3 Appointment of Receiver. Without regard to the Lessor's election of nonjudicial power of sale foreclosure or judicial foreclosure, the Lessor shall be entitled to the appointment of a receiver by any court of competent jurisdiction, without notice and without regard to the sufficiency or value of any security for the indebtedness secured hereby or the solvency of any party bound for its payment. The receiver shall have all of

the rights and powers permitted under the laws of the state within which the Leased Properties are located.

40.2.4 Waiver of Appraisement Appraisement of the Leased Properties is hereby waived or not waived at the option of the Lessor, such option to be exercised at or prior to the time judgment is rendered in any judicial foreclosure.

40.2.5 Additional Remedies. It is the intent of the parties hereto that, upon the occurrence and continuance of an Event of Default, the Lessor shall have the remedies provided for in this Section 40.2; provided, however, that (i) in lieu of the remedies provided for in this Lease, the Lessor, at its election, may require the Lessee to purchase the Leased Properties and, in the event that the Lessee purchases the Leased Properties as provided in Section 16.4 of this Lease, the remedies set forth herein shall not be available to the Lessor with respect to such Event of Default, and (ii) in the event that, notwithstanding the intention of the parties, a court of competent jurisdiction determines that the remedies in this Section 40.2 are unenforceable, the Lessor shall have, as a result of such determination, in lieu of the remedies in this Section 40.2, any and all of the other remedies provided for in Article 16 of this Lease. To the extent not in conflict with applicable law or the Lessee's obligations thereunder, the parties acknowledge and agree that the provisions of 11 U.S.C. Section 502(b)(6) are not applicable to the transactions contemplated by this Lease.

40.2.6 Cure by Purchase of Leased Properties. Notwithstanding anything to the contrary contained herein, the Lessee may cure any Event of Default affecting or relating to the Leased Properties by purchasing the Leased Properties as provided in Section 16.4 of this Lease.

ARTICLE XLI

GRANT OF SECURITY INTEREST

41.1 GRANT OF SECURITY INTEREST. The Lessee hereby pledges, assigns and grants to the Lessor a security interest in and to the Collateral to secure the prompt and complete payment and performance of all of Lessee's covenants, agreements and obligations under this Lease.

41.2 UCC REPRESENTATIONS AND WARRANTIES. Lessee and Guarantor represent and warrant to the Lessor that:

41.2.1 Authorization, Validity and Enforceability. Lessee has good and valid power to grant a security interest hereunder, free and clear of all Encumbrances except for Encumbrances permitted under Section 41.3.6, and has full power and authority to grant to the Lessor the security interest in such Collateral pursuant hereto. When financing statements have been filed in the appropriate offices against the Lessee in the locations listed on EXHIBIT P, the Lessor will have a fully perfected, first priority, security interest

in that Collateral in which a security interest may be perfected by filing, subject only to Encumbrances permitted under Section 41.3.6.

41.2.2 Conflicting Laws and Contracts. Neither the execution and delivery by the Lessee of this Lease, the creation and perfection of the security interest in the Collateral granted hereunder, nor compliance with the terms and provisions hereof will violate any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on any Lessee or Lessee's articles or certificate of incorporation or by-laws, partnership agreements, or operating agreements, as the case may be, the provisions of any indenture, instrument or agreement to which Lessee is a party or is subject, or by which it, or its property, is bound, or conflict with or constitute a default thereunder, or result in the creation or imposition of any Encumbrance pursuant to the terms of any such indenture, instrument or agreement.

41.2.3 Type and Jurisdiction of Organization. The organizational type and jurisdiction for Lessee and Guarantor are set forth in the Preamble.

41.2.4 Principal Location. Each of the Lessee's and Guarantor's mailing address and the location of its place of business (if it has only one) or its chief executive office, is disclosed in EXHIBIT P; Lessee has no other places of business except those set forth in EXHIBIT P.

41.2.5 Property Locations. All of the Collateral is located solely in Tulsa, Oklahoma, on or connected with the Land or the Leased Improvements.

41.2.6 No Other Names. Lessee has not conducted business under any name except the name in which it has executed this Lease, which is the exact name as it appears in the Lessee's organizational documents, as amended, as filed with the Lessee's jurisdiction of organization.

41.2.7 No Financing Statements. No financing statement describing all or any portion of the Collateral which has not lapsed or been terminated naming the Lessee as debtor has been filed in any jurisdiction except (i) financing statements naming the Lessor as the secured party, and (ii) as permitted by Section 41.3.6. None of the Equipment is covered by any certificate of title.

41.2.8 Federal Employer Identification Number. The Federal employer identification numbers for both Lessee and Guarantor are set forth on EXHIBIT P.

41.3 UCC COVENANTS. The following covenants shall apply to the Collateral.

41.3.1 Inspection. Lessee and Guarantor will permit the Lessor, by its representatives and agents (i) to inspect the Collateral, (ii) to examine and make copies of the records of the Lessee relating to the Collateral and (iii) to discuss the Collateral and the related records of Lessee and Guarantor with, and to be advised as to the same by, the

Lessee's and Guarantor's respective officers and employees, all at such reasonable times and intervals as the Lessor may determine, and all at the Lessee's and Guarantor's expense.

41.3.2 Taxes. Lessee and Guarantor will pay or cause to be paid when due all taxes, assessments and governmental charges and levies upon the Collateral, except those which are being contested in good faith by appropriate Proceedings and with respect to which no Encumbrance exists.

41.3.3 Records and Reports; Notification of Default. Lessee will maintain complete and accurate books and records with respect to the Collateral, and furnish to the Lessor such reports relating to the Collateral as the Lessor shall from time to time request. Each of the Lessee and Guarantor will give prompt notice in writing to the Lessor of the occurrence of any Event of Default and of any other development, financial or otherwise, which might materially and adversely affect the Collateral.

41.3.4 Financing Statements and Other Actions; Defense of Title. Both Lessee and Guarantor hereby authorize the Lessor to file and if requested will execute and deliver to the Lessor all financing statements and other documents and take such other actions as may from time to time be requested by the Lessor in order to maintain a first perfected security interest in and, if applicable, control of, the Collateral. Lessee and Guarantor will take any and all actions necessary to defend title to the Collateral against all persons and to defend the security interest of the Lessor in the Collateral and the priority thereof against any Encumbrance not expressly permitted hereunder.

41.3.5 Disposition of Collateral. Lessee will not sell, lease or otherwise dispose of the Collateral except (i) prior to the occurrence of an Event of Default, dispositions specifically permitted pursuant to this Lease, (ii) until such time following the occurrence of an Event of Default as Lessee receives a notice from the Lessor instructing the Lessee to cease such transactions, sales or leases of Inventory in the ordinary course of business, and (iii) until such time as Lessee receives a notice from the Lessor, proceeds of Inventory collected in the ordinary course of business.

41.3.6 Encumbrances. Neither Lessee nor Guarantor will create, incur, or suffer to exist any Encumbrance on the Collateral except (i) the security interest created by this Lease, and (ii) Permitted Encumbrances.

41.3.7 Change of Name or Mailing Address. Lessee will not (i) change its name or taxpayer identification number or (ii) change its mailing address, unless Lessee shall have given the Lessor not less than thirty (30) days' prior written notice of such event or occurrence and the Lessor shall have either (x) determined that such event or occurrence will not adversely affect the validity, perfection or priority of the Lessor's security interest in the Collateral, or (y) taken such steps (with the cooperation of Lessee and Guarantor to the extent necessary or advisable) as are necessary or advisable to properly maintain the validity, perfection and priority of the Lessor's security interest in the Collateral.

41.3.8 Other Financing Statements. Lessee will not sign or authorize the signing on its behalf of the filing of any financing statement naming it as debtor covering all or any portion of the Collateral, except as permitted by Section 41.3.6.

41.3.9 Maintenance of Goods. Lessee will do all things necessary to maintain, preserve, protect and keep the Inventory and the Equipment in good repair and working condition.

41.4 ACCELERATION AND REMEDIES. Upon the acceleration of the Rent pursuant to the terms hereof, the Lessor may exercise any or all of the following rights and remedies:

41.4.1 UCC Remedies. Those rights and remedies available to a secured party under the UCC (whether or not the UCC applies to the affected Collateral) or under any other applicable law when a debtor is in default under a security agreement.

41.4.2 Disposal. Without notice except as specifically provided elsewhere in this Lease, sell, lease, assign, grant an option or options to purchase or otherwise dispose of the Collateral or any part thereof in one or more parcels at public or private sale, for cash, on credit or for future delivery, and upon such other terms as the Lessor may deem commercially reasonable.

41.4.3 Compliance with Law. The Lessor may comply with any applicable state or federal law requirements in connection with a disposition of the Collateral, and compliance will not be considered to adversely affect the commercial reasonableness of any sale of the Collateral.

41.5 OBLIGATIONS UPON DEFAULT. Upon the request of the Lessor after the occurrence of an Event of Default, both Lessee and Guarantor will:

41.5.1 Assembly of Collateral. Assemble and make available to the Lessor the Collateral and all records relating thereto at any place or places specified by the Lessor.

41.5.2 Lessor Access. Permit the Lessor, by the Lessor's representatives and agents, to enter any premises where all or any part of the Collateral, or the books and records relating thereto, or both, are located, to take possession of all or any part of the Collateral and to remove all or any part of the Collateral.

41.6 ADDITIONAL UCC PROVISIONS. The following additional provisions shall apply to the Collateral:

41.6.1 Notice of Disposition of Collateral; Condition of Collateral. Notice of the time and place of any public sale or the time after which any private sale or other disposition of all or any part of the Collateral shall be deemed reasonable if sent to the Lessee at least ten (10) days prior to (i) the date of any such public sale or (ii) the time

after which any such private sale or other disposition may be made. Lessor shall have no obligation to clean-up or otherwise prepare the Collateral for sale.

41.6.2 Lessor Performance of Lessee Obligations. Without having any obligation to do so, the Lessor may perform or pay any obligation which Lessee has agreed to perform or pay in this Lease and Lessee and Guarantor shall reimburse the Lessor for any amounts paid by the Lessor pursuant to this Section 41.6.2.

41.6.3 Authorization for Lessor to Take Certain Action. Lessee irrevocably authorizes the Lessor at any time and from time to time in the sole discretion of the Lessor and appoints the Lessor as its attorney-in-fact (i) to execute on behalf of Lessee and to file financing statements necessary or desirable in the Lessor's sole discretion to perfect and to maintain the perfection and priority of the Lessor's security interest in the Collateral, (ii) to indorse and collect any cash proceeds of the Collateral, (iii) to file a carbon, photographic or other reproduction of this Lease or any financing statement with respect to the Collateral as a financing statement and to file any other financing statement or amendment of a financing statement (which does not add new collateral or add a debtor) in such offices as the Lessor in its sole discretion deems necessary or desirable to perfect and to maintain the perfection and priority of the Lessor's security interest in the Collateral, (iv) to apply the proceeds of any Collateral received by the Lessor to the Rent, and (v) to discharge past due taxes, assessments, charges, fees or Encumbrances on the Collateral (except for such Encumbrances as are specifically permitted hereunder), and Lessee and Guarantor agree to reimburse the Lessor on demand for any payment made or any expense incurred by the Lessor in connection therewith, provided that this authorization shall not relieve Lessee or Guarantor of any obligations under this Lease.

41.6.4 Dispositions Not Authorized. Neither Lessee or Guarantor is authorized to sell or otherwise dispose of the Collateral except as set forth in Section 41.3.5 and notwithstanding any course of dealing between Lessee and Guarantor, and Lessor or other conduct of the Lessor, no authorization to sell or otherwise dispose of the Collateral (except as set forth in Section 41.3.5) shall be binding upon the Lessor unless such authorization is in writing signed by the Lessor.

ARTICLE XLII

PURCHASE OPTIONS

42.1 OPTION TO PURCHASE. For good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, and in addition to Lessor's right to require Lessee to purchase the Leased Properties as set forth in Section 16.4, Lessor hereby grants to Lessee the option to purchase the Leased Properties or portions thereof, which option may be exercised by Lessee at any time during the Terms, all pursuant to the terms and conditions set forth on EXHIBIT O.

42.2. PUT OPTION OF LESSOR. For good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, Lessee grants to Lessor the right for Lessor to require Lessee to purchase the Leased Properties or portions thereof, either (i) any time after the date which is ninety (90) days prior to the Realty Expiration Date, or (ii) otherwise pursuant to the provisions of Section 14.8, subject to the same terms, covenants and conditions applicable to Lessee's Option to Purchase as set forth in Section 42.1 and as described on EXHIBIT O.

42.3. TERMINATION OF LEASE. In the event of Exercise of Option as set forth herein and the acquisition of Leased Properties by Lessee, this Lease shall terminate effective as of the closing of such purchase.

SIGNATURE PAGES FOLLOW

IN WITNESS WHEREOF, the parties hereto have respectively executed this Lease effective as of the Effective Date.

LESSOR

WILLIAMS HEADQUARTERS BUILDING COMPANY, A Delaware Corporation

By: ----------
Name: ----------
Title: ----------

LESSEE

WILLIAMS TECHNOLOGY CENTER, LLC, A Delaware Limited Liability Company

By: ----------
Name: ----------
Title: ----------

GUARANTOR

WILLIAMS COMMUNICATIONS, LLC, A Delaware Limited Liability Company

By: ----------
Name: ----------
Title: ----------

WCG - FOR THE LIMITED PURPOSE OF SECTION 8.2, 8.3, ARTICLE XVII, AND SECTION 23.2

WILLIAMS COMMUNICATIONS GROUP, INC. A DELAWARE CORPORATION

BY: ----------
NAME: ----------
TITLE: ----------

EXHIBIT A	-	Center Parcel Real Property Description
EXHIBIT B	-	Parking Structure Parcel Property Description
EXHIBIT C	-	Credit Agreement
EXHIBIT D	-	Lessee's Certificate
EXHIBIT E	-	Permitted Encumbrances
EXHIBIT F	-	Consent and Non-Disturbance Agreement
EXHIBIT G	-	Memorandum or Short Form of Lease
EXHIBIT H	-	Guaranty
EXHIBIT I	-	Interest Rate Calculation
EXHIBIT J	-	Realty Base Rent Computation
EXHIBIT K	-	Category 1 FF&E Tangible Personal Property Description
EXHIBIT L	-	Category 1 FF&E Base Rent Computation
EXHIBIT M	-	Category 2 FF&E Tangible Personal Property Description
EXHIBIT N	-	Category 2 FF&E Base Rent Computation
EXHIBIT O	-	Option to Purchase/Put Option Terms
EXHIBIT P	-	UCC Information
SCHEDULE 22.2	-	Sublease Parties

EXHIBIT A

Center Parcel Real Property Description

The Easterly Half (E/2) of Block Eighty-eight (88), ORIGINAL TOWN OF TULSA, located in the City of Tulsa, Tulsa County, State of Oklahoma, according to the Official Plat thereof, more particularly described as follows:

BEGINNING at the Southeasterly corner of Block 88; thence Northerly 300 feet along the Easterly line of Block 88 to the Northeasterly corner of said Block; thence Westerly along the Northerly line of said Block a distance of 150 feet to a point; thence Southerly a distance of 300 feet to a point on the Southerly line of said Block; thence Easterly along the Southerly line 150 feet to the Point of Beginning.

AND, the following described property:

A portion of East First Street adjacent to Blocks 73 and 88 of the Original Townsite of Tulsa, Tulsa County, State of Oklahoma, a portion of South Cincinnati Avenue adjacent to Blocks 88 and 87, Original Townsite, Tulsa County, State of Oklahoma and said portion of East Second Street adjacent to Blocks 88 and 106, Original Townsite of Tulsa, Tulsa County, State of Oklahoma, that is below an elevation of Three (3) feet lower than the driving lanes of said roadway. Said potion of streets being more fully described as follows to wit:

Commencing at the point of beginning, said point being the northeast corner of Block 88; thence westerly along the northerly line of said Block 88 a distance of 160.00 feet; thence northerly and perpendicular to the northerly line of said Block 88 a distance of 3.50 feet; thence easterly and parallel the northerly line of said Block 88 a distance of 166.75 feet; thence southerly and parallel the easterly line of said Block 88 a distance of 311. 50 feet; thence westerly and parallel the southerly line of Block 88 a distance of 166.75 feet; thence northerly a distance of 8.00 feet to a point on the southerly line of said Block 88, said point being 10.00 feet westerly from the southwest corner of Lot 6, Block 88; thence easterly along the southerly line of Block 88 a distance of 160.00 feet to the southeast corner of Lot 6 Block 88; thence northerly along the easterly line of Block 88 a distance of 300.00 feet to the point of beginning.

Skywalk No. 1

The following described property:

A portion of South Cincinnati Avenue adjacent to Blocks 73 and 74, Original Townsite of Tulsa, Tulsa County, State of Oklahoma, that is above an elevation of Twenty Seven (27) feet higher than the driving lanes of the said roadway. Said portion of South Cincinnati Avenue being more fully described as follows to wit:

Commencing at the point of beginning, said point being the southwest corner of Lot 3 Block 74, Original Townsite; thence northerly along the westerly line a distance of 32.00 feet of said Lot 3, Block 74; thence westerly and perpendicular a distance of 80.00 feet to a point on the easterly line of Lot 1, Block 73, Original Townsite; thence southerly along the easterly line a distance of 32.0 feet of said Lot 1, Block 73; thence easterly and perpendicular a distance of 80.00 feet to the point of beginning.

Skywalk No. 2

The following described:

A portion of East First Street adjacent to Blocks 73 and 88 of the Original Townsite of Tulsa, Tulsa County, State of Oklahoma, that is above an elevation of Twenty Seven (27) feet higher than the driving lanes of the said roadway. Said portion of East First Street being more fully described as follows to wit:

Commencing at the point of beginning, said point being the southeast corner of Lot 1, Block 73, Original Townsite; thence westerly along the southerly line of Lot 1 Block 73 a distance of 26.00 feet; thence southerly and perpendicular a distance of 80.00 feet to a point on the northerly line of Lot 3, Block 88, Original Townsite; thence easterly along the northerly line of Lot 3 Block 88 a distance of 26.00 feet to the northeast corner of Lot 3, Block 88; thence northerly and perpendicular a distance of 80.00 feet to the point of beginning.

EXHIBIT B

Parking Structure Parcel Property Description

TRACT A:

Lots One (1), Two (2), Three (3) and Four (4), Block Seventy-four (74), ORIGINAL TOWNSITE OF TULSA, now City of Tulsa, Tulsa County, State of Oklahoma, according to the Official Plat thereof;

TRACT B:

All that part of the Original Tulsa Station and Depot Grounds of the Burlington Northern Railroad Company's Right of Way located in Sections 1 and 2, Township 19 North, Range 12 East of the Indian Base and Meridian, more particularly described as follows, to-wit:

BEGINNING at a point that is the Northwest corner of Block 74, Original Town of Tulsa, now City of Tulsa, Tulsa County, Oklahoma, according to the Official Plat thereof; thence Westerly along the Westerly production of the North line of Block 74, a distance of 80.00 feet to a point, also being the Northeast corner of Block 73, said point also being the Southeast corner of that certain sale to the Tulsa Urban Renewal Authority, dated December 30, 1970, recorded December 30, 1970, in Book 3951 at Pages 1235, 1236, 1237 and 1238, and correction deed dated August 28, 1973; thence Northerly along the Northerly production of the East line of said Block 73 a distance of 200.00 feet; thence Easterly parallel 200.00 feet Northerly of the North line of said Block 74 a distance of 80.00 feet to a point on the Northerly production of the West line of Block 74; thence Southerly along the Northerly production of the West line of Block 74 a distance of 20.00 feet; thence Easterly parallel 180.00 feet Northerly of the North line of said Block 74 a distance of 60.91 feet to a point of intersection with an existing concrete retaining wall; thence Northeasterly along a deflection angle to the left of 5(degree)42'01" a distance of 240.27 feet to a point on the Northerly production of the East line of Block 74; thence Southerly along said Northerly production of the East line of Block 74 a distance of 203.86 feet to the Northeast corner of Block 74; thence Westerly along the Northerly line of Block 74 a distance of 300.00 feet to the Point of Beginning of said tract of land.

AND, the following described property:

A portion of East First Street adjacent to Block 74 and Block 87 of the Original Townsite of Tulsa, Tulsa County, State of Oklahoma, that is below an elevation of One (1) foot lower than the driving lanes of said roadway. Said portion of street being more fully described as follows to wit:

Commencing at a point of beginning, said point being the southwest corner of Block 74; thence southerly and perpendicular to the south line of Block 74 a distance of 2.75 feet; thence easterly and parallel to the southerly line of said Block 74 a distance of 302.75 feet; thence northerly and parallel to the easterly line of Block 74 a distance of 191.00 feet; thence westerly and perpendicular a distance of 2.75 feet to the east line of Block 74; thence southerly along the east line of Block 74 a distance of 188.25 feet, thence westerly along the southerly line of Block 74 a distance of 300.00 feet, to the point of beginning.

EXHIBIT I

Interest Rate Calculation

The following definitions shall apply to this EXHIBIT I:

"ABR", when used herein, refers to interest at a rate determined by reference to the Alternate Base Rate.

"Applicable Margin" means, for any day, (i) the applicable rate per annum set forth below under the caption "Eurodollar Spread" or "ABR Spread", as the case may be, based upon the Guarantor's Bank Facility Rating set by S&P and Moody's, respectively, applicable on such date plus (ii) the applicable rate per annum set forth below under the caption "Leverage Premium", unless the Total Leverage Ratio, as determined by reference to the financial statements delivered to the Lessor in respect of the most recently ended fiscal quarter of WCG, is less than 6:00 to 1:00.

"Eurodollar", when used herein, refers to interest at a rate determined by reference to the Adjusted LIBO Rate.

"Facilities" means the Term Facility, the Revolving Facility, the Incremental Facility and each Additional Incremental Facility, all as defined in the Credit Agreement.

"LIBO Rate" means, with respect to any Eurodollar Rate, the rate appearing on Page 3750 of the Telerate Service (or on any successor or substitute page of such Service, or any successor to or substitute for such Service, providing rate quotations comparable to those currently provided on such page of such Service, as determined by the Lessor from time to time for purposes of providing quotations of interest rates applicable to dollar deposits in the London interbank market) at approximately 11:00 a.m., London time, two (2) Business Days prior to the first day of each calendar month, as the rate for dollar deposits with a maturity of thirty (30) days. In the event that such rate is not available at such time for any reason, then the "LIBO Rate" shall be the rate (rounded upwards, if necessary, to the next 1/16 of 1%) at which dollar deposits of $5,000,000 and for a maturity of thirty (30) days are offered by the principal London office of the CitiBank, N.A., in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, two (2) Business Days prior to the first day of each calendar month. In either case, the applicable LIBO Rate shall be effective for the calendar month next succeeding the date of such determination.

"Moody's" means Moody's Investors Service, Inc.

"S&P" means Standard & Poor's Ratings Services, a division of the McGraw Hill Companies.

At Lessee's option, ABR plus Applicable Margin or LIBO Rate plus Applicable Margin (the "Rate") as determined from time to time by S&P or by Moody's based on Guarantor's Facilities Rating in accordance with the grid below:

	Facilities Rating of Guarantor	ABR Spread	EURODOLLAR SPREAD	Leverage Premium
Level I	BBB- and Baa3 or higher	0.50%	1. 50%	.25%
Level II	BB+ and Ba1	0.875%	1.875%	.25%
Level III	BB and Ba2	1.25%	2.25%	.25%
Level IV	BB- and Ba3	1.50%	2.50%	.25%
Level V	Lower than BB- or lower than Ba3	1.75%	2.75%	.25%

For purposes of the foregoing (i) if neither S&P nor Moody's or any replacement or successor facility of similar size shall have in effect a rating for the Facilities, then the Applicable Margin shall be the rate set forth in Level V, (ii) if either S&P or Moody's, but not both S&P and Moody's, shall have in effect a rating for the Facilities, then the Applicable Margin shall be based on such rating, (iii) if the ratings established by S&P and Moody's for the Facilities shall fall within different Levels, then the Applicable Margin shall be based on the lower of the two ratings, (iv) if the ratings established by S&P and Moody's for the Facilities shall fall within the same Level, then the Applicable Margin shall be based on that Level and (v) if the ratings established by S&P and Moody's for the Facilities shall be changed (other than as a result of a change in the rating system of S&P or Moody's), such change shall be effective as of the date on which it is first announced by the applicable rating agency. Each change in the Applicable Margin shall apply during the period commencing on the effective date of such change and ending on the date immediately preceding the effective date of the next such change.

EXHIBIT J

Realty Base Rent Computation

Monthly Realty Base Rent to be an amount as would be necessary to amortize $168,892,596 (the "Realty Base Rent Principal") on a straight-line basis over a period of four hundred and eighty (480) months plus interest (the "Realty Base Rent Interest") calculated at the Rate for the first thirty-six (36) months after the Commencement Date and on a straight-line basis over a period of two hundred and four (204) months plus interest calculated at the Rate for the remaining balance thereafter, subject however to the adjustments made with respect to levels two (2) and three (3) of the Center as set forth in Section 3.1. On the Realty Expiration Date, a final payment of Realty Base Rent in the amount computed by taking what would be the remaining Realty Base Rent Principal as amortized pursuant to this EXHIBIT J, as of the Realty Expiration Date.

EXHIBIT K

Category 1 FF&E Tangible Personal Property Description

	AFE	AMOUNT
Furniture	#10001052	$17,878,000
Design Fees & Expenses	#10001285	$ 2,345,477
Voice Systems	IT-VS-2001	$ 5,465,827
Flooring (initial order)	#10000723 & 10001038	$ 1,677,487
Contingent Costs		$ 1,189,689
SUBTOTAL		$28,556,480

The Lessor and Lessee agree to reconcile the exact Category 1 FF&E within forty-five (45) days of the Substantial Completion Date as defined in the Construction Completion Agreement.

EXHIBIT L

Category 1 FF&E Base Rent Computation

CATEGORY 1 FF&E BASE RENT. Monthly Category 1 FF&E Base Rent to be an amount as would be necessary to amortize $28,556,480 on a straight-line basis over a period of sixty (60) months plus interest calculated at the Rate.

EXHIBIT M

Category 2 FF&E Tangible Personal Property Description

	AFE	AMOUNT
Desktop	IT-DT-2001	$ 7,608,570
Audio Visual	#10001221	$19,996,330
Data Network	IT-DN-2001	$13,800,779
Servers	IT-SA-2001	$ 5,867,282
Contingent Costs		$ 277,963
SUBTOTAL		$47,550,924

The Lessor and Lessee agree to reconcile the exact Category 2 FF&E within forty-five (45) days of the Substantial Completion Date as defined in the Construction Completion Agreement.

EXHIBIT N

Category 2 FF&E Base Rent Computation

CATEGORY 2 FF&E BASE RENT. Monthly Category 2 FF&E Base Rent to be an amount as would be necessary to amortize $47,550,924 on a straight-line basis over a period of thirty-six (36) months plus interest calculated at the Rate.

EXHIBIT O

1. OPTION TO PURCHASE/ PUT OPTION TERMS

1.1 SALE AGREEMENT. Upon the exercise by Lessee of its option to purchase or by Lessor of its option to require the Lessee to purchase (either being described herein as an "Exercise of Option"), both as set forth in Article XLII, the Lessor agrees to sell to the Lessee and the Lessee agrees to purchase from the Lessor the Realty for the Repurchase Price, on the terms hereinafter stated.

1.2 TITLE. Lessor shall transfer title to the Realty subject only to outstanding mineral interests of record, if any, the Permitted Exceptions and such other easements, restrictions of record.

1.3 LESSOR'S DELIVERIES BEFORE CLOSING. Within twenty (20) days after the Exercise Date, Lessor will deliver to Lessee the following:

1.3.1 Leases and Contracts. Access to all leases and contracts affecting the ownership, operation or maintenance of the Realty.

1.3.2 Survey. Any existing surveys of the Realty, in Lessor's possession or control.

1.4 SELLER'S DELIVERIES AT CLOSING. At Closing, Lessor shall deliver to Lessee the following:

1.4.1 Deed. A duly-executed and acknowledged Special Warranty Deed the form of which is attached hereto as Exhibit I conveying to the Lessee marketable fee simple title to all of the Realty free of all liens and Encumbrances and defects in title except as set forth in to Paragraph 1.2 hereinabove.

1.4.2 Evidence of Authority. Reasonable evidence of the Lessor's authority to consummate the transactions contemplated hereby.

1.4.3 Leases and Contracts. The originals of the items listed in Paragraph 1.3.1 hereinabove.

1.4.4 Lien Affidavit. Affidavit executed by Lessor in form acceptable to the title company to the effect that the Realty is free from claims for mechanics', materialmen's and laborers' liens except as arising from the acts of Lessee.

1.4.6 Bill of Sale. If the Closing Date occurs on or prior to either the Category 1 FF&E Expiration Date at the Category 2 FF&E Expiration Date, a

Special Warranty Bill of Sale covering the Category 1 FF&E and/or the Category 2 FF&E, as applicable.

1.5 LESSEE'S DELIVERIES AT CLOSING. At Closing, Lessee shall deliver to Lessor the following:

1.5.1 Consideration. The Repurchase Price.

1.6 CLOSING COSTS. All of the closing costs of or related to this transaction of whatever character or nature, and regardless of which party may have incurred the same shall be payable in full, by the Lessee.

1.7 CLOSING DATE. In the event of the Exercise Option, the closing (the "Closing Date") of the purchase and sale of the Realty shall be the earlier to occur of (i) the Realty Expiration Date, or (ii) ninety (90) days after the Exercise Date, with the exact date of Closing Date to be set by Lessor upon at least ten (10) days prior written notice to Lessee.

2. PURCHASE AND SALE TERMS FOR LEASED PERSONAL PROPERTY.

TRANSFER UPON PAYMENT. Upon the payment in full in each case of (i) the Category 1 FF&E Base Rent and (ii) the Category 2 FF&E Base Rent, the Lessor agrees to sell to Lessee and Lessee agrees to purchase from Lessor for no additional consideration, the Category 1 FF&E and Category 2 FF&E respectively. In the event of either of the foregoing, (i) within twenty (20) days after the Category 2 FF&E Expiration Date the Lessor shall provide to Lessee a Special Warranty Bill of Sale covering $47,550,924 of original cost of Category 2 FF&E, and (ii) within twenty (20) days after the Category 1 FF&E Expiration Date shall provide to Lessee a Special Warranty Bill of Sale covering $28,556,481 of original cost of Category 1 FF&E.

3. DEFAULT AND REMEDIES. In the event either party defaults in the performance of any obligations under this EXHIBIT O, the non-defaulting party shall give written notice of such default to the defaulting party. The defaulting party (i) shall have thirty (30) days from receipt of such notice in which to cure such default, or (ii) in the event such default involves performance other than the payment of money, and cannot be reasonably cured within such thirty (30) day period notwithstanding the diligent efforts of the defaulting party, shall have such additional period as may be necessary to cure such default so long as the defaulting party has commenced such cure within such thirty (30) day period and thereafter diligently and continuously pursues a cure of such default. In the event any such default is not cured within such period, the non-defaulting party shall be entitled either (i) to waive such default in writing, or (ii) to pursue any and all of its rights and remedies under applicable law, including, without limitation, specific performance.

EXHIBIT 10.7

EXECUTION COPY

INTERCREDITOR AGREEMENT

Intercreditor Agreement dated as of September 8, 1999 among The Williams Companies, Inc., a Delaware corporation (the "Parent"), Williams Communications Group, Inc., a Delaware corporation and a direct subsidiary of the Parent ("Holdings"), Williams Communications, Inc., a Delaware corporation and wholly owned direct subsidiary of Holdings (the "Borrower") and Bank of America, N.A., as Administrative Agent (the "Administrative Agent").

W I T N E S S E T H:

WHEREAS, Holdings and the Borrower are parties to a Credit Agreement (the "Credit Agreement") dated as of September 8, 1999 among themselves, the Lenders party thereto, Bank of America, N.A., as Administrative Agent, and The Chase Manhattan Bank, as Syndication Agent (the "Syndication Agent" and, together with the Administrative Agent, the "Agents");

WHEREAS, Holdings and the Borrower may become parties to one or more Incremental Credit Facilities (each, an "Incremental Facility" and, collectively, the "Incremental Facilities") as permitted by Section 2.20 of the Credit Agreement;

WHEREAS, the Borrower is the obligor on an intercompany promissory note in favor of the Parent in an outstanding principal amount not to exceed at any time $1,000,000,000 plus (i) accrued interest thereon added to the principal amount thereof, if any, and (ii) unpaid amounts owing by the Borrower under certain contracts with the Parent added to the principal amount thereof, if any, in an aggregate amount not to exceed $25,000,000 in any year (the "Intercompany Note");

WHEREAS, the Borrower is a party to the Participation Agreement and the other Operative Documents governing the ADP and the ADP Obligations;

WHEREAS, the Parent, as successor to its wholly owned direct subsidiary, Williams Holdings of Delaware, Inc. ("Delaware Holdings"), is a party to the Amended and Restated Guaranty Agreement (the "ADP Guaranty") dated as of September 2, 1998 between Delaware Holdings and State Street Bank and Trust Company of Connecticut, National Association, as Trustee and Collateral Agent, and Citibank, N.A., as Agent and APA Agent, pursuant to which Delaware Holdings has guaranteed all of the ADP Obligations under the ADP; and

WHEREAS, in order to induce the Agents, the Lenders, the Swingline Lenders, the Issuing Banks and the successors and assigns of any of them (collectively, the "Benefitted Persons") to enter into the Credit Agreement and any Incremental Credit Facilities, the Parent has agreed to enter into this Agreement;

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1

DEFINITIONS

SECTION 1.01. Defined Terms; References. Unless otherwise specifically defined herein, each term defined in the Credit Agreement is used herein (including the preamble and the recitals hereto) as therein defined. The following additional terms, as used herein, have the meanings assigned to such terms in Appendix A to the Participation Agreement:

"Completion Date"

"Environmental Trigger"

"Expiration Date"

"Item"

"Lease"

"Offer to Purchase"

"Property"

"Renewal Term"

"Termination Date"

"Termination Value"

"Unwind Event"

ARTICLE 2

REPRESENTATIONS AND WARRANTIES

The Parent represents and warrants as follows:

SECTION 2.01. Organization; Powers. The Parent is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and has all requisite power and authority to carry on its business as now conducted, and except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a material adverse effect on the business, assets, prospects or condition, financial or otherwise, of the Parent and its subsidiaries, considered as a whole, is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required.

SECTION 2.02. Authorization; Enforceability. The execution, delivery and performance by the Parent of this Agreement are within the Parent's corporate powers and have been duly authorized by all necessary corporate action. This Agreement has been duly executed and delivered by the Parent and constitutes a legal, valid and binding obligation of the Parent, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 2.03. Governmental Approvals; No Conflicts. The execution, delivery and performance by the Parent of this Agreement (i) do not require any consent or approval of, registration or filing with, or any other action by or in respect of, any Governmental Authority, except such as have been obtained or made and are in full force and effect, (ii) will not violate any applicable law or regulation or the charter, by-laws or other organizational documents of the Parent or any subsidiary of the Parent or any order or decree of any Governmental Authority, (iii) will not violate or result in a default under any indenture, agreement or other instrument binding upon the Parent or any subsidiary of the Parent or any of their respective assets, or give rise to a right thereunder to require any payment to be made by the Parent or any subsidiary of the Parent and (iv) will not result in the creation or imposition of any Lien on any asset of the Parent or any subsidiary of the Parent.

ARTICLE 3

COVENANTS IN RESPECT OF ADP

Until the Commitments shall have expired or been terminated, all Obligations shall have been paid in full and all Letters of Credit shall have expired or been terminated, the Parent unconditionally covenants and agrees with the Administrative Agent, for the benefit of the Benefitted Persons, that:

SECTION 3.01. Payment of ADP Guaranteed Obligations. If the Borrower elects, or is required, to make any payment (other than Fixed Rent) under the Operative Documents (whether such payment is in respect of the Termination Value or otherwise), the Parent, for the benefit of the Borrower and the Benefitted Persons, will make such payment punctually in cash as and when the same shall become due and payable, whether at maturity or by declaration or otherwise; provided that this section shall not prevent the Borrower from making any such payment or any portion thereof, in lieu of payment thereof by the Parent, if, on the date of such payment, (x) the Borrower is permitted to make such payment under Section 6.04(g) of the Credit Agreement and (y) no Default has occurred and is continuing or would result therefrom.

SECTION 3.02. Default under Operative Documents. Upon the occurrence of a Default (as defined in the Participation Agreement) (an "ADP Default"), an Event of Default (as defined in the Participation Agreement) (an "ADP Event of Default"), an Environmental Trigger or an Unwind Event under the Operative Documents (or any other event under the Operative Documents which, with the giving of notice or lapse of time or both, would permit any party to the Operative Documents to exercise any remedy thereunder), the Parent will, unless such ADP Default, ADP Event of Default, Environmental Trigger or Unwind Event has been cured or waived by the Borrower, prior to any exercise of remedies by any party to the Operative Documents, (i) pay the Termination Value of the Property and any other amounts due under the Operative Documents punctually in full in cash (or if such event is susceptible to cure, the Termination Value of the Item or Items of Property necessary to cure such event) and (ii) take all other actions as may be necessary, desirable or requested by the Administrative Agent or the Required Lenders in order to prevent any retention by, or sale, transfer or other disposition of the Property or any Item thereof to, any Person other than the Borrower or the Parent; provided that this section shall not prevent the Borrower from making any such payment or portion thereof in respect of the Termination Value or any other such amount, in lieu of payment thereof by the Parent, if, on the date of such payment, (x) the Borrower is permitted to make such payment under Section 6.04(g) of the Credit Agreement and (y) no Default has occurred and is continuing or would result therefrom.

SECTION 3.03. Election to Purchase the Property and Pay Termination Value. (a) If the Borrower elects to exercise its option to purchase the Property or any Item thereof at any time for any reason, the Parent will pay the Termination Value of such Property and any other amounts due under the Operative Documents punctually in full in cash; provided that this section shall not prevent the Borrower from making any such payment or any portion thereof in respect of the Termination Value or any such other amount, in lieu of payment thereof by the Parent, if, on the date of such payment by the Borrower, (x) the Borrower is permitted to make such payment under Section 6.04(g) of the Credit Agreement and (y) no Default has occurred and is continuing or would result therefrom.

(b) If, immediately prior to the occurrence of the Completion Date, the Termination Date, the Expiration Date or any other date upon which the ADP terminates, the Property would be included on the consolidated balance sheet of the Borrower and its consolidated subsidiaries in accordance with GAAP, the Borrower agrees to exercise its option to purchase the Property by delivering an Offer to Purchase the Property in accordance with the Operative Documents. Upon the exercise of such option, the Parent will pay the Termination Value of such Property and any other amounts due under the Operative Documents punctually in full in cash; provided that this section shall not prevent the Borrower from making any such payment or any portion thereof in respect of the Termination Value or any such other amount, in lieu of payment thereof by the Parent, if, on the date of such payment by the Borrower, (x) the Borrower is permitted to make such payment under Section 6.04(g) of the Credit Agreement and (y) no Default has occurred and is continuing or would result therefrom.

SECTION 3.04. Contribution of Property. At any time when the Parent has a right to acquire and acts to exercise such right, or otherwise acquires, any of the Property (whether by payment of all, or a portion of, the Termination Value or otherwise), the Parent will immediately contribute such Property (and any right to acquire such Property) to Holdings and Holdings will immediately contribute all such Property (and any such right) to the Borrower, in each case as a capital contribution to Holdings or the Borrower, as the case may be.

SECTION 3.05. No Subrogation; Contributions to Holdings's Capital. The Parent and Holdings, for the benefit of the Benefitted Persons, hereby waive any right to be subrogated to the rights of any obligee under the Operative Documents or any other Person against the Borrower with respect to any payment made under Section 3.01, 3.02 or 3.03 above or any contribution of Property to Holdings or the Borrower pursuant to Section 3.04 above, whether such right arises by operation of law or otherwise. The Parent and Holdings acknowledge and agree that their only right in respect of any such payment or contribution of Property shall be the right to treat such payment or contribution of Property as (i)

in the case of the Parent, (A) a contribution to the capital of Holdings, in return for which the Parent may acquire Qualifying Equity Interests of Holdings in an aggregate amount equal to such payment or the Termination Value of the contributed Property, as the case may be, or (B) a contribution to Holdings in return for which the Parent may acquire Qualifying Holdings Debt in an aggregate principal amount equal to such payment or the Termination Value of the contributed Property, as the case may be, or (ii) in the case of Holdings, a contribution to the capital of the Borrower, in return for which Holdings may acquire Qualifying Equity Interests of the Borrower in an aggregate amount equal to such payment or the Termination Value of the contributed Property, as the case may be.

SECTION 3.06. Further Assurances. Each of the Parent, Holdings and the Borrower will, and will cause each subsidiary of the Parent to, execute any and all documents, agreements and instruments, and take all such further actions which may be necessary, desirable or requested by the Administrative Agent or the Required Lenders to (i) effectuate the foregoing provisions relating to the Property and the acquisition by, or contribution to, the Borrower of all such Property and (ii) prevent any retention by, or sale, transfer or other disposition of the Property or any Item thereof to, any Person other than the Borrower or the Parent.

ARTICLE 4

INTERCREDITOR ARRANGEMENTS IN RESPECT OF INTERCOMPANY NOTE

Until the Commitments shall have expired or been terminated, the Obligations shall have been paid in full and all Letters of Credit shall have expired or been terminated, the Parent, Holdings and the Borrower unconditionally covenant and agree with the Administrative Agent, for the benefit of the Benefitted Persons, as follows:

SECTION 4.01. Intercompany Note. The Parent, Holdings and the Borrower agree that the Intercompany Note shall be subject to the provisions of this Article 4. The Parent accepts and agrees that all payments of principal of, and interest on, and all other obligations in respect of, the Intercompany Note, shall, to the extent and in the manner set forth in this Article 4, be subordinated in right of payment to the prior payment in full in cash of all Obligations.

SECTION 4.02. Borrower Not to Make Payments under the Intercompany Note in Certain Circumstances. Upon the occurrence and during the continuation of any Default or Event of Default (other than any Default or Event of Default referred to in Section 7.01(e) of the Credit Agreement) (each such non-excluded

Default or Event of Default being referred to in this Agreement as a "Facility Default"):

(a) no payment shall be made by Holdings, the Borrower or any other Subsidiary on or with respect to the principal of, or interest on, or other obligations in respect of, the Intercompany Note or to acquire the Intercompany Note or any portion thereof unless and until such Facility Default shall have been cured or waived, nor shall any such payment be made if after giving effect, as if paid, to such payment, any Facility Default would exist;

(b) the Parent shall not demand, accept or receive, or attempt to collect or commence any legal proceedings to collect, any direct or indirect payment (in cash or property or by setoff, exercise of contractual or statutory rights or otherwise) of or on account of any amount payable on or with respect to the Intercompany Note; and

(c) the Parent will not commence or maintain any action, suit or any other legal or equitable proceeding against Holdings, the Borrower or any other Subsidiary, or join with any creditor in any such proceeding, under any insolvency, bankruptcy, receivership, liquidation, reorganization or other similar law, unless the Benefitted Persons shall also join in bringing such proceeding, provided that this Section 4.02 shall not prohibit the Parent from filing a proof of claim or otherwise participating in any such proceeding not commenced by it.

SECTION 4.03. Intercompany Note Subordinated to Prior Payment of all Obligations on Dissolution, Liquidation or Reorganization of the Borrower. In the event of any insolvency or bankruptcy proceedings, or any receivership, liquidation, reorganization or other similar proceedings in connection therewith, relative to the Borrower or to its creditors, in their capacity as creditors of the Borrower, or to substantially all of the Borrower's property, and in the event of any proceedings for voluntary liquidation, dissolution or other winding up of the Borrower, whether or not involving insolvency or bankruptcy:

(a) the Benefitted Persons shall first be entitled to receive payment in full of the principal of, all interest (including Post-Petition Interest) on, and all other amounts payable that constitute or relate to the Obligations before the Parent shall be entitled to receive any payment on account of the principal of, or interest on, or other obligations in respect of, the Intercompany Note;

(b) the Intercompany Note shall forthwith (notwithstanding any other provision contained in this Article 4) become due and payable and any payment or distribution of assets of the Borrower of any kind or character, whether in cash, property or securities, to which the Parent would be entitled, but for the provisions

of this Article 4, shall be paid or distributed by the liquidating trustee or agent or other person making such payment or distribution, whether a trustee in bankruptcy, a receiver or liquidating trustee or other trustee or agent, directly to the Administrative Agent or any other representative on behalf of the Benefitted Persons, to the extent necessary to make payment in full of all Obligations remaining unpaid, after giving effect to any concurrent payment or distribution to the Befitted Persons;

(c) the Parent irrevocably authorizes and empowers (without imposing any obligation on) each Benefitted Person, the Administrative Agent and any other representative on behalf of the Benefitted Persons to demand, sue for, collect and receive such Benefitted Person's ratable share of all such payments and distributions in respect of the Intercompany Note and to receipt therefor, and to file and prove all claims therefor and take all such other action not inconsistent with the foregoing (including the right to vote such Benefitted Person's ratable share of the Intercompany Note) in the name of the Parent, as such Benefitted Person, the Administrative Agent or any other representative on behalf of the Benefitted Persons may determine to be necessary or appropriate for the enforcement of the provisions of this Article 4; and

(d) the Parent shall execute and deliver to the Administrative Agent all such further instruments confirming the above authorization, and all such powers of attorney, proofs of claim, assignments of claim and other instruments, and shall take all such other action as may be requested by any Benefitted Person, in order to enable the Administrative Agent or such other Benefitted Person to enforce all claims upon or in respect of each Benefitted Person's ratable share of the Intercompany Note.

SECTION 4.04. Rights of Holders of Obligations; Subrogation. (a) Should any payment or distribution or security or the proceeds of any distribution thereof be collected or received by the Parent in respect of the Intercompany Note, and such collection or receipt is prohibited hereunder prior to the payment in full of the Obligations, the Parent will forthwith deliver the same to the Administrative Agent for the equal and ratable benefit of the Benefitted Persons in precisely the form received (except for the endorsement or the assignment of or by the Parent where necessary) for application to payment of all Obligations in full, after giving effect to any concurrent payment or distribution to the Benefitted Persons and, until so delivered, the same shall be held in trust by the Parent as the property of the Benefitted Persons.

(b) All payments and distributions received by the Administrative Agent in respect of the Intercompany Note, to the extent received in or converted into cash, may be applied by the Administrative Agent first to the payment of any and

all reasonable out-of-pocket expenses (including attorney's fees and legal expenses) paid or incurred by the Administrative Agent or such representative in enforcing the provisions hereof or in endeavoring to collect or realize upon the Intercompany Note, and any balance thereof shall, solely as between the Parent, on the one hand, and the Benefitted Persons, on the other hand, be applied by the Administrative Agent in such order of application as the Administrative Agent may from time to time select, toward the payment of the Obligations remaining unpaid.

(c) The Parent shall not be subrogated to the rights of the Benefitted Persons to receive payments or distributions of assets of the Borrower until all amounts payable with respect to the Obligations shall be paid in full; and, for the purposes of such subrogation, no payments or distributions to the Parent of any cash, property or securities to which the Parent would be entitled except for these provisions shall, as between the Borrower, its creditors, other than the Benefitted Persons, and the Parent, be deemed to be a payment by the Borrower to or on account of the Obligations. The provisions of this Agreement are and are intended solely for the purpose of defining the relative rights of the Parent, on the one hand, and the holders of the Obligations, on the other hand.

(d) Subject to the payment in full of all Obligations, the termination of the Commitments and the expiration or termination of all Letters of Credit, the Parent shall be subrogated to the rights of the holders of the Obligations to receive payments or distributions of cash, property or securities of the Borrower applicable to the Obligations until all amounts owing on the Intercompany Note shall be paid in full. For purposes of such subrogation, no payments or distributions to the Parent of cash, property, securities or other assets by virtue of the subrogation herein provided which otherwise would have been made to the Benefitted Persons shall, as between the Borrower, its creditors other than the Benefitted Persons and the Parent, be deemed to be a payment to or on account of the Intercompany Note. The Parent agrees that, in the event that all or any part of any payment made on account of the Obligations is recovered from the Benefitted Persons as a preference, fraudulent transfer or similar payment under any bankruptcy, insolvency or similar law, any payment or distribution received by the Parent on account of the Intercompany Note at any time after the date of the payment so recovered, whether pursuant to the right of subrogation provided for in this Section 4.04(d) or otherwise, shall be deemed to have been received by the Parent in trust as the property of the Benefitted Persons and the Parent shall forthwith deliver the same to the Administrative Agent for the equal and ratable benefit of the Benefitted Persons for application to payment of all Obligations in full.

SECTION 4.05. Renewals, Extensions and Increases of the Obligations. The Parent hereby waives any and all notice of renewal, extension, accrual or

increase in the amount of any of the Obligations, present or future, and agrees and consents that without notice to or assent by the Parent:

(a) the obligation and liabilities of the Borrower, Holdings, any Loan Party or any other party or parties for or upon the Obligations (or any Loan Document or any other document evidencing, securing, or relating to the same) may, from time to time, in whole or in part, be renewed, extended, increased, modified, amended, accelerated, compromised, supplemented, terminated, sold, exchanged, waived or released;

(b) the Administrative Agent or any other representative acting on behalf of the Benefitted Persons, and the Benefitted Persons themselves, may exercise or refrain from exercising any right, remedy or power granted by or in connection with any agreements relating to the Obligations;

(c) any balance or balances of funds with any Benefitted Persons at any time standing to the credit of the Borrower may, from time to time, in whole or in part, be surrendered or released;

all as the Administrative Agent or any other representative or representatives acting on behalf of the Benefitted Persons, and the Benefitted Persons themselves, may deem advisable and all without impairing, abridging, diminishing, releasing or affecting the subordination of the Intercompany Note to the Obligations provided for herein.

SECTION 4.06. Obligation of Borrower Unconditional. Nothing contained in this Article 4 or in the Intercompany Note is intended to or shall impair, as between the Borrower, its creditors other than Benefitted Persons, and the Parent, the obligation of the Borrower, which is absolute and unconditional, to pay to the Parent the principal of, and interest on, the Intercompany Note, as and when the same shall become due and payable (except as provided in this Article 4), by lapse of time, acceleration or otherwise, in accordance with its terms, or is intended to or shall affect the relative rights of the Parent and other creditors of the Borrower other than the Benefitted Persons, nor shall anything herein or therein prevent the Parent (i) from taking all appropriate actions to preserve its rights under the Intercompany Note not inconsistent with the rights of the Benefitted Persons under this Article 4, or (ii) from exercising all remedies otherwise permitted by applicable law upon default under the Intercompany Note, subject to the rights, if any, under this Article 4 of the Benefitted Persons in respect of cash, property or securities of the Borrower otherwise payable or delivered to such holders upon the exercise of any such remedy.

SECTION 4.07. Intercompany Note Not to be Transferred. Unless and until all Obligations shall have been paid in full, the Commitments shall have been terminated and all Letters of Credit shall have expired or been terminated, the Parent will not sell, transfer, assign, pledge, hypothecate or otherwise dispose of the Intercompany Note, or enter into any transaction having the economic effect of any of the foregoing, and any such attempted sale, transfer, assignment, pledge, hypothecation or other disposition or transaction shall be null and void.

ARTICLE 5

MISCELLANEOUS

SECTION 5.01. Notices. All notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

(a) if to Holdings, the Borrower, either Agent or any Benefitted Person, as provided in the Credit Agreement; and

(b) if to the Parent, to it at One Williams Center, Tulsa, Oklahoma, 74172, Attention of Treasurer (Telecopy No. 918-573-2065).

Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

SECTION 5.02. Reliance. The Parent hereby acknowledges and agrees that the Benefitted Persons have relied upon and will continue to rely upon the provisions hereof in entering into the Credit Agreement and any Incremental Facility relating to the Obligations and in extending credit to the Borrower pursuant thereto.

SECTION 5.03. Waiver; Amendment. (a) No failure or delay by the Administrative Agent, any representative or representatives of the Benefitted Persons or any Benefitted Person in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent, any representative or representatives of the Benefitted Persons and the Benefitted

Persons hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No present or future Benefitted Person shall be prejudiced in its right to enforce the provisions contained herein in accordance with the terms hereof by any act or failure to act on the part of the Parent, Holdings, the Borrower or any Subsidiary.

(b) The provisions contained herein are for the benefit of the Benefitted Persons from time to time and, so long as any Commitment, Obligation or Letter of Credit is outstanding, may not be waived, rescinded, canceled or modified in any way without the prior written consent thereto of the Administrative Agent and the Required Lenders.

SECTION 5.04. Loan Document. Each of the parties hereto agrees that this Agreement is a Loan Document for all purposes under the Facilities, including without limitation, Article 7 of the Credit Agreement.

SECTION 5.05. Termination. The obligations of the Parent, Holdings and the Borrower under this Agreement shall remain in full force and effect until the date upon which all outstanding Obligations shall have been paid in full, all Commitments shall have terminated and all Letters of Credit and Specified Hedging Agreements shall have expired or been terminated. If at any time any amount paid or payable under any Loan Document or Specified Hedging Agreement is rescinded or must be otherwise restored or returned upon the insolvency, bankruptcy or reorganization of any Loan Party or otherwise, the obligations of the Parent, Holdings and the Borrower under this Agreement shall be reinstated at such time.

SECTION 5.06. Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, the Benefitted Persons and their respective successors and assigns) any legal or equitable right, remedy or claim under or by reason of this Agreement.

SECTION 5.07. Survival. All covenants, agreements, representations and warranties made by the Parent, Holdings and the Borrower in or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement.

SECTION 5.08. Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be

ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 5.09. Governing Law; Jurisdiction; Consent to Service of Process. (a) This Agreement shall be construed in accordance with and governed by the law of the State of New York.

(b) Each of the Parent, Holdings and the Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any other Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or any other Loan Document shall affect any right that the Administrative Agent or any Benefitted Person may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against the Parent, Holdings, the Borrower or their respective properties in the courts of any jurisdiction.

(c) Each of the Parent, Holdings and the Borrower hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in Section 5.08(b). Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 5.01. Nothing in this Agreement or any other Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 5.10. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY

APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 5.11. Headings. Article and Section headings used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 5.12. Counterparts. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

THE WILLIAMS COMPANIES, INC.

By: /s/ JAMES G. IVEY

Name: James G. Ivey
Title: Treasurer

WILLIAMS COMMUNICATIONS GROUP, INC.

By: /s/ SCOTT E. SCHUBERT

Name: Scott E. Schubert
Title: Senior Vice President & Chief Financial Officer

WILLIAMS COMMUNICATIONS, INC.

By: /s/ SCOTT E. SCHUBERT

Name: Scott E. Schubert
Title: Senior Vice President & Chief Financial Officer

BANK OF AMERICA, N.A., as Administrative Agent

By: /s/ PAMELA S. KURTZMAN

Name: Pamela S. Kurtzman
Title: Vice President

EXHIBIT 10.8

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INDENTURE

dated as of March 28, 2001

among

WCG NOTE TRUST,

Issuer,

WCG NOTE CORP., INC.,

Co-Issuer

and

UNITED STATES TRUST COMPANY OF NEW YORK,

Indenture Trustee and Securities Intermediary

8.25% Senior Secured Notes due 2004

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INDENTURE

This INDENTURE, dated as of March 28, 2001, is among WCG NOTE TRUST, a special purpose statutory business trust created under the law of the State of Delaware (the "Issuer"), WCG NOTE CORP., INC., a special purpose corporation organized under the law of the State of Delaware (the "Co-Issuer" and, together with the Issuer, the "Issuers"), and UNITED STATES TRUST COMPANY OF NEW YORK, a New York banking corporation duly organized and existing under the law of the State of New York (in its capacity as Indenture Trustee, together with its successors in such capacity, the "Indenture Trustee" and, in its capacity as securities intermediary, together with its successors in such capacity, the "Securities Intermediary").

WITNESSETH:

WHEREAS, pursuant to a Participation Agreement (the "Participation Agreement") dated as of March 22, 2001, among Williams, WCG, WCL, the Issuer, the Co-Issuer, the Share Trust, Wilmington Trust Company and United States Trust Company of New York (each as defined therein), the Issuers are required to issue, offer and sell the Senior Notes;

WHEREAS, the Issuers have authorized the issuance and sale of $1,400,000,000 original aggregate principal amount of their 8.25% Senior Secured Notes due 2004, the payments of which will be secured by the Security for the Senior Notes;

WHEREAS, the Issuer also wishes to secure its Reimbursement Obligations to Williams pursuant to the Remarketing and Support Agreement and the Liquidity Agreement with the Security for the Senior Notes;

WHEREAS, the execution and delivery of this Indenture has been duly authorized by the Issuers;

WHEREAS, the Indenture Trustee has accepted the trusts created by this Indenture and in evidence thereof has joined in the execution hereof; and

WHEREAS, all things necessary to make the Senior Notes, when issued and authenticated by the Indenture Trustee as contemplated in this Indenture, the legal, valid and binding obligations of the Issuers and to provide the Security for the Senior Notes have been done and performed.

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and for the purpose of fixing and declaring the terms and conditions upon which the Senior Notes are to be issued, authenticated, delivered, secured and accepted by all Persons who shall from time to time be or become holders thereof, the Issuers and the Indenture Trustee, for the benefit of the Noteholders, agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01. Definitions. References to "Sections" and "Articles" herein refer to Sections and Articles of this Indenture unless otherwise stated. Unless otherwise defined herein or unless the context shall otherwise require, capitalized terms used in this Indenture shall have the meanings assigned to such terms in Annex A to the Participation Agreement. Whenever used in this Indenture, the following words and phrases, unless the context otherwise requires, shall have the following meanings:

"Acceleration Trigger" means the occurrence of an Event of Default and the acceleration of the Senior Notes in accordance with Section 9.01.

"Account Statement" has the meaning assigned to such term in Section 5.06.

"Amount Available" means, at any time, with respect to any Indenture Account, the amount in cash credited to such Indenture Account at such time.

"Applicable Procedures" means, with respect to any transfer or exchange of, or for beneficial interests in, any Global Note, the applicable rules and procedures of the Depositary, Euroclear and Clearstream that apply to such transfer or exchange.

"Asset Remedy Standstill Period" has the meaning assigned to such term in Section 9.04(b)(ii).

"Authentication Order" means an order executed by the Issuers and addressed to the Indenture Trustee for the authentication and delivery of the Senior Notes.

"Cash Flow Event of Default" has the meaning assigned to such term in Section 9.01(b).

"Certificate of Authentication" has the meaning assigned to such term in Section 2.03(f).

"Clearstream" means Clearstream Banking, societe anonyme.

"Comparable Treasury Issue" means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the Senior Notes from the date of determination to the Maturity Date that would be utilized in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the applicable securities, at the time of selection and in accordance with customary financial practice.

"Comparable Treasury Price" means, with respect to any redemption date for the Senior Notes, (i) the average of the applicable Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest such applicable Reference Treasury Dealer Quotations, or (ii) if fewer than four such Reference Treasury Dealer Quotations are obtained, the average of all such Quotations.

"Corporate Trust Office" means the principal office of the Indenture Trustee at which at any particular time its corporate trust business shall be administered, which office, at the date of the execution of this Indenture, is located at United States Trust Company of New York, 114 West 47th Street, 25th Floor, New York, New York 10036, Attention: Louis P. Young or any other office specified from time to time in writing by the Indenture Trustee to the Issuers.

"Custodian" has the meaning assigned to such term in Section 2.01(b).

"Default Notice" has the meaning assigned to such term in Section 9.01.

"Definitive Notes" means one or more definitive Senior Notes registered in the name of the Holder thereof and issued in accordance with Section 2.06, substantially in the form of Exhibit A hereto except that such Senior Notes shall not bear the Global Note Legend and shall not have the "Schedule of Exchanges of Interests in the Global Note" attached thereto.

"Demand Notice" has the meaning assigned to such term in Section 5.05(a)(ii).

"Depositary" means DTC, its nominees and their respective successors and assigns or such other depository institution hereinafter appointed by the Issuers.

"Distribution Compliance Period" has the meaning assigned to such term in Regulation S.

"DTC" means The Depository Trust Company.

"Early Distribution" means (i) any prepayment on the WCG Note or (ii) any proceeds from a Reset Sale or a sale of the WCG Note pursuant to Section 9.04(i)(i),(ii) or (iii).

"Early Redemption" has the meaning assigned to such term in Section 14.01(a).

"Early Redemption Date" has the meaning assigned to such term in Section 14.01(a).

"Early Redemption Price" has the meaning assigned to such term in Section 14.01(b).

"Euroclear" means Morgan Guaranty Trust Company of New York, Brussels office, as operator of the Euroclear system, or any successor to Morgan Guaranty Trust Company of New York, Brussels office, as operator thereof.

"Excepted Rights" has the meaning assigned to such term in Section 9.04(g).

"Global Note Legend" has the meaning assigned to such term in Section 2.06(e)(ii).

"Global Notes" means, individually and collectively, one or more Rule 144A Global Notes, Regulation S Global Notes and/or Regulation S Temporary Global Notes.

"Grant" shall mean to grant, bargain, sell, warrant, alienate, remise, demise, release, convey, assign, transfer, mortgage, pledge, create and grant a security interest in or a Lien and right of set-off against, deposit, set over and confirm. A Grant of the Security for the Senior Notes or of any other instruments shall include all rights, powers and options (but none of the obligations) of the granting party thereunder, including the immediate continuing right to claim for, collect, receive and receipt for principal and interest payments in respect to the Security for the Senior Notes and all other moneys payable thereunder, to give and receive notices and other communications, to make waivers or other agreements, to exercise all rights and options, to bring proceedings in the name of the granting party or otherwise and generally to do and receive anything that the granting party is or may be entitled to do or receive thereunder or with respect thereto.

"Holders" and "Noteholders" means the registered holders from time to time of any of the Senior Notes.

"Indenture Accounts" has the meaning assigned to such term in Section 5.01(a).

"Indenture Interest Account" has the meaning assigned to such term in Section 5.01(a).

"Indenture Default" means any event or occurrence that with the giving of notice or lapse of time or both would become an Event of Default.

"Indenture Redemption Account" has the meaning assigned to such term in Section 5.01(a).

"Indenture Trustee Expenses" has the meaning assigned to such term in Section 11.07(a).

"Indenture Trustee Fee" means the initial and annual fee to be paid to the Indenture Trustee pursuant to Section 11.07 and in accordance with a separate fee agreement between the Issuer and the Indenture Trustee.

"Independent Investment Banker" means CSFB or another independent investment banking institution of national standing appointed by the Issuer.

"Indirect Participant" means a Person who holds a beneficial interest in a Global Note through a Participant.

"Insolvency Appointee" has the meaning assigned to such term in Section 7.01(d).

"Interest Payment Date" means each March 15 and September 15, commencing September 15, 2001.

"Issuer Only Payment Default" has the meaning assigned to such term in Section 9.04(i)(iv).

"Issuers' Certificate" means a certificate of the Issuer executed on behalf of itself (by the Issuer Trustee) and the Co-Issuer.

"Majority Noteholders" means, at any time, Noteholders holding, collectively, Senior Notes evidencing at least a majority in aggregate outstanding principal amount of the Senior Notes at such time.

"Mandatory Redemption" has the meaning assigned to such term in Section 15.01(d).

"Mandatory Redemption Date" has the meaning assigned to such term in Section 15.01(d).

"Mandatory Redemption Price" has the meaning assigned to such term in Section 15.01(d).

"Maturity Date" has the meaning assigned to such term in Section 2.02(c).

"Maturity Trigger" means the failure by Williams to exercise the Share Trust Release Option at least 120 days prior to the Maturity Date in an amount from Permitted Redemption Sources which, in the aggregate with all funds and any investments then held in the Indenture Accounts and available to the Indenture Trustee for repayment of the Senior Notes, is sufficient to repay all accrued and unpaid interest on and all outstanding principal of the Senior Notes on the Maturity Date and any other determinable amounts that are, or are scheduled to become, due and payable under this Indenture on or prior to the Maturity Date.

"Note Register" has the meaning assigned to such term in Section 2.04(a).

"Notice of Early Redemption" has the meaning assigned to such term in Section 14.02.

"Notice of Mandatory Redemption" has the meaning assigned to such term in Section 15.02.

"Officer's Certificate" means a certificate of any Person signed by any Authorized Officer of such Person.

"Opinion of Counsel" means an opinion in writing signed by legal counsel and delivered to the Indenture Trustee which counsel may be an employee of Williams or WCG or other counsel reasonably satisfactory to the Indenture Trustee.

"Outstanding" means at any time all Senior Notes authenticated and delivered by the Indenture Trustee under this Indenture except:

(a) Senior Notes theretofore canceled by the Indenture Trustee or delivered to the Indenture Trustee for cancellation;

(b) Senior Notes or portions thereof, with respect to which moneys in the amount necessary to pay such Senior Notes or portions thereof shall have been deposited in trust with the Indenture Trustee; provided that, if such Senior Notes or portions thereof are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as herein provided or provision satisfactory to the Indenture Trustee shall have been made for the giving of such notice; and

(c) Senior Notes in substitution or exchange for which other Senior Notes shall have been authenticated and delivered.

"Participant" means, with respect to the Depositary, Euroclear or Clearstream, a Person who has an account with the Depositary, Euroclear or Clearstream, respectively (and, with respect to DTC, shall include Euroclear and Clearstream).

"Paying Agent" means any Person authorized by the Issuers to pay the principal of, premium, if any, or interest on any Senior Notes on behalf of the Issuers as specified in Section 2.04(b).

"QIB" means a "qualified institutional buyer" within the meaning of Rule 144A.

"Qualified Equity Proceeds" means amounts equivalent to the proceeds of (i) sales of mandatorily convertible preferred (as to which the conversion must occur within three years of its issuance) or common equity securities of Williams, (ii) conversion by its terms of convertible debt or non-mandatorily convertible preferred stock into common equity securities of Williams, (iii) sales by Williams of its equity interests in WCG (or any of WCG's Subsidiaries), (iv) the liquidation by Williams of securities or assets received by Williams in exchange for its equity interests in WCG or (v) sales or dispositions of assets of Williams or its Subsidiaries for cash up to the amount of equity that has been issued by Williams in one or more consolidations, acquisitions, mergers or other similar transactions, in each case, occurring after the Closing Date.

"Record Date" has the meaning assigned to such term in Section 5.05(f).

"Reference Treasury Dealer" means at least four primary U.S. Government securities dealers in New York City as an Independent Investment Banker shall select at the request of the Issuer.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer, the average, as determined by an Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue for the Senior Notes (expressed in each case as a percentage of its principal amount), quoted in writing by such Reference Treasury Dealer at 5:00 p.m. on the third Business Day preceding a redemption date for the Senior Notes.

"Registrar" has the meaning assigned to such term in Section 2.04(a).

"Regulation S" means Regulation S under the Securities Act.

"Regulation S Global Note" means one or more permanent global notes substantially in the form of Exhibit B hereto bearing the Global Note Legend and deposited with or on behalf of and registered in the name of the Depositary, issued in an aggregate denomination equal to the outstanding principal amount of the Regulation S Temporary Global Note upon expiration of the Distribution Compliance Period.

"Regulation S Temporary Global Note" means one or more temporary global notes substantially in the form of Exhibit B hereto bearing the Regulation S Temporary Global Note Legend, the Global Note Legend and the Transfer Restriction Legend and deposited with or on behalf of and registered in the name of the Depositary, issued in an aggregate denomination equal to the outstanding principal amount of the Senior Notes initially sold in reliance on Rule 903 of Regulation S.

"Regulation S Temporary Global Note Legend" has the meaning assigned to such term in Section 2.06(e)(iii).

"Required Holder" has the meaning assigned to such term in Section 9.01.

"Restricted Definitive Note" means a Definitive Note bearing the Transfer Restriction Legend.

"Restricted Global Note" means a Global Note bearing the Transfer Restriction Legend.

"Rule 144A" means Rule 144A under the Securities Act.

"Rule 144A Global Note" means one or more permanent global notes substantially in the form of Exhibit A hereto bearing the Global Note Legend and the Transfer Restriction Legend and deposited with or on behalf of, and registered in the name of, the Depositary, issued in an aggregate denomination equal to the outstanding principal amount of the Senior Notes sold in reliance on Rule 144A.

"Secured Obligations" has the meaning assigned to such term in Section 3.01.

"Securities Intermediary" has the meaning assigned to such term in the introductory paragraph of this Indenture.

"Security for the Senior Notes" has the meaning assigned to such term in Section 3.01.

"Semi-Annual Cash Flow" has the meaning assigned to such term in Section 5.02(b).

"Senior Note Interest Amount" means, for any Senior Note Payment Date, the product of (a) the Senior Note Rate, (b) the aggregate Outstanding principal amount of Senior Notes and (c) the quotient of (i) the number of days elapsed (calculated on the basis of a 360-day year consisting of twelve 30-day months) since the later of the Closing Date or the last Interest Payment Date (provided that for any period during which the Senior Note Rate is increased or decreased, this calculation shall be based on the number of days elapsed for which each such Senior Note Rate was applicable during such period, without duplication) and (ii) 360.

"Senior Note Payment Date" means: (a) each Interest Payment Date, (b) the Maturity Date, (c) a Mandatory Redemption Date and (d) an Early Redemption Date.

"Senior Note Rate" means the fixed per annum rate equal to 8.25%; provided that the Senior Note Rate shall, to the extent permitted by Applicable Law, be increased by 2% per annum (calculated on the basis of a 360-day year consisting of twelve 30-day months) (it being understood that the Senior Note Rate shall never exceed 10.25%) upon the occurrence of: (a) the failure to pay in full the

Senior Notes on the Maturity Date (such additional 2% beginning to accrue from the Maturity Date) or (b) the failure to pay interest on the Senior Notes on any Interest Payment Date and such failure continues for five Business Days (such additional 2% beginning to accrue from such Interest Payment Date); and, in each case, will continue to accrue at such higher rate until such circumstance has been remedied in full.

"Senior Notes" means the 8.25% senior secured notes due 2004 issued by the Issuers pursuant to this Indenture in an original aggregate principal amount of $1,400,000,000.

"Share Trust Proceeds Account" has the meaning assigned to such term in Section 5.01.

"Share Trust Remedy Standstill Period" has the meaning assigned to such term in Section 9.04(b)(i).

"Shortfall Notice" has the meaning assigned to such term in Section 5.05(a)(i).

"Special Default" means any Reset Event that does not otherwise constitute an Event of Default.

"Spin-Off Notice" means a notice delivered to the Issuer Trustee and the Indenture Trustee by Williams substantially in the form of Exhibit G attached hereto.

"Standstill Expiration Date" means the date of expiration of any 21-day, 60-day or 120-day period referred to in Section 9.04(b)(i) or (ii).

"Stock Price/Credit Downgrade Trigger" means (a) a downgrading of Williams' senior unsecured debt to "Ba1" or below by Moody's, "BB" or below by S&P or "BB+" or below by Fitch (a "Downgrade") and (b) while such Downgrade is in effect, for ten consecutive Trading Days or, from the date of any Spin-Off Notice until 120 days from the date of such Spin-Off Notice, for 20 consecutive Trading Days, Williams' or any successor's common stock closing price shall be $30.22 or below, after adjustment of such price to appropriately reflect, in the same manner as set forth in the Certificate of Designation, any stock split, stock dividend or other events occurring with respect to such common stock after the Closing Date that would result in adjustments made to the "Optional Conversion Rate" as defined in the Certificate of Designation.

"Transfer Restriction Legend" has the meaning assigned to such term in Section 2.06(e)(i).

"Treasury Yield" means, with respect to any redemption date for the Senior Notes, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the applicable Comparable Treasury Price for the applicable redemption date.

"Trigger Event" means the occurrence of (a) the Acceleration Trigger, (b) the Maturity Trigger, or (c) the Stock Price/Credit Downgrade Trigger.

"Trigger Event Notice" has the meaning assigned to such term in Section 9.04.

"U.S. Person" means a "U.S. person" within the meaning of Regulation S.

"U.S. Treasuries" means direct general obligations of, or obligations fully and unconditionally guaranteed as to the timely payment of principal and interest by, the United States, but excluding any of such securities whose terms do not provide for payment of a fixed dollar amount upon maturity or call for redemption.

"Unrestricted Definitive Note" means one or more Definitive Notes that do not bear and are not required to bear the Transfer Restriction Legend.

"Unrestricted Global Note" means one or more permanent Global Notes substantially in the form of Exhibit C attached hereto that bear the Global Note Legend and that have the "Schedule of Exchanges of Interests in the Global Note" attached thereto and that are deposited with or on behalf of and registered in the name of the Depositary, representing Senior Notes that do not bear and are not required to bear the Transfer Restriction Legend.

"Williams Event" means the occurrence of any event described in Sections 9.01(c) through (i) and (k) with respect to Williams or the Share Trust.

SECTION 1.02. Rules of Construction. This Indenture and the definitions referred to in Section 1.01 shall be governed by, and construed in accordance with, the rules of construction set forth in Section 1.02 of Annex A to the Participation Agreement.

SECTION 1.03. Legal Holidays. In any case where any Senior Note Payment Date or any date for the making of a deposit or payment hereunder shall fall on a day which is not a Business Day, such deposit or payment need not be made on such date but may be made on the next succeeding day that is a Business Day with the same force and effect as if made on such Senior Note Payment Date; provided that no interest shall accrue on the amount so payable for such period; provided, further, that, if such next succeeding Business Day shall be in the next calendar year, such deposit or payment shall be made on the preceding Business Day.

SECTION 1.04. Compliance Certificates and Opinions. Except as otherwise expressly provided in this Indenture, upon any application or request by the Issuers to the Indenture Trustee that the Indenture Trustee take any action under any provision of this Indenture, the Issuers shall furnish to the Indenture Trustee an Issuers' Certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent, if any, have been complied with, except that, in the case of any particular application or request as to which the furnishing of documents is specifically required by any provision of this Indenture relating to such particular application or request, no additional certificate or opinion need be furnished.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include:

(a) a statement that each party providing such certificate or opinion has read such covenant or condition and the definitions herein and in the Participation Agreement relating thereto;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of each such party, such party has made such examination or investigation as is reasonably necessary to enable such party to express an informed opinion as to whether or not such covenant or condition has been complied with;

(d) a statement as to whether, in the opinion of each such party, such condition or covenant has been complied with; and

(e) in the case of an Issuers' Certificate, a statement that no Indenture Default or Event of Default has occurred and is continuing (unless such Issuers' Certificate relates to or occurs

after an Indenture Default or Event of Default in which case such Issuer's Certificate shall state that an Indenture Default or Event of Default has occurred and the action being taken with respect thereto).

SECTION 1.05. Form of Documents Delivered to Trustee. In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person or that they be so certified by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any Issuers' Certificate or Opinion of Counsel of the Issuers may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless the person signing such Issuers' Certificate or Opinion of Counsel has actual knowledge that the certificate or opinion or representations with respect to the matters upon which such Issuers' Certificate or Opinion of Counsel is based are erroneous. Any such Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate of an Authorized Officer of the Issuers, Williams or any other party to the Transaction Documents, as applicable, stating that the information with respect to such factual matters is in the possession of such Person unless such counsel knows that the certificate or opinion or representations with respect to such matters are erroneous.

Any Opinion of Counsel stated to be based on the opinion of other counsel shall be accompanied by a copy of such other opinion.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

Whenever, subsequent to the receipt by the Indenture Trustee of any Issuers' Certificate, Opinion of Counsel or other document or instrument, a clerical, typographical or other inadvertent or unintentional error or omission shall be discovered therein, a new document or instrument may be substituted therefor in corrected form with the same force and effect as if originally filed in the corrected form and, irrespective of the date or dates of the actual execution and/or delivery thereof, such substitute document or instrument shall be deemed to have been executed and/or delivered as of the date or dates required with respect to the document or instrument for which it is substituted. Anything in this Indenture to the contrary notwithstanding, if any such corrective document or instrument indicates that action has been taken by or at the request of the Issuers which could not have been taken had the original document or instrument not contained such error or omission, the action so taken shall not be invalidated or otherwise rendered ineffective but shall be and remain in full force and effect, except to the extent that such action was a result of willful misconduct or bad faith. Without limiting the generality of the foregoing, any Senior Notes issued under the authority of such defective document or instrument shall nevertheless be the valid obligation of the Issuers entitled to the benefits of this Indenture equally and ratably with all other Outstanding Senior Notes, except as aforesaid.

ARTICLE II

THE SENIOR NOTES

SECTION 2.01. Forms Generally.

(a) The Senior Notes and the Indenture Trustee's Certificate of Authentication shall be in substantially the forms set forth in Exhibits A, B and C hereto (i) in the case of Global Notes, including the Global Note Legend thereon and the "Schedule of Exchanges of Interests in the Global Note" attached thereto and (ii) in the case of Definitive Notes, without the Global Note Legend thereon and without the "Schedule of Exchanges of Interests in the Global Note" attached, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with applicable laws or the rules of any securities exchange or Depositary or as may, consistently herewith, be determined by the Authorized Officers executing such Senior Notes, as evidenced by their execution of the Senior Notes. Any portion of the text of any Senior Note may be set forth on the reverse thereof, with an appropriate reference thereto on the face of such Senior Note.

The terms and provisions contained in the Senior Notes shall constitute, and are hereby expressly made, a part of this Indenture, and the Issuers and the Indenture Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby. To the extent any provision of any Senior Note conflicts with the express provisions of this Indenture, however, the provisions of this Indenture shall govern and be controlling.

(b) Senior Notes offered and sold in the United States to QIBs shall be issued on the Closing Date in the form of the Rule 144A Global Note in fully registered form without interest coupons and shall represent the beneficial interests of Persons purchasing such Senior Notes. The Rule 144A Global Note shall be deposited with the Indenture Trustee, as custodian (in such capacity, the "Custodian") for the Depositary, duly executed by the Issuers and authenticated by the Indenture Trustee as hereinafter provided. The Rule 144A Global Note may be represented by more than one certificate, if so required by the Depositary's rule regarding the maximum principal amount to be represented by a single certificate. The aggregate principal amount of the Rule 144A Global Note may from time to time be increased or decreased by adjustments made on the records of the Custodian as hereinafter provided. Interests in the Rule 144A Global Note shall be transferred on the Depositary's book-entry settlement system in accordance with the Applicable Procedures.

(c) Senior Notes offered and sold in offshore transactions to non-U.S. Persons (as defined in Regulation S) in reliance on Regulation S shall be issued on the Closing Date in the form of the Regulation S Temporary Global Note in fully registered form without interest coupons and shall represent the beneficial interests of Persons purchasing such Senior Notes. At any time on or after the termination of the Distribution Compliance Period and upon the receipt by the Indenture Trustee of (i) a written certificate from the Depositary, together with copies of certificates from Euroclear and Clearstream, certifying in accordance with Rule 903(b)(3)(ii)(B) under the Securities Act that they have received certification of non-United States beneficial ownership of 100% of the aggregate principal amount of the Regulation S Temporary Global Note (except to the extent of any beneficial owners thereof who acquired an interest therein during the Distribution Compliance Period pursuant to another exemption from registration under the Securities Act and who will take delivery of a beneficial ownership interest in a Rule 144A Global Note, all as contemplated by Section 2.06(b) hereof), and (ii) an Authentication Order from the Issuers, beneficial interests in the Regulation S Temporary Global Note shall be exchanged for beneficial interests in a Regulation S Global Note pursuant to the Applicable Procedures. Upon any exchange of a portion of a Regulation S Temporary Global Note for a comparable portion of a Regulation S Global Note, the Custodian shall endorse on the schedules affixed to each such Regulation S Temporary Global Note (or on continuations of such schedules affixed to each such Regulation S Temporary Global

Note and made parts thereof) appropriate notations evidencing the date of transfer and (A) with respect to the applicable Regulation S Temporary Global Note, a decrease in the principal amount thereof equal to the amount covered by the applicable certification and (B) with respect to the applicable Regulation S Global Note, an increase in the principal amount thereof equal to the principal amount of the decrease in the applicable Regulation S Temporary Global Note pursuant to clause (A) above. The Regulation S Temporary Global Note and the Regulation S Global Note, as applicable, will be deposited with the Custodian, duly executed by the Issuers and authenticated by the Indenture Trustee as hereinafter provided; provided that upon such deposit all such Senior Notes shall be credited to or through accounts maintained by DTC by or on behalf of Euroclear or Clearstream. The Regulation S Temporary Global Note and the Regulation S Global Note, as applicable, may be represented by more than one certificate, if so required by the Depositary's rules regarding the maximum principal amount to be represented by a single certificate. The aggregate principal amount of the Regulation S Temporary Global Note and the Regulation S Global Note, as applicable, may from time to time be increased or decreased by adjustments made on the records of the Custodian as hereinafter provided.

(d) The provisions of the "Operating Procedures of the Euroclear System" and "Terms and Conditions Governing Use of Euroclear" and the "General Terms and Conditions of Clearstream Banking" and "Customer Handbook" of Clearstream, in each case, as in effect from time to time, shall be applicable to transfers of beneficial interests in the Regulation S Temporary Global Note and the Regulation S Global Note that are held by Participants through Euroclear or Clearstream.

(e) The Issuers, in issuing the Senior Notes, may use "CUSIP," "CINS," "Common Code" and "ISIN" numbers, and, if so, the Indenture Trustee will indicate the CUSIP, CINS, Common Code and ISIN numbers of the Senior Notes in notices of redemption and related materials as a convenience to Holders; provided that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Senior Notes or as contained in any notice of redemption and related materials.

SECTION 2.02. Authorized Amount; Interest Rate; Maturity Date; Denominations.

(a) The aggregate principal amount of Senior Notes which may be issued on the date hereof and outstanding at any one time under this Indenture shall not exceed $1,400,000,000.

(b) The Senior Notes shall bear interest at the Senior Note Rate. Interest shall accrue on the unpaid principal amount of the Senior Notes from time to time from the Closing Date, and accrued and unpaid interest will be payable semi-annually in arrears on each Interest Payment Date. Interest on the Senior Notes will be computed on the basis of the number of days elapsed (calculated on the basis of a 360-day year consisting of twelve 30-day months).

(c) The maturity date for the Senior Notes will be March 15, 2004 (the "Maturity Date").

(d) The Senior Notes shall be issuable in minimum denominations of $25,000 and integral multiples of $1,000 in excess thereof.

(e) The Senior Notes shall be redeemable as provided in Article XIV and Article XV.

SECTION 2.03. Execution, Authentication, Delivery and Dating.

(a) The Senior Notes shall be executed on behalf of the Issuers by an Authorized Officer of each of the Issuer and the Co-Issuer. The signatures of such Authorized Officers on the Senior Notes may be manual or facsimile (including in counterparts).

(b) Senior Notes bearing the manual or facsimile signatures of individuals who were at any time the Authorized Officers of the Issuer or the Co-Issuer, shall bind the Issuer or the Co-Issuer, as the case may be, notwithstanding the fact that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Senior Notes or did not hold such offices at the date of issuance of such Senior Notes. With the delivery of this Indenture, each of the Issuers is furnishing, and from time to time thereafter may furnish, an Officer's Certificate identifying and certifying the incumbency and specimen signatures of its respective Authorized Officers. Until the Indenture Trustee receives a subsequent Officer's Certificate, the Indenture Trustee shall be entitled to rely on the last such Officer's Certificate delivered to it for purposes of determining the Authorized Officers of each of the Issuers. Typographical and other minor errors or defects in any signature shall not affect the validity or enforceability of any Senior Note which has been duly authenticated and delivered by the Indenture Trustee.

(c) At any time and from time to time after the execution and delivery of this Indenture, the Issuers may deliver the Senior Notes executed by the Issuers to the Indenture Trustee for authentication, and the Indenture Trustee, upon receiving an Authentication Order, shall authenticate and deliver such Senior Notes as provided in this Indenture and not otherwise.

The Indenture Trustee may appoint an authenticating agent acceptable to the Issuers to authenticate the Senior Notes. Unless limited by the terms of such appointment, an authenticating agent may authenticate Senior Notes whenever the Indenture Trustee may do so. Each reference in this Indenture to authentication by the Indenture Trustee includes authentication by any such agent. An authenticating agent shall have the same rights as the Registrar and the Paying Agent to deal with Holders or any Affiliate of either of the Issuers.

(d) Each Senior Note authenticated and delivered by the Indenture Trustee upon Authentication Order on the Closing Date shall be dated as of the Closing Date.

(e) Senior Notes issued upon transfer, exchange or replacement of other Senior Notes shall be issued in authorized denominations reflecting the original aggregate principal amount of the Senior Notes so transferred, exchanged or replaced.

(f) No Senior Note shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose, unless there appears on such Senior Note a certificate of authentication (the "Certificate of Authentication") substantially in the form provided for herein, executed by the Indenture Trustee by the manual signature of one of its Authorized Officers, and such certificate upon any Senior Note shall be conclusive evidence, and the only evidence, that such Senior Note has been duly authenticated and delivered hereunder.

SECTION 2.04. Registrar and Paying Agent; Registration.

(a) The Issuers shall cause to be kept at the Corporate Trust Office one or more books (the "Note Register") for the registration of the Senior Notes and the registration of transfer or exchange of any of the Senior Notes. The Note Register shall be in written form or any other form capable of being converted into written form within a reasonable time. At all reasonable times, the Note Register shall be open to inspection by the Indenture Trustee. The Indenture Trustee is hereby initially appointed as security registrar (the "Registrar") for the purpose of registering Senior Notes and transfers of Senior Notes as hereinafter provided.

(b) The Issuers shall maintain an office or agency with a Person in the Borough of Manhattan in The City of New York where Senior Notes may be presented for payment, and United States Trust Company of New York is hereby initially appointed as Paying Agent for the Senior Notes. The Issuers shall give prompt written notice to the Indenture Trustee and the Indenture Trustee shall

notify the Rating Agencies and the Noteholders of the appointment or termination of any Paying Agent or agent for notices and of the location and any change in the location of any such office or agency.

(c) The Issuers shall require each Paying Agent other than the Indenture Trustee to agree in writing, and the Indenture Trustee in its capacity as the initial Paying Agent hereby agrees, that the Paying Agent will hold in trust for the benefit of Holders and the Indenture Trustee all money held by the Paying Agent for the payment of principal of, premium, if any, or interest on the Senior Notes and will notify the Indenture Trustee in writing of any default by the Issuers in making any such payment. While any such default continues, the Indenture Trustee may require the Paying Agent to pay all money held by it to the Indenture Trustee. The Issuers, at any time, may require the Paying Agent to pay all money held by it to the Indenture Trustee. Upon payment over to the Indenture Trustee, the Paying Agent (if other than either of the Issuers) shall have no further liability for the money. If either of the Issuers acts as Paying Agent, it shall segregate and hold in a separate trust fund for the benefit of the Holders all money held by it as Paying Agent. Upon any bankruptcy or insolvency proceedings relating to the Issuers, if either of the Issuers is then acting as Paying Agent, the Indenture Trustee shall thereafter serve as Paying Agent for the Senior Notes.

SECTION 2.05. Payments of Principal and Interest; Rights Preserved.

(a) Notwithstanding any provision of this Indenture or the Senior Notes to the contrary other than Sections 14.02(f) and 15.02(e), payments of all amounts which become due and payable in respect of any Senior Note other than payment in full shall be made by the Paying Agent directly to the Person in whose name that Senior Note is registered at the close of business on the Record Date for such payment, without surrender or presentation thereof to the Paying Agent.

(b) The Issuers hereby covenant with the Paying Agent to pay or cause to be paid to the Paying Agent, prior to 10:00 a.m., New York City time, on each Senior Note Payment Date, all amounts from time to time due and payable by them hereunder and under the Senior Notes to any Noteholder as herein and therein provided (including the manner of payment thereof).

(c) The unpaid principal balance of each Senior Note shall be payable on the Maturity Date thereof unless the principal of such Senior Note becomes due and payable at an earlier date by declaration of acceleration, call for redemption or as otherwise agreed between the Issuers and the Noteholders. Except as provided in Section 14.03, any repayment of principal shall be applied to repay the Senior Notes Outstanding ratably in accordance with the respective unpaid principal balances thereof. The final installment of principal on any Senior Note, whether at maturity or upon redemption, will be payable only upon surrender of such Senior Note at the Corporate Trust Office or at the specified offices of any Paying Agent and will be made to the Person surrendering such Senior Note.

If the due date for payment of the final installment of principal in respect of any Senior Note is not a Business Day at the place in which it is presented for payment, the Noteholder thereof will not be entitled to payment of the amount due until the next succeeding Business Day at such place and will not be entitled to any further interest or other payment in respect of any such delay.

(d) Interest on any Senior Note which is payable, and is punctually paid or duly provided for by the Issuers on any Senior Note Payment Date, shall be paid to the Person in whose name that Senior Note is registered at the close of business on the Record Date relating to such interest payment.

(e) All reductions in the principal amount of a Senior Note (or one or more predecessor Senior Notes) effected by payments of principal made on any Early Redemption Date shall be binding upon all future Holders of such Senior Notes and of any Senior Note issued upon the

registration of transfer thereof or in exchange therefor or in lieu thereof, whether or not such payment is noted on such Senior Note.

(f) Notwithstanding any other term of this Indenture, the Senior Notes, any other Transaction Document or otherwise, the obligations of the Issuers under the Senior Notes and this Indenture are senior secured limited recourse obligations of the Issuers, payable solely from the Security for the Senior Notes, and, following realization of the Security for the Senior Notes and application of proceeds thereof in accordance with the terms of this Indenture, none of the Noteholders, the Indenture Trustee or any of the other parties to the Transaction Documents shall be entitled to take any further action to recover any sums due but remaining unpaid hereunder or thereunder, all claims in respect of which shall be extinguished. In particular, neither the Indenture Trustee nor any Noteholder nor any other party to a Transaction Document shall be entitled to petition or take any other action for the winding up or bankruptcy of either the Issuer or the Co-Issuer or shall have any claim in respect of any assets of either of the Issuers other than the Security for the Senior Notes. No recourse shall be had for the payment of any amount owing in respect of the Senior Notes or this Indenture against any trustee, trust officer, limited partner, general partner, holder of a beneficial interest, officer, director, employee, shareholder or incorporator of either of the Issuers, the Noteholders, the Indenture Trustee, the Initial Purchasers, their respective Affiliates or any of their successors or assigns. It is understood that the foregoing provisions of this paragraph (f) shall not (i) prevent recourse to the Security for the Senior Notes for the sums due or to become due under any security, instrument or agreement which is part of the Security for the Senior Notes or (ii) except as specifically provided therein, constitute a waiver, release or discharge of any indebtedness or obligation evidenced by the Senior Notes or secured by this Indenture. It is further understood that the foregoing provisions of this paragraph (f) shall not limit the right of any Person to name the Issuers as party defendants in any Proceeding or in the exercise of any other remedy under the Senior Notes or this Indenture, so long as no judgment in the nature of a deficiency judgment or seeking personal liability shall be asked for or (if obtained) enforced against any such Person.

(g) Notwithstanding any other term of this Indenture, the Senior Notes, any other Transaction Document or otherwise, neither the Issuer nor the Co-Issuer shall have any liability whatsoever to each other under this Indenture, the Senior Notes or any other Transaction Document or otherwise, and, without prejudice to the generality of the foregoing, neither the Issuer nor the Co-Issuer shall be entitled to take any action to enforce, or bring any Proceeding in respect of, this Indenture, the Senior Notes or any other Transaction Document or otherwise, against each other. In particular, neither the Issuer nor the Co-Issuer shall petition or take any other steps for the winding up or bankruptcy of the other or shall have any claim in respect of any assets of the other (other than a claim by the Issuer as a shareholder of the Co-Issuer).

(h) Subject to the foregoing provisions of this Section 2.05, each Senior Note delivered under this Indenture upon registration of transfer of or in exchange for or in lieu of any other Senior Note shall carry the rights of unpaid interest and principal that were carried by such other Senior Note.

(i) Notwithstanding any of the foregoing provisions with respect to payments of principal of and interest on the Senior Notes, if the Senior Notes have become or been declared due and payable following an Event of Default or a Trigger Event and such acceleration of maturity and its consequences have not been rescinded and annulled, then payments of principal of and interest on such Senior Notes shall be made in accordance with Section 5.05(d).

SECTION 2.06. Transfer and Exchange of Senior Notes.

(a) Transfer and Exchange of Global Notes. A Global Note may not be transferred as a whole except by the Depositary to a nominee of the Depositary, by a nominee of the Depositary to the Depositary or to another nominee of the Depositary or by the Depositary or any such nominee to a

successor Depositary or a nominee of such successor Depositary. All Global Notes will be exchanged by the Issuers for Definitive Notes if (i) the Issuers deliver to the Indenture Trustee notice from the Depositary that it is unwilling or unable to continue to act as Depositary or that it is no longer a clearing agency registered under the Exchange Act and, in either case, a successor Depositary is not appointed by the Issuers within 120 days after the date of such notice from the Depositary or (ii) the Issuers in their sole discretion determine that the Global Notes (in whole but not in part) should be exchanged for Definitive Notes and deliver a written notice to such effect to the Indenture Trustee; provided that in no event shall the Regulation S Temporary Global Note be exchanged by the Issuers for Definitive Notes prior to (A) the expiration of the Distribution Compliance Period and (B) the receipt by the Registrar of any certificates required pursuant to Rule 903(b)(3)(ii)(B) under the Securities Act. Upon the occurrence of either of the preceding events in clause (i) or clause (ii) above, Definitive Notes shall be issued in such names as the Depositary shall instruct the Indenture Trustee in writing. Global Notes also may be exchanged or replaced, in whole or in part, as provided in Section 2.07. Every Senior Note authenticated and delivered in exchange for, or in lieu of, any Global Note or any portion thereof, pursuant to this Section 2.06 or Section 2.07, shall be authenticated and delivered in the form of, and shall be, a Global Note or a Definitive Note, as the case may be. A Global Note may not be exchanged for another Senior Note other than as provided in this Section 2.06(a); however, beneficial interests in a Global Note may be transferred and exchanged as provided in Sections 2.06(b) and (c).

(b) Transfer and Exchange of Beneficial Interests in the Global Notes. The transfer and exchange of beneficial interests in the Global Notes shall be effected through the Depositary, in accordance with the provisions of this Indenture and the Applicable Procedures. Beneficial interests in the Restricted Global Notes shall be subject to restrictions on transfer comparable to those set forth herein to the extent required by the Securities Act. Transfers of beneficial interests in the Global Notes also shall require compliance with either subparagraph (i) or (ii) below, as applicable, as well as one or more of the other following subparagraphs, as applicable:

(i) Transfer of Beneficial Interests in the Same Global Note. Beneficial interests in any Restricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in the same Restricted Global Note in accordance with the transfer restrictions set forth in the Transfer Restriction Legend. Prior to the expiration of the Distribution Compliance Period, transfers of beneficial interests in the Regulation S Temporary Global Note may not be made to a U.S. Person or for the account or benefit of a U.S. Person (other than any Initial Purchaser). Beneficial interests in any Unrestricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note. No written orders or instructions shall be required to be delivered to the Registrar to effect the transfers described in this Section 2.06(b)(i).

(ii) All Other Transfers and Exchanges of Beneficial Interests in Global Notes. In connection with all transfers and exchanges of beneficial interests that are not subject to Section 2.06(b)(i) above, the transferor of such beneficial interest must deliver to the Registrar (A) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to credit or cause to be credited a beneficial interest in another Global Note in an amount equal to the beneficial interest to be transferred or exchanged, (B) instructions given in accordance with the Applicable Procedures containing information regarding the Participant account to be credited with such increase and (C) such other information or documentation as may be required by Section 2.06(b)(iii) and (iv), if any. Upon satisfaction of all of the requirements for transfer or exchange of beneficial interests in Global Notes contained in this Indenture and the Senior Notes or otherwise applicable under the Securities Act, the Indenture Trustee shall adjust the principal amount of the relevant Global Note(s) pursuant to Section 2.06(f).

(iii) Transfer of Beneficial Interests to Another Restricted Global Note. A beneficial interest in any Restricted Global Note may be transferred to a Person who takes delivery thereof in the form of a beneficial interest in another Restricted Global Note if the transfer complies with the requirements of Section 2.06(b)(ii) above and the Registrar receives the following:

(A) if the transferee will take delivery in the form of a beneficial interest in the Rule 144A Global Note, then the transferor must deliver a certificate in the form of Exhibit D, including the certifications in item (1) thereof; and

(B) if the transferee will take delivery in the form of a beneficial interest in the Regulation S Temporary Global Note, then the transferor must deliver a certificate in the form of Exhibit D, including the certifications in item (2) thereof.

(iv) Transfer and Exchange of Beneficial Interests in a Restricted Global Note for Beneficial Interests in an Unrestricted Global Note. A beneficial interest in any Restricted Global Note may be exchanged by any owner thereof for a beneficial interest in an Unrestricted Global Note or transferred to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note if the exchange or transfer complies with the requirements of Section 2.06(b)(ii) above and the Registrar receives the following:

(A) if the owner of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a beneficial interest in an Unrestricted Global Note, a certificate from such owner in the form of Exhibit E hereto, including the certifications in item (1)(a) thereof; or

(B) if the owner of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note, a certificate from such owner in the form of Exhibit D hereto, including the certifications in item (4) thereof;

and, in each such case set forth above, if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein are no longer required in order to maintain compliance with the Securities Act.

If any such exchange or transfer is effected pursuant to this subparagraph (iv) at a time when an Unrestricted Global Note has not yet been issued, the Issuers shall issue and, upon receipt of an Authentication Order in accordance with Section 2.03 hereof, the Indenture Trustee shall authenticate one or more Unrestricted Global Notes in an aggregate principal amount equal to the aggregate principal amount of beneficial interests transferred as set forth above.

(v) Transfer or Exchange of Beneficial Interests in Unrestricted Global Notes for Beneficial Interests in Restricted Global Notes Prohibited. Beneficial interests in an Unrestricted Global Note cannot be exchanged for, or transferred to Persons who take delivery thereof in the form of, a beneficial interest in a Restricted Global Note.

(c) Exchange of Beneficial Interests for Definitive Notes.

(i) Beneficial Interests in Restricted Global Notes to Restricted Definitive Notes. If Definitive Notes are required to be issued pursuant to Section 2.06(a), an owner of a beneficial interest in a Restricted Global Note may exchange such beneficial interest for a

Restricted Definitive Note in accordance with Section 2.06(a) only upon receipt by the Registrar of a certificate from such owner in the form of Exhibit E hereto, including the certifications in item (2) thereof, the Indenture Trustee shall cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 2.06(f) hereof, and the Issuers shall execute and the Indenture Trustee shall authenticate and deliver to the Person designated in the instructions a Definitive Note in the appropriate principal amount. Any Definitive Note issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this Section 2.06(c) shall be registered in such name or names and in such authorized denomination or denominations as the owner of such beneficial interest shall instruct the Registrar through instructions from the Depositary and the Participant or Indirect Participant. The Indenture Trustee shall deliver such Definitive Notes to the Persons in whose names such Senior Notes are so registered. Any Definitive Note issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this Section 2.06(c)(i) shall bear the Transfer Restriction Legend and shall be subject to all restrictions on transfer contained therein.

(ii) Beneficial Interests in Restricted Global Notes to Unrestricted Definitive Notes. If Definitive Notes are required to be issued pursuant to Section 2.06(a), an owner of a beneficial interest in a Restricted Global Note may exchange such beneficial interest for an Unrestricted Definitive Note in accordance with Section 2.06(a) only if the Registrar receives a certificate from such owner in the form of Exhibit E hereto, including the certifications in item (1)(b) thereof and, if the Registrar so requests or if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Transfer Restriction Legend are no longer required in order to maintain compliance with the Securities Act.

(iii) Exchange of Beneficial Interests in Unrestricted Global Notes to Restricted Definitive Notes Prohibited. Beneficial Interests in an Unrestricted Global Note cannot be exchanged for a Restricted Definitive Note.

(iv) Exchange of Beneficial Interests in Unrestricted Global Notes to Unrestricted Definitive Notes. If Definitive Notes are required to be issued pursuant to Section 2.06(a), an owner of a beneficial interest in an Unrestricted Global Note may exchange such beneficial interest for an Unrestricted Definitive Note in accordance with Section 2.06(a) only upon satisfaction of the conditions set forth in Section 2.06(b)(ii) hereof (other than Section 2.06(b)(ii)(C)), the Indenture Trustee shall cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 2.06(f) hereof, and the Issuers shall execute and the Indenture Trustee shall authenticate and deliver to the Person designated in the instructions a Definitive Note in the appropriate principal amount. Any Definitive Note issued in exchange for a beneficial interest pursuant to this Section 2.06(c)(iv) shall be registered in such name or names and in such authorized denomination or denominations as the owner of such beneficial interest shall instruct the Registrar through instructions from the Depositary and the Participant or Indirect Participant. The Indenture Trustee shall deliver such Definitive Notes to the Persons in whose names such Senior Notes are so registered. Any Definitive Note issued in exchange for a beneficial interest pursuant to this Section 2.06(c)(iv) shall not bear the Transfer Restriction Legend.

(d) Transfer and Exchange of Definitive Notes for Definitive Notes.

(i) Following the issuance of Definitive Notes in exchange for the Global Notes pursuant to Section 2.06(a), upon request by a Holder of Definitive Notes and such Holder's compliance with the provisions of this Section 2.06(d), the Registrar shall register the transfer or exchange of Definitive Notes. Prior to such registration of transfer or exchange, the

requesting Holder shall present or surrender to the Registrar the Definitive Notes duly endorsed or accompanied by a written instruction of transfer in form satisfactory to the Registrar duly executed by such Holder or by his attorney, duly authorized in writing. In addition, the requesting Holder shall provide any additional certifications, documents and information, as applicable, required pursuant to the following provisions of this Section 2.06(d).

(ii) Restricted Definitive Notes to Restricted Definitive Notes. Any Restricted Definitive Note may be transferred to and registered in the name of Persons who take delivery thereof in the form of a Restricted Definitive Note if the Registrar receives the following:

(A) if the transfer will be made pursuant to Rule 144A under the Securities Act, then the transferor must deliver a certificate in the form of Exhibit D hereto, including the certifications in item (1) thereof; or

(B) if the transfer will be made pursuant to any other exemption from the registration requirements of the Securities Act, then the transferor must deliver a certificate in the form of Exhibit D hereto, including the certifications required by item (3) thereof, if applicable.

(iii) Restricted Definitive Notes to Unrestricted Definitive Notes. Any Restricted Definitive Note may be exchanged by the Holder thereof for an Unrestricted Definitive Note or transferred to a Person or Persons who take delivery thereof in the form of an Unrestricted Definitive Note if the Registrar receives the following:

(A) if the Holder of such Restricted Definitive Note proposes to exchange such Senior Note for an Unrestricted Definitive Note, a certificate from such Holder in the form of Exhibit E hereto, including the certifications in item (1)(c) thereof; or

(B) if the Holder of such Restricted Definitive Note proposes to transfer such Senior Note to a Person who shall take delivery thereof in the form of an Unrestricted Definitive Note, a certificate from such Holder in the form of Exhibit D hereto, including the certifications in item (4) thereof;

and, in each such case set forth above, if the Registrar so requests, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Transfer Restriction Legend are no longer required in order to maintain compliance with the Securities Act.

(iv) Transfer or Exchange of Unrestricted Definitive Notes to Restricted Definitive Notes Prohibited. An Unrestricted Definitive Note cannot be exchanged for, or transferred to Persons who take delivery thereof in the form of, a Restricted Definitive Note.

(v) Unrestricted Definitive Notes to Unrestricted Definitive Notes. A Holder of Unrestricted Definitive Notes may transfer such Senior Notes to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note. Upon receipt of a request to register such a transfer, the Registrar shall register the Unrestricted Definitive Notes pursuant to the instructions from the Holder thereof.

(e) Legends. The following legends shall appear on the face of all Global Notes and Definitive Notes issued under this Indenture unless specifically stated otherwise in the applicable provisions of this Indenture.

(i) Transfer Restriction Legend. (A) Except as permitted by subparagraph (B) below, each Global Note and each Definitive Note (and all Senior Notes issued in exchange therefor or substitution thereof) shall bear the legend (the "Transfer Restriction Legend") in substantially the following form:

"THE SECURITIES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE OR OTHER SECURITIES LAWS. ACCORDINGLY, NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS, EXCEPT IN ACCORDANCE WITH APPLICABLE SECURITIES LAWS OF THE UNITED STATES OR ANY STATE OF THE UNITED STATES. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE HOLDER: (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) (A "QIB") OR (B) IT HAS ACQUIRED THIS NOTE IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT; AND (2) AGREES THAT IT WILL NOT PRIOR TO (X) THE DATE WHICH IS TWO YEARS (OR SUCH SHORTER PERIOD OF TIME AS PERMITTED BY RULE 144(k) UNDER THE SECURITIES ACT OR ANY SUCCESSOR PROVISION THEREUNDER) AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF (OR OF ANY PREDECESSOR OF THIS SECURITY) OR THE LAST DAY ON WHICH EITHER OF THE ISSUERS OR ANY AFFILIATE OF EITHER OF THE ISSUERS WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF THIS SECURITY) AND (Y) SUCH LATER DATE, IF ANY, AS MAY BE REQUIRED BY APPLICABLE LAWS (THE "RESALE RESTRICTION TERMINATION DATE"), OFFER, SELL OR OTHERWISE TRANSFER THIS SECURITY EXCEPT (A) TO EITHER OF THE ISSUERS, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A, TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES TO NON-U.S. PERSONS THAT OCCUR OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT OR (E) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO THE ISSUERS' AND THE REGISTRAR'S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO SUBCLAUSE (D) OR (E) OF THIS CLAUSE (2) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, A CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM AND PROVIDED THAT A CERTIFICATION OF TRANSFER IN THE FORM PROVIDED IN THE INDENTURE IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE INDENTURE TRUSTEE IN CONNECTION WITH ANY TRANSFER OF THIS SECURITY WITHIN THE TIME PERIOD REFERRED TO ABOVE. THE HOLDER MUST CHECK THE APPROPRIATE BOX SET FORTH ON THE TRANSFER CERTIFICATE RELATING TO THE MANNER OF SUCH TRANSFER AND SUBMIT THE CERTIFICATE TO THE INDENTURE TRUSTEE. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF

THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE. AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION," "UNITED STATES" AND "U.S. PERSON" HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT."

(B) Notwithstanding the foregoing, any Global Note or Definitive Note issued pursuant to subparagraph (b)(iv), (c)(ii), (c)(iv), (d)(iii) or (d)(v) to this Section 2.06 (and all Senior Notes issued in exchange therefor or substitution thereof) shall not bear the Transfer Restriction Legend.

(ii) Global Note Legend. Each Global Note shall bear a legend (the "Global Note Legend") in substantially the following form:

"UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY TO EITHER OF THE ISSUERS OR THEIR AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (AND ANY PAYMENT HEREON IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF CEDE & CO. OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE, AND TRANSFERS OF BENEFICIAL INTERESTS IN THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN SECTION 2.06 OF THE INDENTURE."

(iii) Regulation S Temporary Global Note Legend. The Regulation S Temporary Global Note shall bear a legend (the "Regulation S Temporary Global Note Legend") in substantially the following form:

"THE RIGHTS ATTACHING TO THIS REGULATION S TEMPORARY GLOBAL NOTE, AND THE CONDITIONS AND PROCEDURES GOVERNING ITS EXCHANGE FOR PERMANENT OR CERTIFICATED NOTES, ARE AS SPECIFIED IN THE INDENTURE (AS DEFINED HEREIN)."

(f) Cancellation and/or Adjustment of Global Notes. At such time as all beneficial interests in a particular Global Note have been exchanged for Definitive Notes or a particular Global Note has been redeemed, repurchased or canceled in whole and not in part, each such Global Note shall be returned to or retained and canceled by the Indenture Trustee in accordance with Section 2.09. At any time prior to such cancellation, if any beneficial interest in a Global Note is exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note or for Definitive Notes, the principal amount of Senior Notes represented by such Global Note shall be reduced accordingly and an endorsement shall be made on such Global Note by the Indenture Trustee or by the Depositary at the direction of the Indenture Trustee to reflect such reduction; and, if the beneficial interest is being exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note, such other Global Note shall be increased accordingly and an endorsement shall be made on such Global Note by the Indenture Trustee or by the Depositary at the direction of the Indenture Trustee to reflect such increase.

(g) General Provisions Relating to Transfers and Exchanges.

(i) To permit registrations of transfers and exchanges, the Issuers shall execute and the Indenture Trustee shall authenticate Global Notes and Definitive Notes upon the Issuers' order or at the Registrar's request.

(ii) No service charge shall be made to an owner of a beneficial interest in a Global Note or to a Holder of a Definitive Note for any registration of transfer or exchange, but the Issuers may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith.

(iii) The Registrar shall not be required to register the transfer or exchange of any Senior Note selected for redemption in whole or in part, except the unredeemed portion of any Senior Note being redeemed in part.

(iv) All Global Notes and Definitive Notes issued upon any registration of transfer or exchange of Global Notes or Definitive Notes shall be the valid obligations of the Issuers, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Global Notes or Definitive Notes surrendered upon such registration of transfer or exchange.

(v) The Issuers shall not be required (A) to issue, to register the transfer of or to exchange any Senior Notes during a period beginning at the opening of business 15 days before the day of any selection of Senior Notes for redemption under Section 14.03 and ending at the close of business on the day of selection, (B) to register the transfer of or to exchange any Senior Note so selected for redemption in whole or in part, except the unredeemed portion of any Senior Note being redeemed in part, or (C) to register the transfer of or to exchange a Senior Note between a Record Date and the next succeeding Senior Note Payment Date.

(vi) Prior to due presentment for the registration of a transfer of any Senior Note, the Indenture Trustee, the Paying Agent, the Registrar and the Issuers may deem and treat the Person in whose name such Senior Note is registered as the absolute owner of such Senior Note for the purpose of receiving payment of principal of, premium, if any, and interest on such Senior Notes and for all other purposes, and none of the Indenture Trustee, the Paying Agent, the Registrar or the Issuers shall be affected by notice to the contrary.

(vii) The Indenture Trustee shall authenticate Global Notes and Definitive Notes in accordance with the provisions of Section 2.03.

(viii) All certifications, certificates and Opinions of Counsel required to be submitted to the Registrar pursuant to this Section 2.06 to effect a registration of transfer or exchange may be submitted by facsimile.

SECTION 2.07. Replacement of Lost, Mutilated or Stolen Senior Notes. In case any Senior Note shall become mutilated or defaced or be lost, destroyed or stolen, then on the terms herein set forth, and not otherwise, the Issuers shall execute and the Indenture Trustee shall authenticate and deliver to the registered Holder a new Senior Note of like tenor and date, and bearing such identifying number or designation as the Indenture Trustee may determine, in exchange and substitution for, and upon cancellation of, the mutilated or defaced Senior Note, or in lieu of and in substitution for the same if lost, destroyed or stolen. The applicant for a new Senior Note pursuant to this Section 2.07 shall, in the case of any mutilated or defaced Senior Note, surrender such Senior Note to the Indenture Trustee and furnish to the Indenture Trustee, in the case of any lost, destroyed or stolen Senior Note, evidence satisfactory to the Indenture Trustee of such loss, destruction or theft and, in each case, evidence satisfactory to the Indenture Trustee of the ownership and authenticity of such Senior Note and shall pay all expenses and

charges of such substitution and furnish such security or indemnity as may be reasonably required by the Indenture Trustee and the Issuers to indemnify and defend and save and hold them harmless. Any defaced or mutilated Senior Note shall be destroyed by the Indenture Trustee, or retained in accordance with its standard retention policy, upon delivery by it of a new Senior Note to the Holder.

SECTION 2.08. Taxes.

(a) Any and all payments by the Issuers to or for the account of any Noteholder or the Indenture Trustee hereunder, under any Senior Note or under any other Transaction Document shall be made without set-off or counterclaim and, except as otherwise required by law, free and clear of and without deduction for any and all Taxes. If any Taxes shall be required by law to be deducted from or in respect of any sum payable hereunder, under any Senior Note or under any other Transaction Document to any Noteholder or the Indenture Trustee, the Indenture Trustee shall make such deduction and shall pay such Taxes directly to the relevant taxing authority or other authority in accordance with applicable law. Within 30 days after the payment of any Taxes by the Indenture Trustee, the Indenture Trustee shall promptly deliver to the relevant Noteholder or Noteholders such receipts together with the original or a certified copy of any receipts evidencing payment of any Taxes paid directly by the Indenture Trustee. No additional amounts shall be payable by the Issuers to any Noteholder in respect of Taxes required to be deducted or withheld.

(b) The Indenture Trustee shall collect such duly completed forms or other certifications from each Noteholder as shall permit such Noteholder to receive payments under the Senior Notes without withholding or deduction on account of Taxes and shall promptly forward copies of such forms to the Issuer. In addition, the Indenture Trustee shall, to the extent it is legally able to do so, execute and file such forms and take such other actions as are reasonably necessary to permit payments under the Senior Notes to be made without withholding or deduction on account of Taxes.

(c) The Senior Notes have been issued with the intention that such Senior Notes will qualify under applicable Federal, state and local income tax law as indebtedness secured by the Security for the Senior Notes. Each of the Issuer and the Co-Issuer and each Noteholder, by its acceptance of a Senior Note, agrees to treat the Senior Notes as indebtedness of the Issuer for purposes of Federal, state and local income or franchise taxes or for any other tax imposed on or measured by income and agrees that, to the extent it is required to report any item of income, gain, loss, deduction or credit relating to the Senior Notes for United States Federal, state or local income tax purposes, it shall report such item in a manner consistent with the characterization intended by this Section 2.08(c) and shall not take any contrary position on any tax return or report relating to the United States Federal, state or local income taxes or take any other action which is inconsistent with such characterization. The Issuers covenant and agree to exercise at all times such rights, powers and obligations they may have through an office located in Delaware or New York.

SECTION 2.09. Cancellation. All Senior Notes surrendered for payment, registration of transfer, exchange or redemption, or deemed lost or stolen pursuant to Section 2.07, shall, if surrendered to any Person other than the Indenture Trustee, be delivered to the Indenture Trustee and shall be promptly canceled by it. All canceled Senior Notes held by the Indenture Trustee shall be destroyed or held by the Indenture Trustee in accordance with its standard retention policy.

ARTICLE III

SUPPORT FOR THE SENIOR NOTES

SECTION 3.01. Support for the Senior Notes; Grant of Lien. In order to secure (x) the payment of principal of, premium, if any, and interest on the Senior Notes Outstanding according to their tenor, purport and effect and all other amounts payable by the Issuers hereunder and under the Senior Notes and (y) the payment of the Issuer's Reimbursement Obligations to Williams under the

Liquidity Agreement and the Remarketing and Support Agreement, and in order to secure the performance and observance by the Issuers of all their covenants, agreements and conditions contained herein (including, without limitation, the obligations set forth in Section 11.07), in the other Transaction Documents and in the Senior Notes (collectively, the "Secured Obligations"), the Issuers have executed and delivered this Indenture and have Granted and do hereby Grant to the Indenture Trustee, on and subject to the terms set forth in this Indenture, a security interest in and Lien on all right, title and interest of the Issuers, whether now owned or hereafter acquired, in, to and under the following (the "Security for the Senior Notes"):

(a) all of the rights of each of the Issuer and the Co-Issuer, excluding Excepted Rights, under the Participation Agreement and the other Transaction Documents (other than the Note Purchase Agreement, the Senior Notes and this Indenture) to which it is a party;

(b) the WCG Note and all of the rights of the Issuer as holder of the WCG Note (including its rights under the WCG Note Indenture and the WCG Note Reset Remarketing Agreement);

(c) all of the rights of each of the Issuer and the Co-Issuer in respect of the Indenture Interest Account and the Indenture Redemption Account, all amounts credited to such Indenture Accounts pursuant to the applicable provisions of this Indenture and all investments of such amounts pursuant to the applicable provisions of this Indenture, including all securities, financial assets and securities entitlements carried in such Indenture Accounts; and

(d) all proceeds of the conversion, voluntary or involuntary, of any of the foregoing into cash, instruments, securities or other property, including without limitation all amounts from time to time held in or credited to the Indenture Interest Account and the Indenture Redemption Account, whether in the form of cash or invested in instruments, securities or other property, including all property hereafter required to be subject to the Lien of this Indenture by any instrument supplemental hereto.

The Senior Notes shall also benefit from the support provided by the Share Trust (including the Pledged Share Trust Reserve Account) and the obligations of Williams under the Remarketing and Support Agreement; provided that the rights of the Indenture Trustee under the Remarketing and Support Agreement, and to any proceeds of such rights, are solely for the benefit of the Noteholders and will not in any way benefit the Issuer or the holder of the WCL Interest.

The Indenture Trustee shall receive and shall at all times retain possession, as secured party (subject to the terms of the Transaction Documents), of (i) any instrument evidencing the WCG Note, accompanied by an instrument of transfer duly executed in blank and (ii) any instrument evidencing the Williams Demand Loan or successor instrument constituting the Share Trust Reserve, accompanied by an instrument of transfer duly executed in blank.

SECTION 3.02. Noteholders and Williams Equally and Ratably Secured. The Security for the Senior Notes shall be held by the Indenture Trustee, as secured party, for the equal and proportionate benefit, security and protection of:

(a) all Holders of the Senior Notes issued under and secured by this Indenture, without privilege, priority or distinction as to Lien or otherwise of any of the Senior Notes over any of the other Senior Notes, except as otherwise expressly provided in this Indenture, and for the benefit, security and protection of the Noteholders with respect to the payment of all amounts payable to the Noteholders out of the Indenture Accounts to the extent herein provided; provided, however, that, if the Issuers, their successors or assigns shall pay, or cause to be paid, the principal of and premium, if any, on the Senior Notes and the interest due or to become due thereon, then upon such final payment this Indenture and the Liens created hereby shall cease, and the Indenture Trustee shall, at the expense and written direction of

the Issuers, execute and deliver such assignments, termination statements or other instruments required or reasonably requested and prepared by the Issuers to effect and evidence such termination; and

(b) Williams, only in respect of the Issuer's Reimbursement Obligations to Williams pursuant to Section 27 of the Remarketing and Support Agreement and Section 3 of the Liquidity Agreement.

SECTION 3.03. The Issuer's Obligations; Appointment of Attorney; Further Assurances; Release.

(a) It is expressly agreed that, notwithstanding anything to the contrary contained herein, the Issuer shall remain liable under each of the Transaction Documents to which it is a party to perform all of the obligations, if any, assumed by it thereunder, all in accordance with and pursuant to the terms and provisions thereof.

(b) The Issuer does hereby constitute the Indenture Trustee to the extent permitted by Applicable Law the true and lawful attorney of the Issuer, irrevocably, with full power (in the name of the Issuer or otherwise), to ask, require, demand, receive, compound and give acquittance for any and all moneys and claims for moneys due and to become due to the Issuer under or arising out of the Security for the Senior Notes and all other property which now or hereafter constitutes part of the Security for the Senior Notes or to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any Proceedings which the Indenture Trustee may deem to be necessary or advisable in the premises, subject to Section 9.04. The Issuer agrees that, promptly upon receipt thereof, it will transfer to the Indenture Trustee any and all moneys from time to time received by it constituting part of the Security for the Senior Notes for distribution by the Indenture Trustee pursuant to this Indenture, except that the Issuer shall accept for distribution pursuant to the Issuer Trust Agreement any amounts distributed to it by the Indenture Trustee as expressly provided in this Indenture.

(c) The Issuer agrees that at any time and from time to time, upon the written request of the Indenture Trustee, the Issuer will promptly and duly execute and deliver or cause to be executed and delivered any and all such further instruments and documents as the Indenture Trustee may reasonably deem to be necessary in order to obtain the full benefits of this assignment and of the rights and powers herein granted.

(d) One year and one day after the payment in full of the Secured Obligations, all Security for the Senior Notes shall be released from the Lien of this Indenture and all rights of the Indenture Trustee, the Noteholders and Williams in respect thereof under this Article III or pursuant to any other Transaction Document, other than any rights of the Indenture Trustee to indemnity with respect thereto pursuant to any Transaction Document, shall automatically terminate.

ARTICLE IV

ISSUANCE

SECTION 4.01. Conditions to Issuance. The issuance by the Issuers and the authentication by the Indenture Trustee of the Senior Notes on initial issuance shall be subject to the satisfaction of the following conditions on or prior to the Closing Date:

(a) the Indenture Trustee shall have received fully executed copies of each of the Transaction Documents to which the Issuer or the Co-Issuer is a party (other than this Indenture and the Senior Notes);

(b) the Indenture Trustee shall have received certificates from each of the Issuers in form and substance reasonably satisfactory to it and counsel for the Initial Purchasers to the effect that the representations and warranties of such Person in the Transaction Documents shall be true on and as of the Closing Date as if made on and as of such date (except to the extent (i) specifically limited to an earlier date, (ii) modified to give effect to the transactions contemplated by the Transaction Documents or (iii) waived) and that the conditions precedent to the issuance of the Senior Notes contained in any other Transaction Document have been fulfilled (or waived);

(c) the Indenture Trustee shall have received a certificate of an Authorized Officer of Williams, in form and substance reasonably satisfactory to the Indenture Trustee and counsel for the Initial Purchasers to the effect that immediately before and immediately after the issuance of the Senior Notes on the Closing Date no Indenture Default or Event of Default shall have occurred and be continuing;

(d) the Indenture Trustee shall have received evidence that Williams issued to the Share Trust shares of the Williams Preferred Stock with an initial aggregate liquidation preference in an amount equal to $1,400,000,000 in accordance with the Share Trust Agreement in form and substance reasonably satisfactory to the Indenture Trustee and counsel for the Initial Purchasers;

(e) the Indenture Trustee shall have received evidence that Williams authorized and reserved 110,000,000 shares of Williams Common Stock issuable upon conversion of the Williams Preferred Stock;

(f) the Indenture Trustee shall have received letters from (i) Skadden, Arps, Slate, Meagher & Flom LLP, special counsel for Williams, (ii) Crowe and Dunlevy, special counsel for WCG and WCL, (iii) William G. von Glahn, internal counsel of Williams, WCG and WCL, (iv) Jones, Day, Reavis & Pogue, special counsel for the Issuers, WCG and WCL and (v) Richards, Layton & Finger, P.A., special Delaware counsel for the Issuers, each entitling it to rely upon certain opinions delivered by such counsel pursuant to the Participation Agreement;

(g) the purchase of the Senior Notes will (i) be permitted by the laws and regulations of each jurisdiction to which the Initial Purchasers are subject, (ii) not violate any Applicable Law and (iii) not subject any Initial Purchaser to any Taxes, penalty or liability under or pursuant to any Applicable Law;

(h) no invalidation of Rule 144A or Regulation S under the Securities Act by any court or any withdrawal or proposed withdrawal of any rule or regulation under the Securities Act or the Exchange Act by the SEC or any amendment or proposed amendment thereof by the SEC which in the judgment of the Initial Purchasers would materially impair the ability of the Initial Purchasers to purchase, hold or effect resales of the Senior Notes as contemplated herein shall have occurred;

(i) the Indenture Trustee shall have received letters from Moody's rating the Senior Notes "Baa3" or better, S&P rating the Senior Notes "BB+" or better and Fitch rating the Senior Notes "BBB-" or better, in form and substance reasonably satisfactory to the Indenture Trustee and the Initial Purchasers;

(j) the Indenture Trustee shall have received (i) Uniform Commercial Code Financing Statements signed by the Issuer, in form and substance reasonably satisfactory to the Indenture Trustee and the Initial Purchasers, (ii) the instrument evidencing the WCG Note accompanied by an instrument of transfer duly executed in blank and (iii) the instrument evidencing the Williams

Demand Loan constituting the Share Trust Reserve accompanied by an instrument of transfer duly executed in blank; and

(k) the Indenture Trustee shall have received, from each of the Issuer and the Co-Issuer, an Officer's Certificate attaching Organizational Documents and resolutions, if applicable, relating to the existence of such Person, the trust authority or corporate authority for and the validity of this Indenture, the Senior Notes and the other Transaction Documents and any other matters relevant hereto, all in form and substance reasonably satisfactory to the Indenture Trustee and counsel for the Initial Purchasers.

SECTION 4.02. Waiver of Conditions to Issuance. If any of the foregoing conditions shall not be satisfied upon the issuance of the Senior Notes, such conditions shall be deemed to have been waived by the Indenture Trustee by its authentication of the Senior Notes and by the Initial Purchasers and each Noteholder by their acceptance of a Senior Note.

ARTICLE V

THE INDENTURE ACCOUNTS

SECTION 5.01. Establishment of Indenture Accounts.

(a) The Securities Intermediary hereby acknowledges and agrees that it has established, on the books and records of its office in New York, the "Indenture Interest Account," bearing account number 04000893, the "Indenture Redemption Account," bearing account number 04000894, and the "Pledged Share Trust Reserve Account," bearing account number 04000895, each in the name of the Indenture Trustee on behalf of the Noteholders and Williams, and each of which are under the sole dominion and control of the Indenture Trustee. The Indenture Trustee hereby acknowledges and agrees that it has established, on its books and records of its office in New York, the "Share Trust Proceeds Account" (together with the Pledged Share Trust Reserve Account, the "Share Trust Accounts" and, the Share Trust Accounts, together with the Indenture Interest Account and the Indenture Redemption Account, the "Indenture Accounts") in the name of the Indenture Trustee on behalf of the Noteholders and Williams, and under the sole dominion and control of the Indenture Trustee. In addition, the Securities Intermediary hereby agrees that (A) each Indenture Account (other than the Share Trust Proceeds Account) is and shall be maintained by the Securities Intermediary as a "securities account" (within the meaning of Section 8-501 of the New York UCC), (B) the "securities intermediary's jurisdiction" (within the meaning of Article 8 of the New York UCC) of the Securities Intermediary is the State of New York, (C) all cash and other property in each Indenture Account (other than the Share Trust Proceeds Account) will be treated by the Securities Intermediary as a "financial asset" (as defined in Section 8-102(a)(9) of the New York UCC) for the purposes of Article 8 of the New York UCC, (D) the "entitlement holder" (as such term is defined in Section 8-102(a)(7) of the New York UCC) for the purposes of Article 8 of the New York UCC shall be the Indenture Trustee for the benefit of the Noteholders and (E) the Securities Intermediary shall act as a "securities intermediary" (within the meaning of Section 8-102(a)(14) of the New York UCC) in maintaining the Indenture Accounts established by it and shall credit to each such Indenture Account each financial asset to be held in or credited to each such Indenture Account pursuant to this Indenture. To the extent, if any, that the Indenture Trustee is deemed to hold directly, as opposed to having a security entitlement in, any financial asset held by the Securities Intermediary for the Indenture Trustee, the Securities Intermediary hereby agrees that it is holding such financial asset as the agent of the Indenture Trustee and hereby expressly acknowledges and agrees that it has received notification of the Indenture Trustee's security interest in such financial asset and that it is holding possession of such financial asset for the benefit of the Indenture Trustee.

(b) Each Indenture Account (other than the Share Trust Proceeds Account) shall remain at all times with a securities intermediary having a combined capital and surplus of at least $150,000,000 and having a long-term debt rating of at least "A3" by Moody's, at least "A-" by S&P and at least "A-" by Fitch. The Securities Intermediary will give notice to the Issuers and the Noteholders of the location of the Indenture Accounts established by it and of any change thereof (provided that, except with respect to such a change in connection with the appointment of a successor securities intermediary in accordance with Section 11.14, no such change shall be made without the prior approval of the Majority Noteholders), prior to the use thereof. Any income received by the Indenture Trustee with respect to the balance from time to time on deposit in each Indenture Account, including any interest or capital gains on investments in overnight securities made with amounts on deposit in each Indenture Account, shall be credited to the applicable Indenture Account. All right, title and interest in and to the cash amounts on deposit from time to time in the Indenture Interest Account and the Indenture Redemption Account together with any investments in overnight securities from time to time made with such amounts pursuant to this Article V shall constitute part of the Security for the Senior Notes and shall be held for the benefit of the Noteholders, Williams, the Indenture Trustee and the Issuer as their interests shall appear hereunder and shall not constitute payment of the Secured Obligations (or any other obligations to which such funds are provided hereunder to be applied) until applied thereto as hereinafter provided. All right, title and interest in and to the cash amounts on deposit from time to time in the Pledged Share Trust Reserve Account and the Share Trust Proceeds Account together with any investments in overnight securities from time to time made with such amounts pursuant to this Article V shall not constitute part of the Security for the Senior Notes and shall be held for the benefit of the Noteholders, Williams, the Indenture Trustee and the Share Trust as their interests shall appear hereunder and shall not constitute payment of the Secured Obligations (or any other obligations to which such funds are provided hereunder to be applied) until applied thereto as hereinafter provided.

(c) In the event that the Securities Intermediary has or subsequently obtains by agreement, operation of law or otherwise a security interest in any of the Indenture Accounts established by it, or any "financial asset" (as defined in Section 8-102(a)(9) of the New York UCC) credited thereto, or any "security entitlement" (as defined in Section 8-102(a)(17) of the New York UCC) with respect thereto, the Securities Intermediary hereby agrees that such security interest shall be subordinate to the security interest of the Indenture Trustee. The financial assets (as defined in Section 8-102(a)(9) of the New York UCC) or any "security entitlement" (as defined in Section 8-102(a)(17) of the New York UCC) with respect thereto, standing to the credit of such Indenture Accounts, will not be subject to deduction, set-off, banker's lien or any other right in favor of any Person other than the Indenture Trustee (except the face amount of any checks which have been credited to any such Indenture Account but are subsequently returned unpaid because of uncollected or insufficient funds).

(d) There are no other agreements entered into between the Securities Intermediary, the Indenture Trustee, the Issuer and the Share Trust with respect to the Indenture Accounts other than as provided hereunder and under the other Transaction Documents. In the event of any conflict between this Section 5.01 (or any portion thereof), any other provision of this Indenture or any other agreement now existing or hereafter entered into, the terms of this Section 5.01 shall prevail.

(e) The Indenture Trustee shall make or direct the Securities Intermediary to make, to the extent required or authorized hereunder, withdrawals from each Indenture Account: (i) to withdraw any amount deposited in each Indenture Account and not required to be deposited therein; (ii) to make required payments to the parties entitled thereto pursuant to Section 5.05; and (iii) to clear and terminate such Indenture Accounts upon satisfaction and discharge of this Indenture pursuant to Article X.

(f) The Issuers shall promptly deposit with the Indenture Trustee, for credit to the Indenture Interest Account and the Indenture Redemption Account in accordance with this Article V, any funds the Issuers may receive in respect of payments on the Security for the Senior Notes due after the Closing Date. The Indenture Trustee shall be accountable for all funds deposited into the Indenture

Accounts and shall pay and apply such funds in accordance with the provisions of this Article V. Any amounts withdrawn under Section 5.01(e)(i) shall either be paid to the party entitled to such funds or shall be deposited into the appropriate Indenture Account, as applicable.

(g) Any and all amounts on deposit in any Indenture Account shall, until withdrawn in accordance with this Article V, be invested by the Indenture Trustee or the Securities Intermediary in Financial Investments described in clause (b) of the definition thereof unless otherwise directed in writing by the Issuer, with respect to the Indenture Interest Account and the Indenture Redemption Account, or Williams, with respect to the Share Trust Accounts, from time to time. Any proceeds of Financial Investments in excess of the amount required to redeem or prepay the Secured Obligations under the terms hereof and any losses generated by such Financial Investments shall be reflected in the payments made pursuant to Section 5.05.

(h) The Indenture Trustee shall, as an express trust solely for the benefit of the Noteholders and Williams, possess all right, title and interest in all funds on deposit from time to time in the Share Trust Proceeds Account, and in all proceeds thereof (including all income thereon), and the Issuer shall have no right, title or interest therein.

SECTION 5.02. Indenture Interest Account.

(a) The Issuer shall deposit or cause to be deposited into the Indenture Interest Account, by 10:00 a.m. New York City time, at least one Business Day before each Interest Payment Date, all payments from WCG from or in respect of interest on the WCG Note.

(b) The Issuer shall deposit or cause to be deposited into the Indenture Interest Account all payments made by Williams in accordance with the Liquidity Agreement in respect of the Liquidity Option (such amounts deposited in respect of clauses (a) and (b) collectively, the "Semi-Annual Cash Flow").

SECTION 5.03. Indenture Redemption Account. The Issuer shall deposit or cause to be deposited into the Indenture Redemption Account (a) all payments from WCG in respect of any prepayment of the WCG Note, in whole or in part, (b) proceeds from a Reset Sale in accordance with Section 9.04(i)(i) and (c) proceeds from a sale of the WCG Note in accordance with Sections 9.04(i)(ii), (iii) or (iv); provided that any such amounts that are not specified in a notice to the Indenture Trustee to fund an Early Redemption shall be invested in accordance with Section 5.01(g) in Financial Investments maturing no later than the Maturity Date; provided further that if, following the payment in full of the Secured Obligations, amounts are subsequently deposited into the Indenture Redemption Account, then by 9:00 a.m. the Business Day after such amounts are deposited into the Indenture Redemption Account, the Indenture Trustee shall direct the Securities Intermediary to withdraw the Amount Available from the Indenture Redemption Account and pay such amount to the Issuer.

SECTION 5.04. Share Trust Accounts.

(a) Pledged Share Trust Reserve Account. (i) The Indenture Trustee, on behalf of the Share Trust, shall deposit or cause to be deposited into the Pledged Share Trust Reserve Account (x) the cash proceeds of the Williams Demand Loan constituting the Share Trust Reserve and (y) all payments from Williams or any successor obligor in respect of the Share Trust Reserve. The Issuer shall have no right, title or interest in or to the Share Trust Reserve or any funds or assets therein.

(ii) Upon the occurrence of an Early Redemption in accordance with Article XIV hereof, the Indenture Trustee shall (x) pursuant to and in accordance with Section 5.10 of the Share Trust Security Agreement, release an amount of the Share Trust Reserve in proportion to the principal amount of Senior Notes that have been redeemed and (y) provide written notice to Williams and the Share Trust

of any such release, which notice shall include the release date, the amount released and the amount remaining in the Share Trust Reserve.

(b) Share Trust Proceeds Account. The Indenture Trustee, on behalf of Williams, shall deposit or cause to be deposited into the Share Trust Proceeds Account (i) all amounts received by it pursuant to Section 7(a), 7(b), 7(c) or 8(h) of the Remarketing and Support Agreement in connection with the remarketing of the New Series or the Shares under the Remarketing and Support Agreement, (ii) all amounts received by it from Williams pursuant to Section 7(d) of the Remarketing and Support Agreement in connection with Williams' exercise of the Share Trust Release Option, (iii) all amounts received by it in respect of Redemption Proceeds pursuant to Section 4.03(a) of the Share Trust Agreement and (iv) all amounts received by it from Williams pursuant to Section 8(g) of the Remarketing and Support Agreement in connection with a Failed Remarketing.

SECTION 5.05. Payments.

(a) General. (i) By 10:00 a.m. New York City time on any Interest Payment Date, the Indenture Trustee shall give written notice to Williams, the Issuers and the Share Trustee (the "Shortfall Notice") if the Amount Available in the Indenture Interest Account, the Share Trust Proceeds Account and the Indenture Redemption Account is not sufficient to pay the Senior Note Interest Amount and any Administrative Expenses due and owing under this Section 5.05 as of such Interest Payment Date, which notice shall specify the amount of the shortfall and also constitute a conditional demand on the Share Trust Reserve in an amount equal to the amount of the shortfall if the Indenture Trustee does not otherwise receive such amount by the fifth Business Day following such Interest Payment Date (either from Williams' exercise of the Liquidity Option or from WCG).

(ii) If Williams has not exercised the Liquidity Option pursuant to the Liquidity Agreement and the Indenture Trustee has not received the amount of the shortfall specified in the applicable Shortfall Notice by the open of business on the fifth Business Day following any Interest Payment Date, by 10:00 a.m. on such fifth Business Day, the Indenture Trustee shall give written notice to Williams, the Issuers and the Share Trustee (the "Demand Notice"), which notice shall constitute a demand for immediate payment on the Share Trust Reserve in an amount equal to the amount of such shortfall.

(iii) (A) If Williams shall have exercised the Liquidity Option pursuant to the Liquidity Agreement and the Noteholders have received the Senior Note Interest Amount pursuant to Section 5.05(b)(ii) and (B) WCG subsequently deposits money in respect of interest on the WCG Note with the Indenture Trustee, by 9:00 a.m. the Business Day after any such deposit by WCG, the Indenture Trustee shall direct the Securities Intermediary to withdraw the Amount Available from the Indenture Interest Account and pay such amount to Williams as payment of the Liquidity Reimbursement Obligations.

(b) Payments Relating to each Interest Payment Date. (i) If no Shortfall Notice has been given pursuant to Section 5.05(a)(i), by 10:00 a.m. New York City time on each Interest Payment Date, the Indenture Trustee shall direct the Securities Intermediary to withdraw the Amount Available from the Indenture Interest Account, the Share Trust Proceeds Account and the Indenture Redemption Account and pay such amounts, in the manner and in the order of priority as follows:

first, from amounts credited to the Indenture Interest Account and, to the extent the Amount Available therein is not sufficient, from the Share Trust Proceeds Account and, to the extent the Amount Available therein is not sufficient, from the Indenture Redemption Account, to the Paying Agent for the payment of any Administrative Expenses;

second, from amounts credited to the Indenture Interest Account to the Paying Agent to be applied to the Noteholders, pro rata in accordance with the respective unpaid principal balances of the Senior Notes Outstanding held by them, in the amount of any and all accrued and unpaid Senior Note Interest Amount; and

third, (i) any amounts remaining in the Share Trust Proceeds Account and the Indenture Redemption Account to be invested in accordance with Section 5.01(g) and (ii) any amounts remaining in the Indenture Interest Account, to the Issuer to be applied in accordance with the Issuer Trust Agreement.

(ii) If a Shortfall Notice has been given pursuant to Section 5.05(a)(i) above and Williams has exercised the Liquidity Option pursuant to the Liquidity Agreement, by 10:00 a.m. on the third Business Day after the relevant Interest Payment Date, the Indenture Trustee shall direct the Securities Intermediary to withdraw the Amount Available from the Indenture Interest Account, the Share Trust Proceeds Account and the Indenture Redemption Account and pay such amounts, in the manner and in the order of priority as follows:

first, from amounts credited to the Indenture Interest Account and, to the extent the Amount Available therein is not sufficient, from the Share Trust Proceeds Account and, to the extent the Amount Available therein is not sufficient, from the Indenture Redemption Account, to the Paying Agent for the payment of any Administrative Expenses;

second, from amounts credited to the Indenture Interest Account to the Paying Agent to be applied to the Noteholders, pro rata in accordance with the respective unpaid principal balances of the Senior Notes Outstanding held by them, in the amount of any and all accrued and unpaid Senior Note Interest Amount; and

third, (i) any amounts remaining in the Share Trust Proceeds Account and the Indenture Redemption Account to be invested in accordance with Section 5.01(g) and (ii) any amounts remaining in the Indenture Interest Account to be paid (A) first to Williams in an amount up to the amount of the Liquidity Reimbursement Obligations and (B) second to the Issuer to be applied in accordance with the Issuer Trust Agreement.

(iii) If a Demand Notice has been given pursuant to Section 5.05(a)(ii) above, by 12:00 noon on the fifth Business Day after the relevant Interest Payment Date, the Indenture Trustee shall direct the Securities Intermediary to withdraw the Amount Available from the Indenture Interest Account, the Share Trust Proceeds Account, the Indenture Redemption Account and the Pledged Share Trust Reserve Account and pay such amounts, in the manner and in the order of priority as follows:

first, from amounts credited to the Indenture Interest Account and, to the extent the Amount Available therein is not sufficient, from the Share Trust Proceeds Account and, to the extent the Amount Available therein is not sufficient, from the Indenture Redemption Account and, to the extent the Amount Available therein is not sufficient, from the Pledged Share Trust Reserve Account, to the Paying Agent for the payment of any Administrative Expenses;

second, from amounts credited to the Indenture Interest Account and the Pledged Share Trust Reserve Account to the Paying Agent to be applied to the Noteholders, pro rata in

accordance with the respective unpaid principal balances of the Senior Notes Outstanding held by them, in the amount of any and all accrued and unpaid Senior Note Interest Amount; and

third, any amounts remaining in any Indenture Account to be invested in accordance with Section 5.01(g).

(iv) Each Noteholder shall be deemed, by its acceptance of a Senior Note, to agree that, in case of any excess payment to it, it shall promptly remit to the Indenture Trustee for payment in accordance with the terms of this Section 5.05(b) any such excess payment it has received. The Indenture Trustee shall promptly pay such amounts, when received, to any party then not paid in full pursuant to this Section 5.05(b), and any remainder shall be paid in accordance with priority third of Section 5.05(b)(i), (ii) or (iii), as applicable.

(c) Payments on the Maturity Date. By 10:00 a.m. New York City time on the Maturity Date (assuming no Trigger Event shall have occurred), the Indenture Trustee shall direct the Securities Intermediary to withdraw the Amount Available from each Indenture Account and pay such amounts, in the manner and in the order of priority as follows:

first, from amounts credited to the Indenture Interest Account and, to the extent the Amount Available therein is not sufficient, from the Share Trust Proceeds Account and, to the extent the Amount Available therein is not sufficient, from the Indenture Redemption Account and, to the extent the Amount Available therein is not sufficient, from the Pledged Share Trust Reserve Account, to the Paying Agent for the payment of Administrative Expenses;

second, from amounts credited to the Indenture Interest Account and, to the extent the Amount Available therein is not sufficient, from the Share Trust Proceeds Account and, to the extent the Amount Available therein is not sufficient, from the Indenture Redemption Account and, to the extent the Amount Available therein is not sufficient, from the Pledged Share Trust Reserve Account, to the Paying Agent to be applied to the Noteholders, pro rata in accordance with the respective unpaid principal balances of the Senior Notes Outstanding held by them, in the amount of any and all accrued and unpaid Senior Note Interest Amount;

third, from amounts credited to the Indenture Interest Account and, to the extent the Amount Available therein is not sufficient, from the Share Trust Proceeds Account and, to the extent the Amount Available therein is not sufficient, from the Indenture Redemption Account and, to the extent the Amount Available therein is not sufficient, from the Pledged Share Trust Reserve Account, to the Paying Agent to be applied to the Noteholders, pro rata in accordance with the respective unpaid principal balances of the Senior Notes Outstanding held by them, as a payment of principal, until such principal is reduced to zero;

fourth, to the extent that (i) Williams has exercised the Liquidity Option in accordance with the Liquidity Agreement or (ii) Williams has exercised the Share Trust Release Option in accordance with Section 7(d) of the Remarketing and Support Agreement, from any amounts remaining in the Indenture Accounts, to Williams in an amount up to the amount of the Issuer's Reimbursement Obligations to Williams; and

fifth, any amounts remaining in the Indenture Accounts, to the Issuer to be applied in accordance with the Issuer Trust Agreement.

Each Noteholder shall be deemed by its acceptance of a Senior Note to agree that, in case of any excess payment to it, it shall promptly remit to the Indenture Trustee for payment in accordance with the terms of this Section 5.05(c) any such excess payment it has received. The Indenture Trustee shall promptly pay such amounts, when received, to any party then not paid in full pursuant to this

Section 5.05(c), and any remainder in such Indenture Accounts shall be paid in accordance with priority fifth of this Section 5.05(c).

(d) Payments on a Mandatory Redemption Date. By 10:00 a.m. on any Mandatory Redemption Date, the Indenture Trustee shall direct the Securities Intermediary to withdraw the Amount Available from each Indenture Account and pay such amounts, in the manner and in the order of priority as follows:

first, from amounts credited to the Indenture Interest Account and, to the extent the Amount Available therein is not sufficient, from the Share Trust Proceeds Account and, to the extent the Amount Available therein is not sufficient, from the Indenture Redemption Account and, to the extent the Amount Available therein is not sufficient, from the Pledged Share Trust Reserve Account, to the Paying Agent for the payment of Administrative Expenses;

second, from amounts credited to the Indenture Interest Account and, to the extent the Amount Available therein is not sufficient, from the Share Trust Proceeds Account and, to the extent the Amount Available therein is not sufficient, from the Indenture Redemption Account and, to the extent the Amount Available therein is not sufficient, from the Pledged Share Trust Reserve Account, to the Paying Agent to be applied to the Noteholders, pro rata in accordance with the respective unpaid principal balances of the Senior Notes Outstanding held by them, in accordance with this Indenture as payment of the applicable Mandatory Redemption Price;

third, to the extent that (i) Williams has exercised the Liquidity Option, (ii) Williams has exercised the Share Trust Release Option or (iii) the Indenture Trustee has received any payments in respect of the Share Trust Remedy pursuant to Sections 7(a) or 8(g) or 8(h) of the Remarketing and Support Agreement, from any amounts remaining in the Indenture Accounts, to Williams in an amount up to the amount of the Issuer's Reimbursement Obligations to Williams; and

fourth, any amounts remaining in the Indenture Accounts, to the Issuer to be applied in accordance with the Issuer Trust Agreement.

Each Noteholder shall be deemed by its acceptance of a Senior Note to agree that, in case of any excess payment to it, it shall promptly remit to the Indenture Trustee for payment in accordance with the terms of this Section 5.05(d) any such excess payment it has received. The Indenture Trustee shall promptly pay such amounts, when received, to any party then not paid in full pursuant to this Section 5.05(d), and any remainder in such Indenture Accounts shall be paid in accordance with priority fourth of this Section 5.05(d).

(e) Payments on an Early Redemption Date. By 10:00 a.m. New York City time on an Early Redemption Date, the Indenture Trustee shall direct the Securities Intermediary to withdraw the Amount Available from the Indenture Interest Account and the Indenture Redemption Account and pay such amounts, in the manner and in the order of priority as follows:

first, from amounts credited to the Indenture Interest Account and, to the extent the Amount Available therein is not sufficient, from the Indenture Redemption Account, to the Paying Agent for the payment of Administrative Expenses;

second, from amounts credited to the Indenture Interest Account and, to the extent the Amount Available therein is not sufficient, from the Indenture Redemption Account, to the Paying Agent to be applied to the Noteholders, pro rata in accordance with the respective

unpaid principal balances of the Senior Notes Outstanding held by them, in accordance with this Indenture as payment of the applicable Early Redemption Price;

third, with respect to an Early Redemption in whole only, to the extent that Williams has exercised the Liquidity Option, any amounts remaining in the Indenture Interest Account and the Indenture Redemption Account, to Williams in an amount up to the amount of the Issuer's Reimbursement Obligations;

fourth, with respect to an Early Redemption in whole only, any amounts remaining in the Indenture Interest Account and the Indenture Redemption Account, to the Issuer to be applied in accordance with the Issuer Trust Agreement; and

fifth, with respect to an Early Redemption in part, any amounts remaining in the Indenture Interest Account and the Indenture Redemption Account to be invested in accordance with Section 5.01(g).

Each Noteholder shall be deemed by its acceptance of a Senior Note to agree that, in case of any excess payment to it, it shall promptly remit to the Indenture Trustee for payment in accordance with the terms of this Section 5.05(e) any such excess payment it has received. The Indenture Trustee shall promptly pay such amounts, when received, to any party then not paid in full pursuant to this Section 5.05(e), and any remainder in such Indenture Accounts shall be paid in accordance with priority fourth of this Section 5.05(e).

(f) All payments made to Noteholders on any Interest Payment Date will be made to the Noteholders of record at the close of business on the March 1 or September 1, as applicable, next preceding such Interest Payment Date (the "Record Date").

(g) The Noteholders shall be entitled to receive payments hereunder on any Senior Note Payment Date by wire transfer to the account specified in writing by the applicable Noteholder to the Paying Agent. In each case, the account must be specified in writing no later than the Record Date for the applicable Senior Note Payment Date on which wire transfers will commence. Unless such instruction is revoked, any such instruction made by such Holder with respect to such Senior Notes shall remain in effect with respect to any future payments with respect to such Senior Note payable to such Holder.

(h) If the Indenture Trustee shall not have received a distribution or payment with respect to the Remarketing and Support Agreement by the Business Day after the date on which such distribution was due and payable pursuant to the terms of the Remarketing and Support Agreement, the Indenture Trustee shall promptly and in no event later than two Business Days demand such payment from the Share Trust or the Remarketing Agents and promptly and in no event later than two Business Days give written notice thereof to the Noteholders.

(i) If on any day on which a distribution under this Section 5.05 is required to be made, the Indenture Trustee ascertains that the Amount Available in an Indenture Account is then insufficient to pay in full the amount required to be paid from such Indenture Account, then, if any investments are held in such Indenture Account, the Indenture Trustee shall sell or otherwise liquidate all or such portion of such investments as is necessary to pay in full the required amount.

SECTION 5.06. Report to Noteholders.

(a) Within five Business Days following every Senior Note Payment Date commencing September 15, 2001, the Indenture Trustee shall deliver to the Issuers, Williams, each Noteholder and, if so requested in writing, each owner of a beneficial interest in a Global Note a

statement (an "Account Statement") setting forth the status of the Indenture Accounts showing, for the period covered by such statement, deposits in or withdrawals from the Indenture Accounts and proceeds of investments of funds in the Indenture Accounts. The Account Statement shall also set forth the following information:

(i) the amounts in the Indenture Accounts as of such Senior Note Payment Date prior to giving effect to payments made on such Senior Note Payment Date; and

(ii) the amounts of such funds in the Indenture Accounts pursuant to Section 5.05.

Within a reasonable period of time after the end of each calendar year, the Indenture Trustee will furnish a report to the Issuers, the Rating Agencies, each Noteholder of record at any time during such calendar year and, subject to Section 5.06(b), each owner of a beneficial interest in a Global Note who so requests in writing as to aggregate amounts reported pursuant to (i) and (ii) above for such calendar year.

(b) With respect to the information and documents required to be delivered pursuant to clause (a) above, the Indenture Trustee may require each owner of a beneficial interest in a Global Note requesting such information to provide evidence satisfactory to the Indenture Trustee of such Person's interest in a Global Note before delivering the requested information to such Person.

(c) The Indenture Trustee shall, subject to Article XI, use its reasonable efforts to obtain any information it is required under this Indenture to obtain in the manner provided by this Indenture.

(d) Consistent with the provisions of Section 2.08(c), the Indenture Trustee shall (i) furnish to the Noteholders and any taxing authority, within the time periods required by applicable law, such forms of information as is required by applicable Federal or state tax law applicable to any Noteholder in respect of the Senior Notes, including, but not limited to, appropriate Forms 1099, and (ii) shall also provide such other information as may be reasonably requested by any Noteholder, at such Noteholder's expense, to enable the Noteholder to prepare its tax returns.

SECTION 5.07. Termination. This Indenture shall terminate and be discharged in accordance with Article X one year and one day following repayment in full of the Secured Obligations.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES OF THE ISSUERS

SECTION 6.01. Representations and Warranties. Each of the Issuer and the Co-Issuer, as applicable, represents and warrants to the Indenture Trustee that, as of the Closing Date:

(a) Existence and Power. The Issuer is a business trust duly organized, validly existing and in good standing under the law of the State of Delaware and has all requisite trust powers and all Permits required to carry on its business as now conducted and as contemplated by the Transaction Documents. The Co-Issuer is a corporation duly incorporated, validly existing and in good standing under the law of the State of Delaware and has all requisite corporate powers and all material Permits required to carry on its business as now conducted and as contemplated by the Transaction Documents.

(b) Special Purpose Status. The Issuer has not engaged in any activities since its organization (other than those incidental to its organization and other appropriate steps in connection with the transactions contemplated by the Transaction Documents, including

arrangements for the payment of the fees of its trustee, the issuance and sale of the Senior Notes and the WCL Interest in exchange for the consideration received therefor, the purchase and receipt of the WCG Note, the preparation, execution and delivery of any applications with any Governmental Authority, the execution of the Transaction Documents to which it is a party executed on or prior to the date hereof and the other activities referred to in or contemplated by such Transaction Documents) and has not made any distributions since its organization, other than those contemplated by the Transaction Documents. The Co-Issuer has not engaged in any activities since its incorporation (other than those incidental to its incorporation and other appropriate steps in connection with the transactions contemplated by the Transaction Documents, including the issuance of stock to the Issuer and arrangements for the payment of fees to its directors, the authorization and the issuance of the Senior Notes, the execution of the Transaction Documents to which it is a party executed on or prior to the date hereof and the activities referred to in or contemplated by such Transaction Documents) and has not paid any dividends or made any distributions since its incorporation.

(c) Trust or Corporate Authorization; No Contravention. The execution, delivery and performance by the Issuer of each of the Transaction Documents to which it is a party are within the Issuer's trust powers, have been duly authorized by all necessary trust action, and do not contravene, or constitute a default under, any provision of Applicable Law in effect on the Closing Date or of the Issuer Trust Agreement or of the Certificate of Trust or of any agreement or other instrument binding upon the Issuer or result in the creation or imposition of any Lien on any asset of the Issuer, except for Permitted Liens of the type described in clause (iii) of the definition thereof. The execution, delivery and performance by the Co-Issuer of each of the Transaction Documents to which it is a party are within the Co-Issuer's corporate powers, have been duly authorized by all necessary corporate action, and do not contravene, or constitute a default under, any provision of Applicable Law in effect on the Closing Date or of the Co-Issuer's Certificate of Incorporation or Bylaws or of any agreement or other instrument binding upon the Co-Issuer or result in the creation or imposition of any Lien on any asset of the Co-Issuer, except for Permitted Liens of the type described in clause (iii) of the definition thereof.

(d) Binding Effect. Each of the Transaction Documents to which each of the Issuer and the Co-Issuer is a party has been duly executed and delivered by the Issuer and/or the Co-Issuer, as the case may be, and, subject to the due execution and delivery by the other parties thereto, each such Transaction Document constitutes (or, in the case of the Senior Notes, when duly authenticated, issued, paid for and delivered in accordance with this Indenture and the Note Purchase Agreement, will constitute) a legal, valid and binding obligation of the Issuer and/or the Co-Issuer, as the case may be, enforceable against the Issuer and/or the Co-Issuer, as the case may be, in accordance with its terms except as the enforceability thereof may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and general equitable principles (whether enforcement is sought by proceedings in equity or at law) and (ii) in the case of the Remarketing and Support Agreement, the Note Purchase Agreement and the WCG Note Reset Remarketing Agreement, the effect of applicable public policy on the enforceability of provisions relating to contribution and indemnification.

(e) Security for the Senior Notes. The Grant of the Security for the Senior Notes securing on an equal and ratable basis the payment of the Secured Obligations (x) for the benefit of the Indenture Trustee and the Noteholders and (y) for the benefit of Williams will constitute a valid, first priority, perfected security interest in the Security for the Senior Notes, free and clear of any Lien or claims of any Person (other than Permitted Liens set forth in clause (iii) of the definition thereof), to the extent perfection can occur under Article 8 and/or Article 9 of the New York UCC by possession, filing of a financing statement or control of a securities account. Following such perfection, such security interest will be enforceable as such against all creditors

of the Issuer and any Persons purporting to purchase any of the Security for the Senior Notes from the Issuer, except in each case as enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and general equitable principles (whether enforcement is sought by proceedings in equity or at law) and other than as permitted by the Transaction Documents. Neither the Issuer nor the Co-Issuer has executed and/or filed any valid financing statement covering the Indenture Trustee's interest in the Security for the Senior Notes that is on file in any public office other than the financing statements, if any, filed pursuant to the Transaction Documents.

(f) No Consents. The execution, delivery and performance by each of the Issuer and the Co-Issuer of each Transaction Document to which the Issuer and/or the Co-Issuer, as the case may be, is a party and the offering of the Senior Notes by the Issuers and the creation of the Security for the Senior Notes do not require the consent or the approval or authorization of, or any filing, registration or qualification with, any Person or any Governmental Authority on the part of either the Issuer and/or the Co-Issuer, as the case may be, as a condition to such execution, delivery and performance by it as and when required that has not been obtained, given or taken except (i) for filings of Uniform Commercial Code financing statements to perfect the security interests contemplated by the Transaction Documents and (ii) where the failure to obtain such consent, approval or authorization or make such filing, registration or qualification would not have an Issuer Material Adverse Effect.

(g) Litigation. There is no Proceeding pending against or, to the actual knowledge of any Authorized Officer of either the Issuer or the Co-Issuer, threatened against, the Issuers before any Governmental Authority.

(h) Tax Claims. There is no Tax claim pending against or, to the actual knowledge of any Authorized Officer of either the Issuer or the Co-Issuer, threatened against the Issuers.

(i) Payment of Taxes. The Issuers have each paid all Taxes which they are required to have paid prior to the Closing Date.

(j) Not an Investment Company. Neither the Issuer nor the Co-Issuer will be required to register as an "investment company" within the meaning of the Investment Company Act, and neither will become such as a result of the issuance and sale of the Senior Notes or the other transactions contemplated by the Transaction Documents.

(k) Liens. There are no Liens of any kind (other than Permitted Liens described in clause (iii) of the definition thereof) affecting title to any of the assets or rights of the Issuer or the Co-Issuer under any Transaction Documents.

(l) No Conflict. Neither the sale, issuance or delivery of the Senior Notes to the Initial Purchasers nor the consummation of any other of the transactions contemplated herein nor compliance with the provisions of this Indenture will conflict with or result in the breach of any material term or provision of any agreements to which the Issuer or the Co-Issuer is a party or constitute a violation of any Applicable Law.

(m) Margin Compliance. No part of the proceeds of the sale of the Senior Notes will be used, directly or indirectly, for the purpose of purchasing or carrying any Margin Stock within the meaning of Regulations U and X of the Board of Governors of the Federal Reserve System.

(n) Compliance. Neither the Issuer nor the Co-Issuer is in breach or violation of or in default (nor, to the actual knowledge of an Authorized Officer of either the Issuer or the

Co-Issuer, has an event occurred that with notice or lapse of time or both would constitute a default) under the terms of (i) its Organizational Documents, (ii) any of the Transaction Documents, (iii) any other agreements to which the Issuer or the Co-Issuer, as the case may be, is a party or (iv) any Applicable Law.

(o) No Defaults. To the best of the Issuers' knowledge, no Event of Default has occurred and is continuing and no condition, event or act has occurred and is continuing that with the giving of notice and/or the lapse of time and/or any determination or certification would constitute an Event of Default.

(p) Indebtedness. Neither the Issuer nor the Co-Issuer has created, assumed or incurred any Indebtedness in violation of its Organizational Documents or any Transaction Document.

(q) Employees, Subsidiaries. The Issuer has no employees, and other than the Co-Issuer, no Subsidiaries and no place of business outside of the State of Delaware. The Co-Issuer has no employees, no Subsidiaries and no place of business outside of the State of Delaware.

(r) PUHCA. Neither the Issuer nor the Co-Issuer is subject to regulation as a "holding company" as such term is defined in the PUHCA.

(s) Securities Act. Assuming that the representations of the Initial Purchasers relating to matters of securities law set forth in the Note Purchase Agreement are true and correct and assuming compliance by the Initial Purchasers with their agreements contained in the Note Purchase Agreement and assuming compliance by the initial Noteholders with the restrictive legends contained in the Senior Notes, the sale of the Senior Notes by the Issuers to the Initial Purchasers and by the Initial Purchasers to the initial Noteholders in the manner contemplated by the Note Purchase Agreement will be exempt from the registration requirements of the Securities Act.

SECTION 6.02. Survival of Representations and Warranties. It is understood and agreed that the representations and warranties set forth in Section 6.01 shall survive the contribution and sale of the Security for the Senior Notes to the Issuers and the Grant of the Security for the Senior Notes. Upon actual knowledge by the Issuers or a Responsible Officer of the Indenture Trustee of a breach of any of such representations and warranties, the party discovering such breach shall give prompt written notice to the other parties and to the Noteholders.

ARTICLE VII

COVENANTS OF THE ISSUERS

SECTION 7.01. Covenants of the Issuers. The Issuers agree that so long as any amount payable hereunder or under any Senior Note remains unpaid:

(a) Information. The Issuers will at all times furnish to the Indenture Trustee such information as the Indenture Trustee may reasonably request for the purpose of the discharge of the trusts, powers, rights, duties, authorities and discretions vested in it hereunder or under any other Transaction Document or by operation of law.

(b) Reporting Requirements. The Issuers shall furnish or cause to be furnished to the Indenture Trustee who shall furnish to Williams, the Rating Agencies and the Noteholders:

(i) as soon as available and in any event within 60 days after the end of the first, second and third fiscal quarters of the Issuer, an unaudited consolidated balance sheet of

the Issuer as of the end of such quarter and the related consolidated statements of income and cash flows for such quarter, prepared in accordance with GAAP, and for the portion of the fiscal year ending with the last day of such quarter, setting forth in each case in comparative form corresponding unaudited figures for the corresponding fiscal period of the preceding year, if any; provided that such financial statements need not include footnote disclosure and may be subject to ordinary year-end adjustments;

(ii) as soon as available and in any event within 120 days after the end of each fiscal year of the Issuer, audited consolidated financial statements of the Issuer, prepared in accordance with GAAP, together with an unqualified audit opinion of Ernst & Young LLP or another firm of independent certified public accountants of recognized national standing and an Issuers' Certificate stating, to their actual knowledge, (a) that no Indenture Default or Event of Default has occurred or is continuing, (b) if an Indenture Default or Event of Default has occurred and is continuing, a statement as to the nature thereof and what action the Issuers are taking or propose to take in respect thereof and (c) that no event has occurred or remains by reason of which payments on account of the principal of or interest, if any, on the Senior Notes are prohibited or, if such event has occurred, a statement as to the nature thereof and what action the Issuers are taking or propose to take with respect thereto;

(iii) promptly and in any event within 10 Business Days after either the Issuer or the Co-Issuer has actual knowledge thereof, written notice of the occurrence of any event or condition which constitutes an Indenture Default, Event of Default or Trigger Event, specifically stating that such event or condition has occurred and describing it and any action being or proposed to be taken with respect thereto; and

(iv) promptly and in any event within 10 Business Days after either the Issuer or the Co-Issuer has actual knowledge thereof, written notice of the occurrence of any material default under any Transaction Document, the commencement of any material actions, suits and other proceedings instituted against either the Issuer or the Co-Issuer or the occurrence of any event or condition that is reasonably likely to have an Issuer Material Adverse Effect.

With respect to the information and documents required to be delivered pursuant to this Section 7.01(b), the Indenture Trustee may require each owner of a beneficial interest in a Global Note requesting such information to provide evidence satisfactory to the Indenture Trustee of such Person's interest in a Global Note before delivering the requested information to such Person. Delivery of such information, documents or notices to the Indenture Trustee shall be for informational purposes only, and the Indenture Trustee's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Issuers' compliance with any of their covenants hereunder (as to which the Indenture Trustee is entitled to rely exclusively on Issuers' Certificates).

(c) Maintenance of Books and Records. The Issuers will maintain their books and records in accordance with GAAP.

(d) Notices. If at any time any creditor of either of the Issuers seeks to enforce any judgment or order of any competent court or other competent tribunal in the State of Delaware or the State of New York against any of the Security for the Senior Notes, the Issuers shall (i) promptly give written notice to such creditor and to such court or tribunal of the Indenture Trustee's interests therein; (ii) if at any time an examiner, administrator, administrative receiver, receiver, trustee, custodian, sequestrator, conservator or other similar appointee (an "Insolvency Appointee") is appointed in respect of any creditor or any of their assets, promptly give notice to

such appointee of the Indenture Trustee's interests therein; and (iii) notify the Indenture Trustee in writing thereof in either case.

(e) Payment of Obligations. The Issuers will pay and discharge in full their obligations hereunder, under the Senior Notes and under the other Transaction Documents.

(f) Limitation on Activities of the Issuer. The Issuer shall not hold any material assets (other than Permitted Assets and its interests under the Transaction Documents and Financial Investments as contemplated by the Transaction Documents), become liable for any material obligations (other than the Senior Notes), engage in any trade or business or conduct any activity other than the incurrence of indebtedness as a co-obligor of the Senior Notes, the activities contemplated in this Indenture, the Participation Agreement, the Issuer Trust Agreement, the Liquidity Agreement, the Remarketing and Support Agreement, the WCG Note Reset Remarketing Agreement and any other Transaction Document to which it is a party and the activities incidental thereto.

(g) Limitation on Activities of the Co-Issuer. The Co-Issuer shall not hold any material assets, become liable for any material obligations (other than the Senior Notes), engage in any trade or business or conduct any activity, other than the issuance of equity interests to the Issuer, the incurrence of indebtedness as a co-obligor of the Senior Notes, the activities contemplated in this Indenture and any other Transaction Document to which it is a party and the activities incidental thereto. The Issuer shall not engage in any transactions with the Co-Issuer in violation of the immediately preceding sentence.

(h) Issuance of Trust Interests. The Issuer shall not issue any other trust certificates of beneficial interest or any other interests in relation to its ownership or control other than the WCL Interest.

(i) Disposal of the Security for the Senior Notes. Except as provided in or permitted by this Indenture or the other Transaction Documents, the Issuers shall not sell, assign, lease, transfer or otherwise dispose of any interest in the Security for the Senior Notes.

(j) No Liens. The Issuers will not create, assume or permit to exist upon any of the Security for the Senior Notes any Lien whatsoever other than Permitted Liens.

(k) Further Assurances. The Issuers will cause all financing statements covering the Security for the Senior Notes to be promptly recorded, registered and filed, and at all times to be kept recorded, registered and filed, and will execute and file such financing statements, all in such manner and in such places as may be required by law fully to preserve and protect the rights of the Indenture Trustee as secured party hereunder to all property comprising the Security for the Senior Notes. The Issuers shall take all steps as the Indenture Trustee may reasonably request to perfect the security interests in the Security for the Senior Notes and maintain such perfection; provided that any costs and expenses of taking such steps shall be included in the Administrative Expenses due and payable on the next succeeding Senior Note Payment Date.

(l) Direction. The Issuers shall take all steps as the Indenture Trustee may reasonably require at any time or times to give effect to the Transaction Documents; provided that any costs and expenses of taking such steps shall be included in the Administrative Expenses due and payable on the next succeeding Senior Note Payment Date.

(m) Conduct of Business and Maintenance of Existence. The Issuers will not engage in any activity other than as required or contemplated hereunder and under the Transaction Documents. The Issuers will carry on their respective businesses in a proper and efficient

manner, to the extent permitted under this Indenture. Subject to the terms of Section 7.01(q), the Issuers will keep in full effect their legal existence, material rights (charter, if applicable, and statutory) and material franchises as a partnership or corporation, as applicable, under the laws of the State of Delaware and, at the request of the Indenture Trustee, obtain and preserve their qualification to do business as a foreign partnership or foreign corporation, as applicable, in each jurisdiction in which such qualification is or shall be necessary to protect the validity and enforceability of this Indenture or any of the Security for the Senior Notes and to perform their respective duties under this Indenture.

(n) Compliance with Laws. Each of the Issuer and the Co-Issuer will comply in all material respects with all Applicable Laws in the jurisdiction of its organization or incorporation except where the necessity of compliance therewith is contested in good faith by appropriate proceedings or where the failure to so comply would not reasonably be expected to have an Issuer Material Adverse Effect.

(o) Investments; No Subsidiaries. Other than as contemplated by the Transaction Documents, the Issuers will not make or acquire any direct Investment in any Person other than, in the case of the Issuer, its Investment in the Co-Issuer, the WCG Note and any Financial Investments. Without limitation of the foregoing, the Co-Issuer shall have no subsidiaries.

(p) Indebtedness. The Issuers will not create, assume, incur or suffer to exist any Indebtedness other than the Senior Notes.

(q) Consolidation or Merger. Neither of the Issuers will consolidate or merge with or into any Person unless (i) such Issuer shall be the surviving entity, or the Person (if other than such Issuer) formed by such consolidation or into which such Issuer is merged shall expressly assume the due and punctual payment of the principal of and interest and premium, if any, on the Senior Notes and the performance of every other covenant of such Issuer under this Indenture and under each other Transaction Document to which such Issuer is a party and (ii) each Rating Agency confirms that its then current rating on the Senior Notes shall not be withdrawn or downgraded.

(r) Use of Proceeds. The proceeds of the Senior Notes, together with the proceeds of the issuance of the WCL Interest, will be used by the Issuer to purchase the WCG Note for $1,500,000,000.

(s) Amendment of Transaction Documents. Except for amendments, modifications and supplements to this Indenture contemplated in Article XII, the Issuers will not agree or consent to any amendment, modification or waiver of any provision of any Transaction Document without the consent of the Indenture Trustee acting at the written direction of the Majority Noteholders unless the Indenture Trustee receives an Opinion of Counsel to the effect that such amendment, modification or waiver will not materially adversely affect the Noteholders. In addition to the foregoing, the Issuers will not agree or consent to any amendment, modification or waiver of any provisions of any Transaction Document unless the Indenture Trustee has received an Opinion of Counsel to the effect that such amendment, modification or waiver will not result in the Lien created by this Indenture being materially adversely affected. Neither the Issuer nor the Co-Issuer shall amend or modify, or consent to amend or modify, the Issuer Trust Agreement or the Certificate of Incorporation of the Co-Issuer without the written consent of the Majority Noteholders (except, in either case, as required by law or with respect to its registered agent or office in the State of Delaware).

(t) Assignment of Transaction Documents. Except for assignments contemplated by this Indenture, the Issuers will not assign their rights under any of the Transaction Documents to which they are a party without the prior written consent of the Majority Noteholders.

(u) Rule 144A. The Issuers will furnish or cause to be furnished promptly upon the request of a Noteholder or a prospective transferee, at any time when the Issuers are not subject to Section 13 or 15(d) of the Exchange Act, information specified in Rule 144A(d)(4)(i) and (ii) under the Securities Act to such Noteholder or to a prospective transferee of a Senior Note or interests in such Senior Note designated by such Noteholder, as the case may be, in connection with the resale pursuant to Rule 144A of such Senior Note or such interests by such Noteholder; provided, however, that the Issuers shall not be required to furnish such information in connection with any request made after the date which is the earlier to occur of the date two years after the later to occur of (i) the Closing Date and (ii) the date such Senior Note was last acquired from an "affiliate" of either the Issuer or the Co-Issuer within the meaning of Rule 144.

(v) Restrictions on Certain Actions. The Issuers will not take, or knowingly permit to be taken, any action that would terminate or discharge or prejudice the validity or effectiveness of any of the Transaction Documents or the validity, effectiveness or priority of the Liens created hereby or thereby or permit any party to any of the Transaction Documents whose obligations form part of the security created by this Indenture to be released from such obligations except, in each case above, as permitted or contemplated by this Indenture or the other Transaction Documents.

(w) Transaction Documents. Each of the Issuer and the Co-Issuer will enter into and perform all of its material obligations under each Transaction Document to which it is a party.

(x) Issuance of Stock. The Co-Issuer shall not issue, deliver or sell any additional shares of its capital stock, except to the Issuer.

(y) Taxes. The Issuers shall file all Federal, state, local and foreign tax returns which are required to be filed and will pay all taxes shown on such returns and all assessments received by them to the extent the same are material and have become due.

ARTICLE VIII

LIMITATION ON LIABILITY OF THE ISSUERS

SECTION 8.01. Liabilities of the Issuers. The Issuers shall be liable in accordance herewith only to the extent of the obligations specifically imposed upon and undertaken by each of them herein.

ARTICLE IX

EVENTS OF DEFAULT

SECTION 9.01. Events of Default. If one or more of the following events (herein referred to as "Events of Default") (whatever the reason for such Events of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body) shall have occurred and be continuing:

(a) failure by the Issuers to make (or cause to be made on their behalf) on any Interest Payment Date a payment of the Senior Note Interest Amount for such Interest Payment Date, and such failure continues for five Business Days thereafter;

(b) funds from the Semi-Annual Cash Flow are not sufficient to pay accrued and unpaid interest on the Senior Notes as of the opening of business on the fifth Business Day after any Interest Payment Date (a "Cash Flow Event of Default");

(c) failure by the Issuers, Williams, or the Share Trust duly to observe or to perform any other covenant of the Issuers, Williams, or the Share Trust, as applicable, under this Indenture or any other Transaction Document (other than any covenant or agreement in or with respect to the Note Purchase Agreement) to which such entity is a party, which failure (i) materially adversely affects the rights of the Noteholders and (ii) continues unremedied for a period of 30 days after the earlier of (A) Williams or any of its Affiliates having actual knowledge of such default and (B) the giving of written notice of such failure to the Issuers and Williams by the Indenture Trustee or by any Noteholder;

(d) any representation or warranty made by any of the Issuer, the Co-Issuer, Williams, WCL, WCG or the Share Trust, as applicable, in this Indenture or in any other Transaction Document (other than any representation or warranty made in or with respect to the Note Purchase Agreement) or in any other document delivered to the Indenture Trustee pursuant to any Transaction Document (other than the Note Purchase Agreement) shall prove to have been incorrect in any respect which materially adversely affects the rights of the Noteholders when made (or deemed made) and such misrepresentation continues for 30 days after the earlier of (x) Williams or any of its Affiliates having actual knowledge of such default and (y) the giving of written notice of such misrepresentation to the Issuers and Williams by the Indenture Trustee or by any Noteholder;

(e) the rendering of any final money judgment, enforceable in any competent court, against any of the Issuer, the Co-Issuer or the Share Trust, and such judgment shall not be discharged or dismissed or execution thereon stayed within 60 days after entry;

(f) the occurrence of any default in the payment when due of interest on or principal of any Williams Demand Loans;

(g) any of the Issuer, the Co-Issuer, Williams, WCG, WCL or the Share Trust becomes an investment company required to be registered under the Investment Company Act;

(h) the commencement of any voluntary or involuntary proceeding under any bankruptcy or insolvency law seeking liquidation, reorganization or other relief with respect to any of the Issuer, the Co-Issuer, Williams, WCG, WCL or the Share Trust, and, in the case of any such involuntary proceeding with respect to Williams, WCG or WCL, such proceeding has not been terminated within 60 days after commencement;

(i) the failure by Williams to pay any principal or interest, regardless of amount, due in respect of any Indebtedness in a principal amount in excess of $60,000,000 in the aggregate, when and as the same shall become due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) which failure continues after any applicable grace period;

(j) the failure by the Issuer to make any payments required under the Transaction Documents, subject to any otherwise applicable grace period;

(k) this Indenture or any other Transaction Document to which any of the Issuer, the Co-Issuer, Williams, WCG, WCL or the Share Trust is a party ceases to be the legally valid and enforceable obligation of any of the Issuer, the Co-Issuer, Williams, WCG, WCL or the Share Trust, as the case may be, which cessation (x) materially adversely affects the rights of the Noteholders and (y) continues for 30 days after the earlier of (A) Williams or any of its Affiliates having actual knowledge thereof and (B) the giving of written notice of such cessation to the Issuers and Williams by the Indenture Trustee or by any Noteholder; and

(l) the pledge of the Security for the Senior Notes ceases to be in full force and effect or is repudiated by the Issuers; provided that, in the case of such cessation which is not a repudiation and does not materially adversely affect the rights of the Noteholders, such cessation shall not become an Event of Default unless it continues unremedied for 30 days after the earlier of (x) Williams or any of its Affiliates having actual knowledge thereof and (y) the giving of written notice of such cessation to the Issuers and Williams by the Indenture Trustee or by any Noteholder;

then, (x) the Indenture Trustee, at the written direction of the Holders of at least 25% of the aggregate principal amount of the Senior Notes Outstanding (the "Required Holders") in their sole and absolute discretion, shall deliver a written notice substantially in the form of Exhibit F hereto (a "Default Notice") to the Issuers, the Share Trustee and Williams, which shall specifically state that it is a Default Notice, and (y) the Indenture Trustee, by notice in writing to the Issuers, the Share Trustee and Williams, shall declare the principal of all the Senior Notes and the unpaid interest accrued thereon to be due and payable immediately, without presentment, demand, protest or other requirements of any kind, all of which are hereby expressly waived by the Issuers, upon, in the case of an Event of Default other than an Event of Default of the type described in clauses (a), (b), (f) or (h), the written direction of the Required Holders and, in the case of any Event of Default of the type described in clauses (a), (b), (f) or (h), the principal of all the Senior Notes and the unpaid interest accrued thereon shall automatically become due and payable immediately.

If and to the extent that any payment by or on behalf of the Issuers in respect of the Senior Notes is rescinded or must be otherwise restored by any Noteholder, not later than one year and one day after the payment in full of the Senior Notes, as a result of any proceedings in bankruptcy or reorganization relating to the Issuers, WCL or WCG, the amount of any such payment shall be deemed not to have been paid and shall, together with all other amounts remaining payable by the Issuers to the Noteholders hereunder, automatically become due and payable immediately, and the Indenture Trustee shall give notice thereof in the same manner as provided with respect to an Event of Default described in Section 9.01(a) above.

SECTION 9.02. Application of Proceeds. Subject to the limitations described in Section 9.04(b), any moneys collected by the Indenture Trustee pursuant to this Article IX, from and after an acceleration of the Senior Notes, together with all moneys at the time on deposit in the Indenture Accounts, shall be applied to a Mandatory Redemption of the Senior Notes in accordance with Section 5.05(d) at the date or dates fixed by the Indenture Trustee pursuant to Section 15.01.

SECTION 9.03. Waiver of Past Events of Default. Prior to the declaration of the acceleration of the Senior Notes as provided in Section 9.01, the Majority Noteholders may, on behalf of the Holders of all the Senior Notes, waive any past Indenture Default or Event of Default hereunder and its consequences, except a default (a) in the payment of principal of or interest on any of the Senior Notes or (b) in respect of a covenant or provision hereof which cannot be modified or amended without the consent of the Holder of each Senior Note affected. In the case of any such waiver, the Issuers, the Indenture Trustee and the Noteholders shall be restored to their former positions and rights hereunder, respectively, and the relevant Indenture Default or Event of Default shall cease to exist and be deemed to

have been cured and not to have occurred for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Event of Default or impair any right consequent thereon.

SECTION 9.04. Provisions Relating to the Support for the Senior Notes. Subject to Section 9.03, the Indenture Trustee shall not take any of the actions described in this Section 9.04 (other than the actions described in Section 9.04(i)) until the occurrence of a Trigger Event. Upon the occurrence of a Trigger Event, the Indenture Trustee shall deliver a written notice (a "Trigger Event Notice") to the Issuers, Williams, WCG, WCL, the Noteholders and the Share Trust, which shall specifically state that it is a Trigger Event Notice and the Senior Notes will be subject to a Mandatory Redemption in accordance with Article XV.

(a) Proceedings Upon Trigger Event.

(i) Subject to subparagraphs (b), (g) and (h) below, upon the occurrence of a Trigger Event, the Indenture Trustee shall institute proceedings to seek or enforce any remedy to protect and enforce any of its rights or powers with respect to the Remarketing and Support Agreement and the Share Trust Agreement, including to cause the Share Trustee to liquidate the Williams Preferred Stock held by the Share Trust and/or shares issued pursuant to the Remarketing and Support Agreement through the remarketing process set forth in the Remarketing and Support Agreement and to deposit the proceeds into the Indenture Redemption Account (the "Share Trust Remedy").

(ii) Subject to subparagraphs (b), (h) and (i) below, upon the occurrence of a Trigger Event, the Indenture Trustee may, or at the written direction of the Required Holders shall, institute proceedings to seek or enforce any remedy to protect and enforce any of its rights or powers with respect to the other assets of the Issuer constituting the Security for the Senior Notes, including, without limitation, selling the Issuer's interest in the WCG Note, and deposit the proceeds in the Indenture Redemption Account (the "Asset Remedy").

(iii) In taking any action under the Asset Remedy, the Indenture Trustee shall use its best efforts to achieve the maximum proceeds for the Noteholders and Williams, consistent with a prompt and orderly proceeding, without regard to any proceeds available to the Noteholders pursuant to the Share Trust Remedy.

(b) Limitations on Remedies of Indenture Trustee.

(i) Upon the occurrence of any Trigger Event, the Share Trust Remedy shall not commence until the later of (A) 21 days after the occurrence of such Trigger Event and (B) if, no later than 21 days after such Trigger Event, Williams files a registration statement for and is diligently pursuing the registration and sale of the New Series (including, at Williams' option, the Williams Preferred Stock and/or shares issued pursuant to the Remarketing and Support Agreement) in order to generate proceeds in an amount reasonably expected to be at least equal to the Share Trust Amount, then 60 days after the occurrence of such Trigger Event. The 21-day or 60-day period referred to in this paragraph is herein referred to as the "Share Trust Remedy Standstill Period."

(ii) Upon the occurrence of any Trigger Event, the Indenture Trustee may pursue the Asset Remedy: (A) in the case of an Acceleration Trigger not caused by a Williams Event, only after the later of (x) 21 days after the occurrence of such Trigger Event and (y) if, no later than 21 days after such Trigger Event, Williams files a registration statement for and is diligently pursuing the registration and sale of either the

New Series or, at Williams' option, the Williams Preferred Stock and/or shares issued pursuant to the Remarketing and Support Agreement in order to generate proceeds in an amount reasonably expected to be at least equal to the Share Trust Amount, then 120 days following the occurrence of such Trigger Event; (B) in the case of an Acceleration Trigger caused by a Williams Event, only at the direction of the Required Holders; and (C) in the case of a Maturity Trigger or a Stock Price/Credit Downgrade Trigger, only after 120 days following the occurrence of such Trigger Event. The 21-day or 120-day period referred to in this paragraph is herein referred to as the "Asset Remedy Standstill Period."

(iii) The Indenture Trustee may, at the direction of the Required Holders, to the extent permitted by Applicable Law and subject to the other provisions of this Indenture, take any other action of a secured party under such law. The Indenture Trustee shall not be bound to institute any such proceedings or take any other action, except as otherwise provided in this Section 9.04 unless (A) it shall have been so directed in writing by the Required Holders and (B) it shall have been furnished an indemnity to its reasonable satisfaction.

(c) Indenture Trustee's Actions in Event of Proceedings. Any time the Indenture Trustee is entitled under this Indenture to institute Proceedings to enforce this Indenture and the Senior Notes or its rights under the other Transaction Documents the following shall be applicable:

(i) subject to Section 2.05(f), the Indenture Trustee in its own name, and as trustee of an express trust, shall be entitled and empowered to institute any Proceedings to recover judgment against the Issuers under this Indenture or the Senior Notes for the whole amount due and unpaid hereunder or thereunder and may prosecute any such claims or Proceedings to judgment or final decree against the Issuers or such other party and collect the moneys adjudged or decreed to be payable in any manner provided by law, whether before or after or during the pendency of any Proceedings for the enforcement of the Lien of this Indenture or of any of the Indenture Trustee's rights or the rights of the Holders under this Indenture, and such power of the Indenture Trustee shall not be affected by the exercise of any other right, power or remedy for the enforcement of the provisions of this Indenture or for the foreclosure of the Lien hereof;

(ii) subject to Section 2.05(f) and except as required by applicable law or the terms of such judgment or final decree, no recovery of any judgment or final decree by the Indenture Trustee and no levy of any execution under any such judgment upon any of the Security for the Senior Notes shall in any manner or to any extent affect the Lien of this Indenture upon any of the Security for the Senior Notes or any rights, powers or remedies of the Indenture Trustee, but all such Liens, rights, powers and remedies shall continue unimpaired as before;

(iii) subject to Section 2.05(f), the Indenture Trustee in its own name, or as trustee of an express trust, as the case may be, or in any one or more of such capacities, shall be entitled and empowered to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Indenture Trustee and of the Noteholders (whether such claims be based upon the provisions of such Senior Notes or of this Indenture) allowed in any receivership, insolvency, bankruptcy, moratorium, liquidation, readjustment, reorganization or any other Proceedings relative to either of the Issuers or the respective creditors of the Issuers, and any receiver, assignee, trustee, liquidator or sequestrator (or other similar official) in any such judicial or other proceeding is hereby authorized to make such payments to the

Indenture Trustee and, in the event that the Indenture Trustee shall consent to the making of such payments directly to the Noteholders, to pay to the Indenture Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Indenture Trustee, its agents and counsel;

(iv) subject to Section 11.01(b), all rights of action and of asserting claims under this Indenture or under any of the Senior Notes enforceable by the Indenture Trustee may be enforceable by the Indenture Trustee to the extent permitted by law without possession of any of such Senior Notes or the production thereof at the trial or other Proceedings relative thereto;

(v) in case the Indenture Trustee shall have proceeded to enforce any right under this Indenture by suit, foreclosure or otherwise and such Proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Indenture Trustee, then in every such case the Issuers and the Indenture Trustee shall, to the extent permitted by law, be restored without further act to their respective former positions and rights hereunder, and all rights, remedies and powers of the Indenture Trustee shall continue as though no such proceedings had been taken, except to the extent determined in litigation adversely to the Indenture Trustee; and

(vi) the Indenture Trustee shall incur no liability as a result of the sale of the Security for the Senior Notes, or any part thereof, at any private sale conducted in a commercially reasonable manner and in accordance with Applicable Law. To the extent permitted by law, the Issuers hereby waive any claims against the Indenture Trustee arising by reason of the fact that the price at which the Security for the Senior Notes may have been sold at such a private sale was less than the price that might have been obtained at a public sale or was less than the aggregate amount of the Senior Notes, even if the Indenture Trustee accepts the first offer received and does not offer the Security for the Senior Notes to more than one offeree.

(d) Waiver of Appraisement, Valuation and Stay. To the extent they may lawfully do so, the Issuers for themselves and for any Person who may claim through or under either of them hereby:

(i) agree that neither they nor any such Person will plead, claim or in any manner whatsoever take advantage of any appraisement, valuation, stay, extension or redemption laws, now or hereafter in force in any jurisdiction, which may delay, prevent or otherwise hinder (A) the performance, enforcement or foreclosure of the Liens created by this Indenture or (B) the sale or other enforcement of the Security for the Senior Notes as provided herein or therein;

(ii) waive all benefit or advantage of any such laws; and

(iii) consent and agree that, subject to the terms of this Indenture, the instruments constituting the Security for the Senior Notes and regulations applicable thereto, all the Security for the Senior Notes may upon any such sale be sold by the Indenture Trustee as an entirety.

(e) Bankruptcy. Subject to Section 2.05(f), in case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other Proceeding under any bankruptcy, insolvency or similar law relative to either of the Issuers or the respective property of the Issuers or their respective creditors, the Indenture Trustee (irrespective of whether the principal of the Senior Notes shall then be due and

payable as herein or therein expressed or by declaration or otherwise and irrespective of whether the Indenture Trustee shall have made any demand on the Issuers for the payment of overdue principal, premium, if any, or interest) shall be entitled and empowered, by intervention in such Proceeding or otherwise:

(i) to file and prove a claim for the whole amount of principal, premium, if any, and interest owing and unpaid in respect of the Senior Notes and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Indenture Trustee (including any claims for the reasonable compensation, expenses, disbursements and advances of the Indenture Trustee, its agents and counsel) and of the Holders allowed in such Proceeding; and

(ii) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same; and any custodian, receiver, assignee, trustee, liquidator, sequestrator or similar official in any such Proceeding is hereby authorized by each Holder to make such payments to the Indenture Trustee and, in the event that the Indenture Trustee shall consent to the making of such payments directly to the Holders, to pay the Indenture Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Indenture Trustee, its agents and counsel and any other amounts due the Indenture Trustee.

Nothing herein contained shall be deemed to authorize the Indenture Trustee to authorize or consent to or accept or adopt on behalf of any Holder any proposal, plan of reorganization, arrangement, adjustment or composition or other similar arrangement affecting the Senior Notes or the rights of any Holder thereof or to authorize the Indenture Trustee to vote in respect of the claim of any Holders in any such proceeding.

(f) Remedies Cumulative; Delay or Omission Not a Waiver. To the extent permitted by law, every remedy given hereunder to the Indenture Trustee or to any of the Noteholders shall not be exclusive of any other remedy or remedies, and every such remedy shall be cumulative and in addition to every other remedy given hereunder or now or hereafter given by statute, law, equity or otherwise. The Indenture Trustee may exercise all or any of the powers, rights or remedies given to it hereunder or which may be now or hereafter given by statute, law, equity or otherwise, in its absolute discretion. No course of dealing between the Issuers and the Indenture Trustee or the Noteholders or any delay or omission of the Indenture Trustee or of the Holders to exercise any right, remedy or power accruing upon any Event of Default shall impair any right, remedy or power or shall be construed to be a waiver of any such Event of Default or of any right of the Indenture Trustee or of any Holder or acquiescence therein, and every right, remedy and power given by this Article IX to the Indenture Trustee or to the Holders may, to the extent permitted by law, be exercised from time to time and as often as may be deemed expedient by the Indenture Trustee or by the Holders.

(g) Certain Rights of the Issuer. Notwithstanding any other provision of this Indenture, the Indenture Trustee and the Noteholders (by their acceptance of the Senior Notes) agree that the Issuer shall have reserved to it (i) its rights, together with the Indenture Trustee, to receive notices, reports and other information under each of the Transaction Documents and (ii) its right to appoint an Independent Investment Banker under this Indenture and its right, prior to the satisfaction and discharge of this Indenture, to consent to the appointment of an Independent Investment Banker under the WCG Note Indenture (the "Excepted Rights").

(h) Certain Voting Rights. The Issuer, the Indenture Trustee and the Noteholders (by their acceptance of the Senior Notes) agree that in exercising the contractual rights of the Issuer pursuant to the grant of the Security for the Senior Notes (including, without limitation, all such

rights in respect of the WCG Note and the WCG Note Indenture), and subject to Section 9.04(i), the Indenture Trustee will act upon the written direction of the secured party entitled to give such directions at such point in time (the "Collateral Instructions Party"), as follows:

(i) until the earlier of (x) a Williams Event and (y) the Standstill Expiration Date with respect to the Asset Remedy, the rights of the Issuer shall be exercised by the Indenture Trustee acting at the written direction of Williams as the Collateral Instructions Party; provided that the following actions in respect of the WCG Note will also require the consent of the Majority Noteholders:

(A) any change in the stated maturity of the principal of, or any installment of interest on, the WCG Note, or reduction in the principal amount thereof or the interest thereon that would be due and payable upon the stated maturity thereof, or change in the place of payment where, or the coin or currency in which, the WCG Note or any premium or interest thereon is payable, or impairment of the right to institute suit for the enforcement of any such payment on or after the stated maturity thereof;

(B) any reduction in the percentage of required holders of the WCG Note necessary for any supplemental indenture or for any waiver of compliance with certain provisions of the WCG Note Indenture or certain defaults thereunder;

(C) except as otherwise required by the WCG Note Indenture, any subordination, in right of payment or otherwise, of the WCG Note to any other Debt (as defined in the WCG Note Indenture) of WCG;

(D) except as otherwise required by the WCG Note Indenture, the release of any security interest that may have been granted in favor of the holder of the WCG Note, except as otherwise required by the WCG Note Indenture;

(E) any reduction of the premium payable upon the redemption of the WCG Note or any change in the time at which the WCG Note may be redeemed;

(F) any reduction of the premium payable upon a Change of Control Triggering Event (as defined in the WCG Note Indenture);

(G) any change in any Domestic Restricted Subsidiary Guarantee (as defined in the WCG Note Indenture) that would adversely affect the holder of the WCG Note;

(H) any waiver of any default with respect to the payment of the principal of, or premium, if any, or interest on the WCG Note; or

(I) any modification of any provision contained in clauses (A) through (H) above, except to increase any percentage set forth therein; and

(ii) after the earlier to occur of (x) a Williams Event and (y) the Standstill Expiration Date with respect to the Asset Remedy, the rights of the Issuer will be exercised by the Indenture Trustee acting at the written direction of the Required Holders as the Collateral Instructions Party; provided that any of the actions set forth in Section 9.04(h)(i)(A) through (H) shall require the consent of the Holders of at least two-thirds of the then Outstanding aggregate principal amount of the Senior Notes.

The Collateral Instructions Party shall have the right to (i) direct the Indenture Trustee in writing to consent to the appointment of a successor Issuer Trustee pursuant to Section 7.04(a) of the Issuer Trust Agreement and (ii) direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred upon the Indenture Trustee; provided, that (x) such direction shall not be in conflict with any Applicable Law or with this Indenture or expose the Indenture Trustee to personal liability, and (y) the Indenture Trustee may take any other action deemed proper by the Indenture Trustee which is not inconsistent with such direction.

Williams is hereby irrevocably appointed as the agent of the Indenture Trustee (effective so long as Williams is the Collateral Instructions Party) to exercise such rights and remedies, including, without limitation, to cause sales of the WCG Note in accordance with Section 9.04(i), and no Noteholder will have the right to pursue, or to direct the Indenture Trustee to pursue, any such sales in such circumstances. Each Noteholder by its acceptance of a Senior Note, hereby acknowledges and agrees that no conflict of interest shall exist or arise from the Indenture Trustee acting in accordance with the instructions of Williams pursuant hereto, it being in the best interests of both the Noteholders and Williams to maximize the amount of proceeds realized by the actions contemplated herein pursuant to a prompt and orderly proceeding. When acting at the direction of Williams, the Indenture Trustee shall not be a trustee or fiduciary of Williams until the Senior Notes have been paid in full but shall nevertheless perform such obligations in accordance with, and be entitled to all of the rights and protections accorded it under, Article XI.

(i) Certain Rights of the Indenture Trustee with respect to the WCG Note; Reset Events; Special Defaults. Notwithstanding any other provision of this Indenture, the Issuer, the Indenture Trustee and the Noteholders (by their acceptance of the Senior Notes) agree that:

(i) Following the occurrence of any Reset Event, including any Special Default, the Indenture Trustee shall have the obligation to cause a Reset Sale of all or a portion of the WCG Note in accordance with the WCG Note Reset Remarketing Agreement; provided that upon the occurrence of a Reset Event that is caused by an "Event of Default" as defined in the WCG Note Indenture, the Indenture Trustee shall be obligated to cause such a Reset Sale unless the Collateral Instructions Party chooses to accelerate the WCG Note as a result of such "Event of Default";

(ii) If (x) the WCG Note has been accelerated or (y) a Failed Reset Sale (as defined in the WCG Note Reset Remarketing Agreement) or a Reset Sale of less than all of the WCG Note has occurred (in each case, other than as a result of a Reset Event caused by the occurrence of the Interest Rate Reset Date (as defined in the WCG Note Indenture)), the Collateral Instructions Party shall have the right to direct the sale of any unsold portion of the WCG Note at the highest reasonably available market price (on an arm's length basis); provided that the Indenture Trustee, when acting on the instructions of the Required Holders as Collateral Instructions Party, shall be subject to the Asset Remedy Standstill Period;

(iii) If a Failed Reset Sale (as defined in the WCG Note Reset Remarketing Agreement) or a Reset Sale of less than all of the WCG Note has occurred, in each case, as a result of a Reset Event caused by the occurrence of the Interest Rate Reset Date, the Collateral Instructions Party shall have the right, after the occurrence of a Trigger Event, to direct the sale of any unsold portion of the WCG Note at the highest reasonably available market price; provided that the Indenture Trustee, when acting on the instructions of the Required Holders as Collateral Instructions Party, shall be subject to the Asset Remedy Standstill Period; and

(iv) Following the occurrence of any Trigger Event caused by an Event of Default arising solely from the failure of the Issuer to make any payments on the Senior Notes that is not caused by the failure of WCG to make a corresponding payment on the WCG Note (an "Issuer Only Payment Default"), the Collateral Instructions Party shall have the right to direct the sale of the WCG Note at the highest reasonably available market price; provided that the Indenture Trustee, when acting on the instructions of the Required Holders as Collateral Instructions Party, shall be subject to the Asset Remedy Standstill Period.

Any sale of the WCG Note (or any portion thereof) pursuant to this Section 9.04(i) shall be made free and clear of the Lien of this Indenture.

ARTICLE X

SATISFACTION AND DISCHARGE; NOTICE OF CERTAIN EVENTS; UNCLAIMED MONEYS

SECTION 10.01. Satisfaction and Discharge of Indenture. If at any time the Issuers shall have paid or caused to be paid in full the Secured Obligations, the Indenture Trustee, at the reasonable cost and expense of the Issuers, shall give written notice to Williams, WCG, the Issuer and the Share Trustee as to the payment in full of the Secured Obligations. One year and one day after the payment in full of the Secured Obligations, the Indenture Trustee, at the reasonable cost and expense of the Issuers, shall (i) give written notice to Williams, WCG, the Issuer and the Share Trustee as to the satisfaction and discharge of this Indenture, (ii) execute proper instruments releasing the Security for the Senior Notes, (iii) deliver such instruments to Williams, WCG, the Issuer and the Share Trustee and (iv) release the Security for the Senior Notes to or on the order of the Issuer. The Issuers agree to reimburse or cause the reimbursement of the Indenture Trustee for any documented costs or expenses thereafter reasonably and properly incurred and to compensate the Indenture Trustee for any services thereafter reasonably and properly rendered by the Indenture Trustee in connection with this Indenture or the Senior Notes.

SECTION 10.02. Application by Indenture Trustee of Funds Deposited for Payment of Secured Obligations. Subject to Section 10.04, all moneys deposited with the Indenture Trustee for payment pursuant to Section 10.01 shall be held in trust by the Indenture Trustee and applied by it first to the payment of all sums payable hereunder by the Issuers (other than the amounts referred to in clause second and third), second to the payment to the Holders of the particular Senior Notes for the payment of which such moneys have been deposited with the Indenture Trustee, of all sums due and to become due thereon as principal, premium, if any, and interest, and third, to the payment to Williams of the Issuer's Reimbursement Obligations, but such money need not be segregated from other funds except to the extent required by law.

SECTION 10.03. Repayment of Moneys and Transfer of Eligible Investments Held by Indenture Trustee. Following the satisfaction and discharge of this Indenture, all moneys and Financial Investments then held by the Indenture Trustee under the provisions of this Indenture (including all moneys and Financial Investments then held in the Indenture Accounts) shall be promptly repaid or, as the case may be, assigned or transferred to the Issuer to be applied in accordance with the Issuer Trust Agreement, and thereupon the Indenture Trustee shall be released from all further liability with respect to such moneys and such Financial Investments.

SECTION 10.04. Return of Moneys Held by Indenture Trustee. Any moneys deposited with or paid to the Indenture Trustee or any Paying Agent in trust for the payment of the principal of, premium, if any, or interest on any Senior Note and not applied but remaining unclaimed for

two years after the date upon which such principal, premium, if any, or interest shall have become due and payable shall be repaid to or for the account of the Issuer by the Indenture Trustee for application as provided for in the Issuer Trust Agreement, the receipt of such repayment to be confirmed promptly in writing by or on behalf of the Issuers, and, to the extent permitted by law, the Holder of such Senior Note shall thereafter look only to the Issuers for any payment which such Holder may be entitled to collect, and all liability of the Indenture Trustee with respect to such moneys shall thereupon cease.

SECTION 10.05. Notice of Certain Events.

(a) The Indenture Trustee shall, upon the written request of the Remarketing Agents, deliver to the Remarketing Agents, the Share Trustee and Williams an Officer's Certificate setting forth the amounts available in the Share Trust Proceeds Account, the Indenture Redemption Account, the Indenture Interest Account and, to the extent applicable, the Pledged Share Trust Reserve Account, to be used in determining the Share Trust Amount and hereby undertakes to notify the Remarketing Agents, the Share Trustee and Williams if any such amounts should change prior to the Reset Date.

(b) Following an Early Redemption in part of the Senior Notes, the Indenture Trustee shall give notice to Williams, the Issuers and the Share Trustee of the principal amount of the Senior Notes remaining Outstanding.

(c) The Indenture Trustee shall give written notice to Williams, the Issuers and the Share Trustee as to the payment in full of the Senior Notes.

(d) Following a Reset Event, the Indenture Trustee shall:

(i) upon consultation with the WCG Note Remarketing Agents (as defined in the WCG Note Reset Remarketing Agreement) or the Collateral Instructions Party, as applicable, with respect to the proposed settlement date for a Reset Sale or other sale of the WCG Note pursuant to Section 9.04(i) (but without further notice or instruction from the Issuers), provide notice to the WCG Note Remarketing Agents (as defined in the WCG Note Reset Remarketing Agreement), the Issuers, WCG and Williams of the proposed Early Redemption Date in connection with the related Reset Sale;

(ii) upon a Reset Sale, deliver written notice to the Issuers, Williams, WCG and the Share Trust of the occurrence of the Reset Sale Date (as defined in the WCG Note Reset Remarketing Agreement) (as notified by the WCG Note Remarketing Agents); and

(iii) deliver written notice to the Issuer, Williams, WCG and the Share Trust of the sale of all or a portion of the WCG Note pursuant to Section 9.04(i)(ii), (iii) or (iv).

(e) Following an Acceleration Trigger caused by an Event of Default referred to in Section 9.01(a) or (b), the Indenture Trustee shall, upon consultation with (x) the WCG Note Remarketing Agents (as defined in the WCG Note Reset Remarketing Agreement) or the Collateral Instructions Party, as applicable, with respect to the proposed settlement date for a Reset Sale or other sale of the WCG Note pursuant to Section 9.04(i) and/or (y) the Remarketing Agents or Williams, as applicable, with respect to the proposed settlement date for a sale of the Shares or the New Series or the proposed date of exercise of the Share Trust Release Option (but in each case without further notice or instruction from the Issuers), provide notice in each case to the applicable remarketing agents, the Share Trustee, the Issuers, WCG and Williams of the proposed Mandatory Redemption Date in connection with such Acceleration Trigger.

ARTICLE XI

CONCERNING THE INDENTURE TRUSTEE

SECTION 11.01. Duties of the Indenture Trustee; Certain Rights of the Indenture Trustee.

(a) United States Trust Company of New York agrees to act, and is hereby appointed by the Issuers to act, as the Indenture Trustee under this Indenture. The Indenture Trustee shall, on behalf of the Issuers and the Noteholders, collect payments due under the Security for the Senior Notes in accordance with applicable law. Without limiting the generality of the foregoing, the Indenture Trustee is hereby authorized and empowered after the failure to pay any amount on or in connection with the Security for the Senior Notes when such amount is due and payable, to the extent permitted under and in compliance with applicable law and regulations, to commence enforcement proceedings with respect to the Security for the Senior Notes.

(b) The Indenture Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and the other Transaction Documents to which it is a party, and no implied duties shall be read into this Indenture or the other Transactions Documents. Neither the Indenture Trustee, its agents nor any of their Affiliates shall be liable for any act or omission made in connection with this Indenture or the other Transaction Documents except in the case of its gross negligence, bad faith or willful misconduct. In furtherance, and not in limitation, of the Indenture Trustee's rights, duties and protections hereunder, and unless otherwise specifically provided in this Indenture, the Indenture Trustee shall (subject to the terms hereof and of the other Transaction Documents) grant such consents, make such requests and determinations and take or refrain from taking such actions (including, without limitation, actions with respect to an Event of Default, of which the Indenture Trustee has notice) as are permitted (but not expressly required) to be granted, made or taken by the Indenture Trustee under the Transaction Documents, as the Majority Noteholders shall direct in writing. No provision of this Indenture shall be construed to relieve the Indenture Trustee from liability for its own grossly negligent action, its own grossly negligent failure to act or its own misconduct, its grossly negligent failure to perform its obligations in compliance with this Indenture or any liability which would be imposed by reason of its willful misconduct or bad faith; provided, however, that:

(i) the duties and obligations of the Indenture Trustee shall be determined solely by the express provisions of this Indenture, the Indenture Trustee shall not be personally liable except for the performance of such duties and obligations as are specifically set forth in this Indenture, no implied covenants, duties or obligations shall be read into this Indenture against the Indenture Trustee and the Indenture Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to the Indenture Trustee and conforming to the requirements of this Indenture which it reasonably believes in good faith to be genuine and to have been duly executed by the proper authorities respecting any matters arising hereunder;

(ii) the Indenture Trustee shall not be personally liable for an error of judgment made in good faith by a Responsible Officer or Responsible Officers of the Indenture Trustee, unless the Indenture Trustee was grossly negligent or acted in bad faith or with willful misconduct;

(iii) the Indenture Trustee shall not be personally liable with respect to any action taken, suffered or omitted to be taken by it in good faith in accordance with the direction of the Majority Noteholders or the Issuers, relating to the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred upon the Indenture Trustee, under this Indenture; and

(iv) no provision of this Indenture or the other Transaction Documents shall require the Indenture Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(c) If an Event of Default shall have occurred and be continuing, the Indenture Trustee shall exercise the same degree of care in exercising the rights and powers vested in it hereunder as a prudent man would exercise or use under the same circumstances in the conduct of his own affairs.

(d) Certain Rights of Indenture Trustee.

(i) The Indenture Trustee may request and conclusively rely upon, and shall be fully protected in acting or refraining from acting upon, and shall not be bound to make any investigation into the facts or matters stated in, any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, note, guaranty or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties, but the Indenture Trustee in its sole discretion may make such further inquiry or investigation into such facts or matters as it may see fit;

(ii) The Indenture Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture or any of the other Transaction Documents at the request, order or direction of any of the Holders, including the Majority Noteholders, pursuant to the provisions of this Indenture or any of the other Transaction Documents, unless (A) such request, order or direction shall not be in conflict with any Applicable Law or this Indenture or expose the Indenture Trustee to any personal liability for which it is not, in its sole judgment, adequately indemnified and (B) such Holders or other entities shall have furnished to the Indenture Trustee reasonable security or indemnity (including reasonable advances) against the costs, expenses and liabilities (including, without limitation, attorneys' fees and expenses) which might be incurred therein or thereby;

(iii) As a condition to the taking or omitting of any action by it hereunder, the Indenture Trustee may consult with counsel, accountants or other experts, and the advice of such counsel, accountants or other experts or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken or omitted by it hereunder in good faith and in reliance thereon;

(iv) For all purposes under this Indenture, the Indenture Trustee shall not be deemed to have notice or knowledge of any Indenture Default, Event of Default or Trigger Event (other than the Events of Default specified in Section 9.01(a) and (b)) unless a Responsible Officer of the Indenture Trustee has actual knowledge thereof or unless written notice of such an Indenture Default or Event of Default is received by the Indenture Trustee and such notice references the Senior Notes generally, the Issuers, the Security for the Senior Notes or this Indenture; and

(v) In no event shall the Indenture Trustee be liable for the selection of investments or of investment losses incurred thereon. The Indenture Trustee shall have no liability in respect of losses incurred as a result of the liquidation of any investment prior to its stated maturity.

(e) In the event that the Indenture Trustee is also acting as Paying Agent, Securities Intermediary and/or Registrar hereunder, the rights and protection afforded to the Indenture Trustee pursuant to this Article XI shall also be afforded to such Paying Agent, Securities Intermediary and/or Registrar.

SECTION 11.02. Performance of Indenture Trustee's Duties.

(a) Neither the Indenture Trustee nor its agents shall be liable to any Person for any delay in or failure of the payment under the Security for the Senior Notes or for any nonperformance or default on the part of any party (other than the Indenture Trustee) under the Transaction Documents.

(b) Subject to Section 9.04(b), the Indenture Trustee may, in the execution and exercise of all or any of the trusts, powers, authorities and discretions vested in it by the Transaction Documents, act by Responsible Officers or a Responsible Officer of the Indenture Trustee or its Affiliates, and the Indenture Trustee may also whenever it deems it expedient in the interests of the Noteholders, whether by power of attorney or otherwise, delegate to any Person or fluctuating body of Persons all or any of the trusts, powers, authorities and discretions vested in it by the Transaction Documents, and any such delegation may be made upon such terms and conditions and subject to such regulations (including power to subdelegate) as the Indenture Trustee may deem fit, and it shall not in any way or to any extent be responsible for any loss incurred by any misconduct or default on the part of such delegate or subdelegate; provided that the Indenture Trustee shall exercise reasonable care in the selection of such delegate and, subject to Section 11.03, shall continue to be responsible for the execution and exercise of all or any of the trusts, powers, authorities and discretions vested in it by the Transaction Documents. The Indenture Trustee shall give prompt notice to the Issuers and Williams of the appointment (and termination thereof) of any delegate as aforesaid and shall procure that any delegate shall also give prompt notice to the Issuers and Williams of any subdelegate.

(c) Neither the Indenture Trustee nor any director or officer of the Indenture Trustee shall be precluded from underwriting, guaranteeing the subscription of or subscribing for some or all of the Senior Notes with or without a commission or other remuneration or from purchasing or otherwise acquiring, holding, dealing in or disposing of the Senior Notes or any of them or any other notes, bonds, debentures, debenture stock, shares or securities whatsoever of, or from acting as banker (including, without limitation, engaging in normal banking, trust and investment banking business), paying agent or process agent for or with, either of the Issuers and any Affiliate thereof or from otherwise at any time contracting or entering into any financial or other transactions with either of the Issuers or any Affiliate thereof or from accepting and holding the office of Indenture Trustee for the holders of any securities of the Issuers or any Affiliate thereof.

SECTION 11.03. Resignation and Removal; Appointment of Successor Indenture Trustee.

(a) The Indenture Trustee (i) may resign and be discharged of the trust created by this Indenture by giving 30 days' written notice to the Issuers and the Holders and (ii) shall resign if it fails to meet the requirements of Section 11.09, and such resignation shall take effect upon receipt by the Indenture Trustee of an instrument of acceptance of appointment executed by a successor Indenture Trustee as herein provided in Section 11.04.

(b) The Indenture Trustee may be removed at any time upon written notice by the Majority Noteholders delivered to the Indenture Trustee and to the Issuers, Williams and WCG.

(c) If at any time the Indenture Trustee shall resign or be removed or otherwise become incapable of acting or if at any time a vacancy shall occur in the office of the Indenture Trustee for any other cause, the Issuer shall use its best efforts to locate and recommend a qualified successor Indenture Trustee or Indenture Trustees, and a successor Indenture Trustee or Indenture Trustees may be appointed by the Issuer (whether or not such successor or successors shall have been located or recommended by the Issuer) upon written notice to the Noteholders and the Indenture Trustee. In the event that no such successor Indenture Trustee (or Indenture Trustees) is appointed by the Issuer within 30 days after the giving of a notice of resignation, the Indenture Trustee may request a court to make such appointment. Every successor Indenture Trustee appointed pursuant to this Section 11.03 shall be a corporation or association organized

under the law of the United States or any State thereof having a corporate trust department and a combined capital and surplus of at least $150,000,000 and a long-term debt rating of at least "A3" by Moody's, at least "A-" by S&P and at least "A-" by Fitch and otherwise satisfying the criteria set forth in Section 11.09, if there be such an institution willing and able to accept the trust upon reasonable or customary terms.

(d) So long as no event which is or, after notice or lapse of time, or both, would become an Event of Default, Indenture Default or Trigger Event shall have occurred and be continuing, if the Issuer shall have delivered to the Indenture Trustee (i) an Issuers' Certificate appointing a successor Indenture Trustee, effective as of a date specified therein, and (ii) an instrument of acceptance of such appointment, effective as of such date, by such successor Indenture Trustee in accordance with Section 11.04, the Indenture Trustee shall be deemed to have resigned as contemplated in subsection (a) of this Section 11.03, the successor Indenture Trustee shall be deemed to have been appointed by the Issuer pursuant to Section 11.03(c), and such appointment shall be deemed to have been accepted as contemplated in Section 11.04, all as of such date, and all other provisions of this Section 11.03 and Section 11.04 shall be applicable to such resignation, appointment and acceptance except to the extent inconsistent with this subsection (d).

SECTION 11.04. Acceptance of Appointment by Successor Indenture Trustee. Any successor Indenture Trustee appointed as provided in Section 11.03 shall execute, acknowledge and deliver to the Issuers and to its predecessor Indenture Trustee an instrument accepting such appointment hereunder, and, subject to the provisions of Section 11.03, thereupon the resignation or removal of the predecessor Indenture Trustee shall become effective and such successor Indenture Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named as Indenture Trustee herein; but, nevertheless, at the written direction of the Majority Noteholders or written request of the successor Indenture Trustee, the Indenture Trustee ceasing to act shall execute and deliver an instrument transferring to such successor Indenture Trustee all the rights and powers of the Indenture Trustee so ceasing to act.

SECTION 11.05. Merger or Consolidation of Indenture Trustee. Any corporation into which the Indenture Trustee may be merged or converted or with which it may be consolidated or any corporation resulting from any merger, conversion or consolidation to which the Indenture Trustee shall be a party or any corporation succeeding to all or substantially all of the corporate trust business of the Indenture Trustee shall be the successor of the Indenture Trustee hereunder; provided that such corporation shall be qualified under the provisions of Section 11.03(c), without the execution or filing of any paper or any further act on the part of any of the parties hereto or the Holders, notwithstanding anything contained herein to the contrary.

SECTION 11.06. Certain Procedural Matters. Subject to Sections 2.05(f) and 13.01, the Indenture Trustee, in its own name and as Indenture Trustee of an express trust, at the written direction of the Majority Noteholders, shall be entitled and empowered to institute any Proceeding for the collection of any amounts due and unpaid or the enforcement of any other rights of the Holders and prosecute any such action or proceeding to judgment or final decree.

SECTION 11.07. Indenture Trustee Fees and Indemnification.

(a) The Issuers covenant and agree to pay or reimburse the Indenture Trustee upon its request for the Indenture Trustee Fee and the documented expenses, disbursements and advances reasonably and properly incurred or made by the Indenture Trustee in accordance with any of the provisions of this Indenture or any other Transaction Document to which it is a party (including the reasonable compensation and the expenses and disbursements of its counsel and of all Persons not regularly in its employ, whether or not such expenses are incurred in connection with any Opinion of Counsel required or permitted to be obtained by the Indenture Trustee) ("Indenture Trustee Expenses"),

except that the Issuers shall not pay or reimburse the Indenture Trustee for any expense, disbursement or advance as may arise from the negligence, willful misconduct or bad faith of the Indenture Trustee or the Person to be indemnified. The Indenture Trustee agrees that all Indenture Trustee Fees and Indenture Trustee Expenses are for the account of the Issuers, and it shall have no Lien or claim on the Security for the Senior Notes in respect thereof. The Indenture Trustee and any director, officer, employee or agent of the Indenture Trustee shall be indemnified by the Issuers, jointly and severally, and held harmless against any loss, liability, claim or expense incurred in connection with this Indenture or with any legal action or claim, including any pending or threatened legal action or claim, relating to this Indenture or the Senior Notes or the performance of any of the Indenture Trustee's duties hereunder or under any other Transaction Document to which it is a party , other than any loss, liability, claim or expense incurred by reason of willful misconduct, bad faith or gross negligence in the performance of duties hereunder or by reason of reckless disregard of obligations and duties hereunder; provided that (i) with respect to any such legal action the Indenture Trustee shall have given the Issuers notice thereof promptly after the Indenture Trustee shall have knowledge thereof and (ii) the Issuers shall defend such legal action and the Indenture Trustee shall cooperate and consult fully with the Issuers in preparing such defense; provided, however, that any failure to notify the Issuers of such legal action shall not diminish the obligations of the Issuers hereunder except to the extent they are prejudiced thereby. Such indemnity shall survive the termination or discharge of this Indenture and the resignation or removal of the Indenture Trustee. Any payment in respect of the Indenture Trustee Fee, Indenture Trustee Expenses or the foregoing indemnity made by the Issuers to the Indenture Trustee shall be from the Issuers' own funds, without reimbursement from the Security for the Senior Notes therefor.

(b) The Indenture Trustee shall be required to pay all expenses, except as expressly provided herein, incurred by it or its agents in connection with its activities hereunder or under any other Transaction Document to which it is a party and shall be entitled to reimbursement therefor as provided in this Section 11.07. The Indenture Trustee shall in no event acquire any claim against the Noteholders by reason of non-receipt of any fees and expenses, and the Indenture Trustee shall, unless and until the effective date of any resignation of the Indenture Trustee under Section 11.03, continue to perform its obligations hereunder notwithstanding such non-receipt. When the Indenture Trustee incurs expenses or renders services in connection with an Event of Default under Section 9.01(h), such expenses (including the reasonable fees and expenses of its counsel and agents) and the compensation for such services are intended to constitute expenses of administration under any applicable Federal or state bankruptcy, insolvency or other similar law.

SECTION 11.08. Information. The Indenture Trustee will promptly deliver to the Noteholders, the Rating Agencies, Williams and WCG any notices, including notices of Events of Default, financial statements, officer's certificates or other forms of communication that it receives pursuant to the terms of this Indenture.

SECTION 11.09. Eligibility Requirements for Indenture Trustee. The Indenture Trustee hereunder shall at all times be a corporation or association having a corporate trust office in the State of Delaware or New York and organized and doing business under the laws of such state or the United States of America, authorized under such laws to exercise corporate trust powers (i) having a combined capital and surplus of at least $150,000,000, (ii) having a long-term debt rating of at least "A3" by Moody's, at least "A-" by S&P and at least "A-" by Fitch and (iii) subject to supervision or examination by Federal or state authority. If such corporation or association publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purposes of this Section 11.09 the combined capital and surplus of such corporation or association shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Indenture Trustee shall cease to be eligible in accordance with the provisions of this Section 11.09, the Indenture Trustee shall resign immediately in the manner and with the effect specified in Section 11.03.

SECTION 11.10. Indenture Trustee Not Liable for Senior Notes. The recitals contained herein shall be taken as the statements of the Issuers, and the Indenture Trustee assumes no responsibility for their correctness. Except for the Certificate of Authentication on the Senior Notes, the Indenture Trustee makes no representations as to the value or condition of the Security for the Senior Notes or any part thereof, or as to the title of the Issuers thereto or as to the security afforded thereby or hereby, or as to the validity or genuineness of any securities at any time pledged and deposited with the Trustee hereunder, or as to the validity or sufficiency of this Indenture or the Senior Notes or any related Transaction Documents. The Indenture Trustee shall not be accountable for the use or application by the Issuers of any funds paid to the Issuers in respect of the Senior Notes, but the Indenture Trustee shall be responsible for any such funds that may be deposited with it pursuant to Section 5.02, Section 5.03 and Section 5.04 and for payment of amounts deposited therein in accordance with Section 5.05. The Indenture Trustee shall have no duty to monitor the performance of the Issuers nor shall it have any liability in connection with the misfeasance or nonfeasance by the Issuers. The Indenture Trustee shall have no liability in connection with compliance by the Issuers with statutory or regulatory requirements related to the Transaction Documents or any related instrument or agreement.

SECTION 11.11. Indenture Trustee May Own Senior Notes. United States Trust Company of New York, in its capacity as the Indenture Trustee or in its individual or any other capacity, and any of its Affiliates may become the owner or pledgee of Senior Notes with the same rights as it would have if it were not the Indenture Trustee.

SECTION 11.12. Maintenance of Office or Agency. The Indenture Trustee will maintain or cause to be maintained at its expense an office or offices or agency or agencies where Senior Notes may be surrendered for payment, registration of transfer or exchange and where notices and demands to or upon the Indenture Trustee in respect of the Senior Notes and this Indenture may be served. The Indenture Trustee will give prompt written notice to the Noteholders of any change in the location of the Note Register or any such office or agency.

SECTION 11.13. Appointment of Co-Indenture Trustee. The Indenture Trustee, with the consent of the Issuers and only for the purpose of meeting the legal requirements, if any, of certain jurisdictions, shall have the power to appoint co-indenture trustees. In the event of such appointment, all rights, powers and duties and obligations conferred or imposed upon the Indenture Trustee by this Indenture will be conferred or imposed upon the co-indenture trustee, and such co-indenture trustee jointly or, in any jurisdiction where the Indenture Trustee is incompetent or unqualified to perform certain acts, singly shall exercise and perform such rights, powers, duties and obligations solely at the discretion of the Indenture Trustee.

SECTION 11.14. Resignation; Appointment of Successor Securities Intermediary.

(a) The Securities Intermediary shall resign if it fails to meet the requirements of the first sentence of Section 5.01(b), and such resignation shall take effect upon receipt by the Indenture Trustee of an instrument of acceptance of appointment executed by a successor Securities Intermediary as herein provided in Section 11.15.

(b) If at any time the Securities Intermediary shall resign, the Issuer shall use its best efforts to locate and recommend a qualified successor Securities Intermediary, and a successor Securities Intermediary may be appointed by the Issuer (whether or not such successor shall have been located or recommended by the Issuer) upon written notice to the Noteholders and the Securities Intermediary. In the event that no such successor Securities Intermediary is appointed by the Issuer within 30 days after the giving of a notice of resignation, the Securities Intermediary may request a court to make such appointment. Every successor Securities Intermediary appointed pursuant to this Section 11.14(b) shall be a corporation or association organized under the law of the United States or any State thereof having a combined capital and surplus of at least $150,000,000 and a long-term debt rating of at least "A3" by

Moody's, at least "A-" by S&P and at least "A-" by Fitch, if there be such an institution willing and able to accept the position upon reasonable or customary terms.

(c) So long as no event which is or, after notice or lapse of time, or both, would become an Event of Default, Indenture Default or Trigger Event shall have occurred and be continuing, if the Issuer shall have delivered to the Securities Intermediary (i) an Issuers' Certificate appointing a successor Securities Intermediary, effective as of a date specified therein, and (ii) an instrument of acceptance of such appointment, effective as of such date, by such successor Securities Intermediary in accordance with Section 11.15, the Securities Intermediary shall be deemed to have resigned as contemplated in Section 11.14(a), the successor Securities Intermediary shall be deemed to have been appointed by the Issuer pursuant to Section 11.14(b), and such appointment shall be deemed to have been accepted as contemplated in Section 11.15, all as of such date, and all other provisions of this Section 11.14 and Section 11.15 shall be applicable to such resignation, appointment and acceptance except to the extent inconsistent with this Section 11.14(c).

SECTION 11.15. Acceptance of Appointment by Successor Securities Intermediary. Any successor Securities Intermediary appointed as provided in Section 11.14 shall execute, acknowledge and deliver to the Indenture Trustee, the Issuers and its predecessor Securities Intermediary an instrument accepting such appointment hereunder and agreeing to all the provisions regarding the Securities Intermediary and the Indenture Accounts set forth in this Indenture. Subject to the provisions of Section 11.14, thereupon the resignation of the predecessor Securities Intermediary shall become effective and such successor Securities Intermediary, without any further act, deed or conveyance, shall become vested with all the rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named as Securities Intermediary herein; but, nevertheless, at the written direction of the Majority Noteholders or written request of the successor Securities Intermediary, the Securities Intermediary ceasing to act shall execute and deliver an instrument transferring to such successor Securities Intermediary all the rights and powers of the Securities Intermediary so ceasing to act.

SECTION 11.16. Merger or Consolidation of Securities Intermediary. Any corporation into which the Securities Intermediary may be merged or converted or with which it may be consolidated or any corporation resulting from any merger, conversion or consolidation to which the Securities Intermediary shall be a party or any corporation succeeding to all or substantially all the assets of the Securities Intermediary shall be the successor of the Securities Intermediary hereunder; provided that such corporation shall be qualified under the provisions of the first sentence of Section 5.01(b), without the execution or filing of any paper or any further act on the part of any of the parties hereto or the Holders, notwithstanding anything contained herein to the contrary.

ARTICLE XII

SUPPLEMENTAL INDENTURES

SECTION 12.01. Supplemental Indentures Without Consent of Noteholders. The Issuers and the Indenture Trustee may from time to time and at any time enter into an indenture or indentures supplemental hereto for one or more of the following purposes:

(a) to convey, transfer, assign, mortgage or pledge to the Indenture Trustee as Security for the Senior Notes any property or assets;

(b) to cure any ambiguity or to correct or supplement any provision contained herein, in the Senior Notes or in any supplemental indenture which may be defective or inconsistent with any other provision contained herein or in the Senior Notes or in any supplemental indenture; or to make any other changes to such provisions or to add provisions in regard to matters or questions arising under this Indenture, the Senior Notes or under any supplemental indenture as

the Issuers and the Indenture Trustee may deem necessary or desirable and which shall not adversely affect the interests of the Noteholders; and

(c) to amend Article II of this Indenture, and any other applicable provision herein, to reflect changes made to the Securities Act, the Investment Company Act and, in each case, the rules and regulations thereunder, which have the effect of invalidating, or deviating from the initial intent of, any provision herein.

The Indenture Trustee is hereby authorized to join in the execution of any such supplemental indenture, to make any further appropriate agreements and stipulations which may be therein contained and to accept the conveyance, transfer, assignment, mortgage or pledge of any property thereunder, but the Indenture Trustee shall not be obligated to enter into any such supplemental indenture which affects the Indenture Trustee's own rights, duties or immunities under this Indenture or under the other Transaction Documents or otherwise.

Any supplemental indenture authorized by the provisions of this Section 12.01 may be executed without the consent of the Holders of any of the Senior Notes at the time Outstanding, notwithstanding any of the provisions of Section 12.02.

SECTION 12.02. Supplemental Indentures With Consent of Noteholders. With the consent (evidenced as provided in Article XIII) of the Majority Noteholders, the Issuers and the Indenture Trustee may, from time to time and at any time, enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture, the Senior Notes or of any supplemental indenture or of modifying in any manner the rights of the Noteholders; provided that no such supplemental indenture shall (a) extend the final maturity of any Senior Note or the time of payment of any principal thereof or reduce the principal amount thereof or any premium thereon or extend the time of payment of any interest thereon or reduce any amount payable on redemption thereof or reduce the amount of principal that would be due and payable upon the occurrence of an Event of Default or impair or affect the rights of any Noteholder to institute suit for the payment thereof, (b) decrease the Senior Note Rate, (c) reduce any amount required to be collected or retained in any Indenture Account, (d) release any part of the Security for the Senior Notes, except as specifically contemplated in the Transaction Documents, or (e) reduce the aforesaid percentage of Senior Notes the consent of the Holders of which is required for any supplemental indenture, in each case without the consent of the Holder of each Senior Note so affected.

Upon the request of the Issuers, accompanied by a copy of the supplemental indenture and upon the filing with the Indenture Trustee of evidence of the consent of the Majority Noteholders or any greater percentage of Holders as required by this Section 12.02 and other documents, if any, required by this Section 12.02, the Indenture Trustee shall join with the Issuers in the execution of such supplemental indenture unless such supplemental indenture affects the Indenture Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Indenture Trustee may in its discretion, but shall not be obligated to, enter into such supplemental indenture.

It shall not be necessary for the consent of the Noteholders under this Section 12.02 to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such consent shall approve the substance thereof.

SECTION 12.03. Effect of Supplemental Indenture. Upon the execution of any supplemental indenture pursuant to the provisions hereof, this Indenture and the Senior Notes shall be and be deemed to be modified and amended in accordance therewith, and the respective rights, limitations of rights, obligations, duties and immunities under this Indenture of the Indenture Trustee, the Issuers and the Noteholders shall thereafter be determined, exercised and enforced hereunder subject in all respects to

such modifications and amendments, and all the terms and conditions of any such supplemental indenture shall be and be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

SECTION 12.04. Documents to Be Given to Indenture Trustee. The Indenture Trustee, subject to the provisions of Sections 12.01 and 12.02, shall be entitled to receive one or more Officer's Certificate or Certificates and Opinion or Opinions of Counsel as conclusive evidence that any such supplemental indenture complies with the applicable provisions of this Indenture.

SECTION 12.05. Notation on Senior Notes in Respect of Supplemental Indentures. Senior Notes authenticated and delivered after the execution of any supplemental indenture pursuant to the provisions of this Article may bear a notation in form and manner approved by the Indenture Trustee as to any matter provided for by such supplemental indenture. If the Issuers shall so determine, new Senior Notes so modified as to conform to any modification of this Indenture contained in any such supplemental indenture may be prepared by the Issuers at their expense, authenticated by the Indenture Trustee and delivered in exchange for the Senior Notes then Outstanding.

ARTICLE XIII

CONCERNING THE HOLDERS

SECTION 13.01. Control by Majority Noteholders. Subject to the provisions of Section 9.04(h) and the provisions hereunder granting rights to the Required Holders, the Majority Noteholders shall have the right to direct the Indenture Trustee, in writing, to (i) take action, suffer any action to be taken or omit to take action with respect to the Security for the Senior Notes or (ii) direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee or exercising any trust or power conferred on the Indenture Trustee; provided that:

(a) the Indenture Trustee shall not be required to act if the Indenture Trustee shall have received an Opinion of Counsel that the action so directed may not lawfully be taken or would be in conflict with this Indenture;

(b) if the payment within a reasonable time to the Indenture Trustee of the reasonable costs, expenses or liabilities likely to be incurred by it in the taking, suffering or omission of such action, in the reasonable opinion of the Indenture Trustee, is not assured to the Indenture Trustee by the terms of this Indenture, the Indenture Trustee may require reasonable security or indemnity (including reasonable advances) against any such expense or liability as a condition to the taking, suffering or omission of any such action; and

(c) the Indenture Trustee may take any other reasonable action deemed proper by the Indenture Trustee that is consistent with such direction; provided, however, that, subject to Section 11.01, the Indenture Trustee need not take any action that is discretionary or that it determines might impose liability on the Indenture Trustee for which it is not, in its sole discretion, adequately indemnified.

SECTION 13.02. Evidence of Action Taken by Holders. Whenever in this Indenture or in any other Transaction Document it is provided that the Required Holders or the Majority Noteholders may take any action (including the making of any demand or request, the giving of any notice, direction, instruction, consent or waiver or the taking of any other action), the fact that at the time of taking any such action the Required Holders or the Majority Noteholders, as the case may be, have joined therein shall be evidenced in writing by one or more instruments of similar tenor executed by such Holders in person or by agent or proxy appointed in writing. Such action by the Required Holders or the Majority Noteholders, as the case may be, shall become effective when such instrument or instruments

are delivered to and received by the Indenture Trustee. The Indenture Trustee shall thereafter notify the Issuers, Williams and WCG of the effectiveness of such action.

SECTION 13.03. Proof of Execution of Instruments. The fact and date of the execution of any instrument by a Holder or his agent or proxy may be proved by the certificate of any notary public or other officer of any jurisdiction within or without the United States authorized to take acknowledgments of deeds to be recorded in such jurisdiction certifying that the person executing such instrument acknowledged to him the execution thereof or by an affidavit of a witness to such execution sworn to before any such notary or other such officer. Where such execution is by or on behalf of any legal entity other than an individual, such certificate or affidavit shall also constitute proof of the authority of the individual executing the same.

SECTION 13.04. Senior Notes Owned by the Issuers. In determining whether the Holders have concurred in any direction, request, consent or waiver under this Indenture, Senior Notes which are owned by the Issuers, Williams, WCG or any of their respective Affiliates thereof shall be disregarded in both the numerator and denominator of the fraction used to determine the requisite percentage.

SECTION 13.05. Right of Revocation of Action Taken. At any time prior to (but not later than) the evidencing to the Indenture Trustee, as provided in Section 13.02, of the taking of any action by the Holders, any Holder of a Senior Note, the serial number of which is shown by the evidence to be included in those Senior Notes the Holders of which have consented to such action, may revoke such action insofar as it concerns such Senior Note by filing written notice with the Indenture Trustee at the Corporate Trust Office and upon proof of holding as provided in Section 2.05. Unless revoked pursuant to the foregoing provisions, any such action taken by a Holder shall be conclusive and binding upon such Holder and upon all future holders and owners of such Senior Note and of any Senior Note issued in exchange or substitution therefor, irrespective of whether or not any notation in regard thereto is made upon such Senior Note. Except as otherwise provided herein, any action taken by the Majority Noteholders shall be conclusive and binding upon the Issuers, the Indenture Trustee and the Holders of all Senior Notes.

ARTICLE XIV

EARLY REDEMPTION

SECTION 14.01. Early Redemption.

(a) The Outstanding Senior Notes shall be redeemed at any time in whole or in part to the extent of funds available therefor, in minimum denominations of $25,000 and integral multiples of $1,000 in excess thereof (an "Early Redemption"), upon receipt of an Early Distribution to the extent of such distribution so long as no Trigger Event has occurred. Any Early Redemption will be made on the Business Day specified in the applicable Notice of Early Redemption (any such date, an "Early Redemption Date") at the Early Redemption Price, notwithstanding the subsequent occurrence of a Trigger Event; provided, that an Early Redemption prior to the occurrence of a Trigger Event but on or after the Interest Rate Reset Date shall occur on the 120th day prior to the Maturity Date, subject to satisfaction of the conditions set forth in Section 14.01(c).

(b) The "Early Redemption Price" for each Senior Note redeemed on an Early Redemption Date shall be calculated as follows: (i) any Early Redemption prior to the occurrence of a Trigger Event or the Interest Rate Reset Date shall be at a price equal to the accrued and unpaid interest thereon to the Early Redemption Date plus the greater of: (x) 100% of the Outstanding aggregate principal amount of such Senior Note and (y) the sum of the present values of the remaining scheduled

payments of principal thereof and interest (without duplication) which is scheduled to be payable thereon to the Maturity Date discounted to the Early Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the applicable Treasury Yield plus 50 basis points; and (ii) any Early Redemption prior to the occurrence of a Trigger Event but on or after the Interest Rate Reset Date shall be at a price equal to accrued and unpaid interest thereon to the Early Redemption Date plus 100.50% of the Outstanding aggregate principal amount of such Senior Note.

(c) Any Early Redemption pursuant to Section 14.01(a) shall occur at such time as (i) the Indenture Trustee shall have received (x) written notice from WCG specifying that the amounts deposited into the Indenture Redemption Account are to fund an Early Redemption or (y) proceeds from a Reset Sale or a sale of the WCG Note pursuant to Sections 9.04(i)(i), (ii) or (iii), (ii) the aggregate amount of funds irrevocably deposited with the Indenture Trustee is sufficient to effect such redemption, (iii) appropriate notice is given in accordance with Section 14.02 and (iv) the Indenture Trustee shall have received (x) an Officer's Certificate of WCG or Williams certifying that the amounts deposited in respect of the Early Redemption Price represent cash from Permitted Redemption Sources or (y) a certificate from the WCG Note Remarketing Agents (as defined in the WCG Note Reset Remarketing Agreement) certifying that the amounts deposited in respect of the Early Redemption Price represent proceeds from a Reset Sale.

(d) Upon the redemption of all of the Senior Notes pursuant to the terms of this Section 14.01, the obligations and responsibilities of the Issuers and the Indenture Trustee solely with respect to the Senior Notes shall terminate (subject to Section 5.07).

SECTION 14.02. Notice of Early Redemption. Notice of an Early Redemption (a "Notice of Early Redemption") of the Senior Notes pursuant to Section 14.01 shall be given by the Issuers or by the Indenture Trustee promptly upon satisfaction of the conditions set forth in Section 14.01(c)(i), (ii) and (iv). Any Notice of Early Redemption shall be given to each Noteholder by first class mail or airmail, postage prepaid, at their last addresses as they shall appear upon the Note Register. Any notice which is mailed in the manner herein provided shall be conclusively presumed to have been duly given, whether or not the Holder receives the notice. Once Notice of Early Redemption is mailed in accordance with this Section 14.02, Senior Notes called for redemption become irrevocably due and payable on the Early Redemption Date at the applicable Early Redemption Price specified in the Notice of Early Redemption. A Notice of Early Redemption may not be conditional. Failure to give such notice by mail or any defect in the notice to any Noteholder shall not affect the validity of the proceedings for the redemption with respect to the Senior Notes held by other Noteholders. Each Notice of Early Redemption shall be given at least 30 days but not more than 60 days before the applicable Early Redemption Date (other than with respect to an Early Redemption described in the proviso to Section 14.01(a), in which case the Notice of Early Redemption shall be given as many days before the Early Redemption Date set forth in such Section 14.01(a) as practicable) and shall specify (a) the Early Redemption Date; (b) the formula by which the Early Redemption Price will be calculated on the Early Redemption Date and the amount of accrued and unpaid interest, if any, to be due as of the Early Redemption Date as a part of the Early Redemption Price; (c) that, on the Early Redemption Date, the Early Redemption Price plus accrued and unpaid interest, if any, will become due and payable upon each such Senior Note to be redeemed and that interest shall cease to accrue on such Senior Note on and after such date; (d) if any Senior Note is being redeemed in part, the portion of the principal amount of such Senior Note to be redeemed and that, after the Early Redemption Date, upon surrender of such Senior Note, a new Senior Note or new Senior Notes in principal amount equal to the unredeemed portion shall be issued upon cancellation of the original Senior Note; (e) the name and address of the Paying Agent; (f) that Senior Notes called for redemption must be surrendered to the Paying Agent to collect the Early Redemption Price; (g) the paragraph of the Senior Notes and/or the clause of Section 14.01 of this Indenture pursuant to which the Senior Notes called for redemption are being redeemed; and (h) that no representation is made as to the correctness or accuracy of the CUSIP, CINS, ISIN or Common Code number, if any, listed in such notice or printed on the Senior Notes.

SECTION 14.03. Selection of Senior Notes to be Redeemed. (a) If less than all of the Senior Notes are to be redeemed, the Indenture Trustee shall select the Senior Notes to be redeemed or purchased among the Noteholders on a pro rata basis in accordance with the respective unpaid principal balances of the Senior Notes Outstanding held by them; provided that no Senior Notes of $25,000 or less shall be redeemed in part.

The Indenture Trustee shall promptly notify the Issuers in writing of the Senior Notes selected for redemption and, in the case of any Senior Note selected for partial redemption, the principal amount thereof to be redeemed. Senior Notes and portions of Senior Notes selected shall be in amounts of $25,000 or whole multiples of $1,000 in excess thereof; except that, if all of the Senior Notes of a Holder are to be redeemed, the entire outstanding amount of Senior Notes held by such Holder, even if not such a multiple of $1,000, shall be redeemed. Except as provided in the preceding sentence, provisions of this Indenture that apply to the Senior Notes called for redemption also apply to portions of Senior Notes called for redemption.

SECTION 14.04. Deposit of Early Redemption Price.

(a) On or prior to 9:00 a.m., New York City time, on the Early Redemption Date of the Senior Notes, the Issuers shall deposit or cause to be deposited into the Indenture Redemption Account an amount equal to the applicable Early Redemption Price, for each Senior Note (or portion thereof) being redeemed, together with any other amount necessary to be deposited with the Indenture Trustee so that each Holder of any such Senior Note is able to receive the applicable Early Redemption Price for such Senior Note (or portion thereof) in full.

(b) If the Issuers comply with the provisions of paragraph (a) above, on and after the Early Redemption Date, interest shall cease to accrue on the Senior Notes or the portions of the Senior Notes called for Early Redemption. If a Senior Note is redeemed in whole or in part on or after a Record Date but on or prior to the related Senior Note Payment Date, then any accrued and unpaid interest shall be paid to the Person in whose name such Senior Note was registered at the close of business on such Record Date. If any Senior Note called for Early Redemption shall not be so paid upon surrender for redemption because of the failure of the Issuers to comply with the provisions of (a) above, interest shall be paid on the unpaid principal, from the Early Redemption Date until such principal is paid, and to the extent lawful on any interest not paid on such unpaid principal, in each case at the Senior Note Rate.

SECTION 14.05. Payment of Senior Notes Called for Early Redemption. If a Notice of Early Redemption has been given with respect to the Senior Notes as provided in Section 14.02, such Senior Notes (or portions thereof) to be redeemed shall become due and payable on the date and at the place stated in such Notice of Early Redemption at the Early Redemption Price payable pursuant to Section 14.01(e) and on and after said date (unless the Issuers shall default in the payment of the Early Redemption Price) interest on such Senior Notes (or portions thereof) to be redeemed shall cease to accrue and such Senior Notes shall cease from and after the Early Redemption Date to be entitled to any benefit or security under this Indenture, and the Noteholders shall have no right in respect of such Senior Notes (or portion thereof) to be redeemed except the right to receive the Early Redemption Price with respect to each such Senior Note. The Senior Notes (or portions thereof) to be redeemed shall be paid and redeemed by the Indenture Trustee in accordance with Section 5.05(e) at the applicable Early Redemption Price; provided that any payment of interest becoming due on the Early Redemption Date shall be payable to the registered holders of such Senior Notes subject to the terms and provisions of Section 2.05.

SECTION 14.06. Senior Notes Redeemed in Part. Upon surrender of a Senior Note that is redeemed in part, the Issuers shall issue and, upon the Issuers' written request, the Indenture Trustee shall authenticate for the Holder, at the expense of the Issuers, a new Senior Note equal in principal amount to the unredeemed portion of the Senior Note surrendered.

ARTICLE XV

MANDATORY REDEMPTION

SECTION 15.01. Mandatory Redemption.

(a) Upon the occurrence of a Maturity Trigger (or upon Williams' exercise of the Share Trust Release Option prior to the Maturity Date when no Trigger Event has occurred), (i) the Senior Notes shall be mandatorily redeemed on the Maturity Date and (ii) any funds from Permitted Redemption Sources received and held by the Indenture Trustee or credited to any of the Indenture Accounts prior to the Maturity Date in respect of the Senior Notes shall be invested in Financial Investments of the type described in clause (b) of the definition thereof maturing on or prior to the Maturity Date for payment in accordance with Section 5.05(d); provided that if a Stock Price/Credit Downgrade Trigger or an Acceleration Trigger subsequently occurs, the Senior Notes shall be subject to a Mandatory Redemption pursuant to Sections 15.01(b) or 15.01(c), as applicable.

(b) Upon the occurrence of a Stock Price/Credit Downgrade Trigger, the Indenture Trustee shall begin making distributions in respect of the mandatory redemption of the Senior Notes no earlier than the date that is the earliest to occur of: (i) the date following 120 days after the date of such Trigger Event, (ii) the Maturity Date and (iii) the date on which the Indenture Trustee has received sufficient funds from Permitted Redemption Sources to redeem the Senior Notes in full in accordance with Section 5.05(d).

(c) Upon the occurrence of an Acceleration Trigger, the Indenture Trustee shall begin making payments in respect of the mandatory redemption of the Senior Notes on the dates fixed by the Indenture Trustee from time to time as soon as practicable as the Indenture Trustee receives funds from Permitted Redemption Sources to redeem the Senior Notes in accordance with Section 5.05(d).

(d) The Senior Notes outstanding shall be redeemed pursuant to clauses (a), (b) or (c) above (a "Mandatory Redemption") on the dates referred to therein and specified in the Notice of Mandatory Redemption (each a "Mandatory Redemption Date") on a pro rata basis at the Mandatory Redemption Price. The "Mandatory Redemption Price" for each Senior Note redeemed on a Mandatory Redemption Date shall be calculated as follows: (i) any Mandatory Redemption pursuant to Section 15.01(a) or (b) shall be at a price equal to accrued and unpaid interest thereon to the Mandatory Redemption Date plus 100.00% of the Outstanding aggregate principal amount of such Senior Note; (ii) any Mandatory Redemption pursuant to Section 15.01(c) other than as described in the following clause (iii) shall be at a price equal to accrued and unpaid interest thereon to the Mandatory Redemption Date plus 100.00% of the Outstanding aggregate principal amount of such Senior Note; and (iii) any Mandatory Redemption pursuant to Section 15.01(c) as a result of an Acceleration Trigger caused by an Event of Default referred to Section 9.01(a) or (b) shall be at a price equal to the accrued and unpaid interest thereon to the Mandatory Redemption Date plus the greater of: (x) 100% of the Outstanding aggregate principal amount of such Senior Note and (y) the sum of the present values of the remaining scheduled payments of principal thereof and interest (without duplication) which is scheduled to be payable thereon to the Maturity Date discounted to the Mandatory Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the applicable Treasury Yield plus 50 basis points.

(e) Upon the redemption of all of the Senior Notes pursuant to the terms of this Section 15.01, the obligations and responsibilities of the Issuers and the Indenture Trustee solely with respect to the Senior Notes shall terminate (subject to Section 5.07).

SECTION 15.02. Notice of Mandatory Redemption. Notice of a Mandatory Redemption ("Notice of Mandatory Redemption") of the Senior Notes pursuant to Section 15.01 shall be

given by the Indenture Trustee at such time or times when the Indenture Trustee has any Amount Available in the Indenture Accounts to apply to the payment of the Senior Notes in accordance with Section 15.01 and Section 5.05(d); provided, that, with respect to any such amounts, the Indenture Trustee shall have received a certificate of Williams certifying that the amount of such funds in respect of the Mandatory Redemption Price represents cash from Permitted Redemption Sources. Any Notice of Mandatory Redemption shall be given to each Noteholder by first class mail or airmail, postage prepaid, at their last addresses as they shall appear upon the Note Register. Any such Notice which is mailed in the manner herein provided shall be conclusively presumed to have been duly given, whether or not the Holder receives the notice. Each Notice of Mandatory Redemption shall be given the number of days prior to each Mandatory Redemption Date as the Indenture Trustee may fix and shall specify, among other things, (a) the Mandatory Redemption Date; (b) the applicable Mandatory Redemption Price; (c) that, on the Mandatory Redemption Date, the applicable Mandatory Redemption Price will become due and payable upon each such Senior Note to be redeemed and that interest shall cease to accrue on such Senior Note on and after such date; (d) the name and address of the Paying Agent; (e) that Senior Notes must be surrendered to the Paying Agents to collect the applicable Mandatory Redemption Price; (f) the paragraph of the Senior Notes and/or the paragraph of Section 15.01 of this Indenture pursuant to which the Senior Notes are being redeemed; and (g) that no representation is made as to the correctness or accuracy of the CUSIP, CINS, Common Code or ISIN number, if any, listed in such notice or printed on the Senior Notes.

SECTION 15.03. Selection of Senior Notes to be Redeemed. If less than all of the Senior Notes are to be redeemed on any particular Mandatory Redemption Date, the Senior Notes shall be redeemed on a pro rata basis in accordance with the respective unpaid principal balances of the Senior Notes Outstanding held by them. The Indenture Trustee shall promptly notify the Issuers in writing of the amount of Senior Notes to be redeemed on any particular Mandatory Redemption Date. Provisions of this Indenture that apply to the Senior Notes called for redemption also apply to portions of Senior Notes called for redemption.

ARTICLE XVI

MISCELLANEOUS

SECTION 16.01. Survival. All agreements, representations, warranties and indemnities contained in this Indenture and in any agreement, document or certificate delivered pursuant hereto, or in connection herewith, shall survive and continue in effect following the execution and delivery of this Indenture and the Closing Date.

SECTION 16.02. Notices. Except as otherwise expressly provided herein in any particular case, all notices, approvals, consents, requests and other communications hereunder shall be in writing and shall, if addressed as provided in the following sentence, be deemed to have been given (i) when delivered by hand, (ii) one Business Day after being sent by a private nationally or internationally recognized overnight courier service, (iii) five days after being sent by first class mail or airmail, postage prepaid, or (iv) when sent by telecopy, if immediately after transmission the sender's facsimile machine records in writing the correct answer back. Actual receipt at the address of an addressee, regardless of whether in compliance with the foregoing, is effective notice hereunder. Until otherwise so notified by the respective parties, all notices, approvals, consents, requests and other communications shall be addressed to the addresses for such parties provided in Section 7.2 of the Participation Agreement and to the following addressees:

If to the Rating Agencies:

Moody's Investors Service, Inc.
99 Church Street
New York, New York 10007-2701
Attention: Stephen Moore/Mihoko Manabe
Telecopier No.: (212) 553-4997/(212) 553-0519
Telephone No.: (212) 553-1036/(212) 553-1942

Standard & Poor's Ratings Services
25 Broadway
New York, New York 10004
Attention: Judith Waite
Telecopier No.: (212) 438-7680
Telephone No.: (212) 438-7677

Fitch, Inc.
One State Street Plaza
New York, New York 10004
Attention: Hugh Welton
Telecopier No.: (212) 425-4730
Telephone No.: (212) 908-0746

A duplicate copy of each notice, approval, consent, request or other communication given hereunder by each of the parties to any one of the others shall also be given to all of the others. However, failure to give notice to any party shall not affect the effectiveness of notice to parties as to whom notice has been given in accordance with this Section 16.02. Each of the parties may, by notice given hereunder, designate any further or different addresses to which subsequent notices, approvals, consents, requests or other communications shall be sent or persons to whose attention the same shall be directed.

SECTION 16.03. Severability of Provisions. If any provision hereof shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof. To the extent permitted by Applicable Law, the Issuers and the Indenture Trustee hereby agree that any provision hereof that renders any other term or provision hereof invalid or unenforceable in any respect shall be modified but only to the extent necessary to avoid rendering such other term or provision invalid or unenforceable, and such modification shall be accomplished in the manner that most nearly preserves the benefit of the Issuers' and the Indenture Trustee's bargain hereunder.

SECTION 16.04 Effect of Headings. The Table of Contents and the headings of the Articles, Sections, subsections, clauses and paragraphs hereof, and of Exhibits hereto, are for convenience of reference only and shall not affect the construction or interpretation of this Indenture.

SECTION 16.05. Counterparts. This Indenture may be executed in any number of counterparts, each of which shall be an original; but all such counterparts shall together constitute but one and the same instrument.

SECTION 16.06. Further Assurance. The Issuers shall, from time to time on being required to do so by the Indenture Trustee, now or at any time in the future, do or procure the doing of all such acts and/or execute or procure the execution of all such documents in a form reasonably satisfactory to the Indenture Trustee as the Indenture Trustee may reasonably consider necessary for giving full effect to this Indenture and securing to the Indenture Trustee the full benefit of the rights, powers and remedies conferred upon the Indenture Trustee in this Indenture.

SECTION 16.07 Governing Law; Consent to Jurisdiction.

(a) THE RIGHTS AND OBLIGATIONS OF EACH OF THE PARTIES UNDER THIS INDENTURE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

(b) EACH OF THE PARTIES HEREBY IRREVOCABLY WAIVES TO THE FULLEST EXTENT PERMITTED BY LAW ALL RIGHT TO TRIAL BY JURY IN ANY PROCEEDING ARISING OUT OF OR RELATING DIRECTLY OR INDIRECTLY TO ANY OF THIS INDENTURE OR ANY OTHER TRANSACTION DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED EXPRESSLY OR OTHERWISE, THAT SUCH PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HAVE BEEN INDUCED TO ENTER INTO THIS INDENTURE BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS PARAGRAPH.

(c) ANY PROCEEDING WITH RESPECT TO THIS INDENTURE OR ANY OTHER TRANSACTION DOCUMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK IN THE COUNTY OF NEW YORK IN THE COMMERCIAL DIVISION OF THE SUPREME COURT, CIVIL BRANCH OR OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK OR THE EASTERN DISTRICT OF NEW YORK, AND, BY EXECUTION AND DELIVERY OF THIS INDENTURE, EACH OF THE PARTIES HEREBY IRREVOCABLY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE NON-EXCLUSIVE JURISDICTION OF THE AFORESAID COURTS IN RESPECT OF, BUT ONLY IN RESPECT OF, PROCEEDINGS WITH RESPECT TO THIS INDENTURE OR ANY OTHER TRANSACTION DOCUMENT.

(d) EACH PARTY HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY OF THE AFORESAID PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH THIS INDENTURE OR ANY OTHER TRANSACTION DOCUMENT BROUGHT IN THE COURTS REFERRED TO IN SECTION 16.07(c) HEREOF AND HEREBY FURTHER IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(e) EACH OF THE ISSUER AND THE CO-ISSUER HEREBY IRREVOCABLY DESIGNATES, APPOINTS AND EMPOWERS AND HEREBY CONFERS AN IRREVOCABLE SPECIAL POWER, AMPLE AND SUFFICIENT, TO CT CORPORATION SYSTEM, WITH OFFICES ON THE DATE HEREOF AT 111 EIGHTH AVENUE, NEW YORK, NY 10011 AS ITS DESIGNEE, APPOINTEE AND AGENT WITH RESPECT TO ANY SUCH PROCEEDING IN NEW YORK TO RECEIVE, ACCEPT AND ACKNOWLEDGE FOR AND ON ITS BEHALF, AND IN RESPECT OF ITS PROPERTY, SERVICE OF ANY AND ALL LEGAL PROCESS, SUMMONS, NOTICES AND DOCUMENTS WHICH MAY BE SERVED IN ANY SUCH PROCEEDING AND AGREES THAT THE FAILURE OF SUCH AGENT TO GIVE ANY ADVICE OF ANY SUCH SERVICE OF PROCESS TO THE ISSUER AND THE CO-ISSUER, AS THE CASE MAY BE, SHALL NOT IMPAIR OR AFFECT THE VALIDITY OF SUCH SERVICE OR OF ANY CLAIM BASED THEREON. IF FOR ANY REASON SUCH DESIGNEE, APPOINTEE AND AGENT SHALL CEASE TO BE AVAILABLE TO ACT AS SUCH, EACH OF THE ISSUER AND THE CO-ISSUER AGREES TO DESIGNATE A NEW DESIGNEE, APPOINTEE AND AGENT IN NEW YORK CITY ON THE TERMS AND FOR THE PURPOSES OF THIS PROVISION. TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE ISSUER AND THE CO-ISSUER HEREBY IRREVOCABLY

CONSENTS TO THE SERVICE OF PROCESS WITH RESPECT TO ANY PROCEEDING (WHETHER OR NOT IN NEW YORK), BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO SUCH PERSON, AT ITS RESPECTIVE ADDRESS SET FORTH IN SECTION 7.2 OF THE PARTICIPATION AGREEMENT, SUCH SERVICE TO BECOME EFFECTIVE 30 DAYS AFTER SUCH MAILING.

SECTION 16.08. Entire Agreement. This Indenture (including, without limitation, the exhibits hereto) and the Senior Notes supersede all prior agreements, written or oral, between or among any of the Issuer, the Co-Issuer and the Indenture Trustee relating to the transactions contemplated hereby and thereby, and each of the Issuer, the Co-Issuer and the Indenture Trustee represents and warrants to the others that this Indenture, the Senior Notes and the other Transaction Documents constitute the entire agreement among the Issuers and the Indenture Trustee relating to the transactions contemplated hereby and thereby.

SECTION 16.09. Benefit of Agreement. All agreements, representations, warranties and indemnities in this Indenture and in any agreement, document or certificate delivered pursuant hereto shall be binding upon the Person making the same and its successors and assigns and shall inure to the benefit of and be enforceable by the Person for whom made and its successors and assigns; provided, however, none of the Issuer or the Co-Issuer may assign or transfer any of its rights or obligations hereunder, except as permitted by Section 7.01(q), without the prior written consent of the Majority Noteholders. The Indenture Trustee may transfer, assign or grant its rights and obligations hereunder in connection with an assignment or transfer of all or any part of its interest in accordance with the provisions of Sections 11.02, 11.03, 11.05 and 11.13, provided that any such assignee has agreed to be bound by the terms of this Indenture and the other Transaction Documents. This Indenture is for the sole benefit of the Issuer, the Co-Issuer, the Indenture Trustee and the Noteholders and Williams, as an express third-party beneficiary, and their respective successors and assigns and is not for the benefit of any other Person. This Indenture may not be amended or supplemented without the consent of Williams, as express third-party beneficiary.

SECTION 16.10. Limitation on Rights of Noteholders. No Noteholder shall have any right to vote (except as provided in this Indenture) or in any manner otherwise control the operation and management of the Security for the Senior Notes (except as provided in this Indenture) or the obligations of the parties hereto (except as provided in this Indenture) nor shall anything herein set forth or contained in the terms of the Senior Notes be construed so as to constitute the Noteholders from time to time as partners or members of an association nor shall any Noteholder be under any liability to any third party by reason of any action taken by the parties to this Indenture pursuant to any provision hereof, except as expressly provided for herein.

No Noteholder shall have any right by virtue or by availing itself of any provisions of this Indenture to institute any suit, action or proceeding in equity or at law upon or under or with respect to this Indenture, unless such Holder previously shall have given to the Indenture Trustee a written notice of an Event of Default and of the continuance thereof, as hereinbefore provided, and unless the Majority Noteholders shall also have made written request upon the Indenture Trustee to institute such action, suit or proceeding in its own name as Indenture Trustee hereunder and shall have offered to the Indenture Trustee such reasonable security or indemnity (including reasonable advances) as it may require against the costs, expenses and liabilities to be incurred therein or thereby, and the Indenture Trustee, for ten Business Days after its receipt of such notice, request and offer of security or indemnity, shall have neglected or refused to institute any such action, suit or proceeding, it being understood and intended, and being expressly covenanted by each Noteholder with the other Noteholder and the Indenture Trustee, that no one or more Noteholders shall have any right in any manner whatever by virtue or by availing itself or themselves of any provisions of this Indenture to affect, disturb or prejudice the rights of any other Noteholders or to obtain or seek to obtain priority over or preference to any other such Holder or to enforce any right under this Indenture, except in the manner herein provided and for the common benefit

of all Noteholders. For the protection and enforcement of the provisions of this Section 16.10, each and every Noteholder and the Indenture Trustee shall be entitled to such relief as can be given either at law or in equity.

SECTION 16.11. Limitation on Liability of the Remarketing Agents and the Indenture Trustee.

(a) Each Noteholder, by its acceptance of a Senior Note, acknowledges that (i) any sale of the Williams Preferred Stock (and Additional Shares, if any) pursuant to the Remarketing and Support Agreement or (ii) any sale of the WCG Note pursuant to the WCG Note Reset Remarketing Agreement may be at prices and on terms less favorable to such Noteholder or to Williams than those obtainable in a public or private offering by Williams or any third party under different circumstances. Each Noteholder, by its acceptance of a Senior Note, agrees that any such sale shall be deemed to have been made in a commercially reasonable manner and that the applicable remarketing agents shall have no obligation to engage in public sales and no obligation with respect to (x) the sale of any Williams Preferred Stock (and Additional Shares, if any) other than as expressly set forth in the Remarketing and Support Agreement or (y) the sale of the WCG Note, other than as expressly set forth in the WCG Note Reset Remarketing Agreement.

(b) The Indenture Trustee and the applicable remarketing agents shall incur no liability as a result of (i) the sale of the Williams Preferred Stock (and Additional Shares, if any) including any Partial Remarketing, made in accordance with the Remarketing and Support Agreement and (ii) the sale, in whole or in part, of the WCG Note made in accordance with the WCG Note Reset Remarketing Agreement. Each Noteholder, by its acceptance of a Senior Note, waives any claims against the Indenture Trustee or the applicable remarketing agents arising by reason of the fact that the price at which (x) the Williams Preferred Stock (and Additional Shares, if any) may have been sold or (y) the WCG Note may have been sold was less than the prices that might have been obtained at a sale of such securities by Williams or any third party in different circumstances or was less than the aggregate amount of the Secured Obligations, even if the applicable remarketing agents accept the first offer received and do not offer (x) the Williams Preferred Stock (and Additional Shares, if any) or (y) the WCG Note, in each case, to more than one offeree.

SECTION 16.12. Senior Notes Non-Assessable and Fully Paid. It is the intention of the Issuers that the Noteholders shall not be personally liable for obligations of the Issuers, that the interests in the Security for the Senior Notes represented by the Senior Notes shall be non-assessable for any reason whatsoever and that the Senior Notes, upon due authentication thereof by the Indenture Trustee pursuant to this Indenture, are and shall be deemed fully paid.

SECTION 16.13. Limitation on Liability. It is expressly understood and agreed by the parties hereto with respect to the Issuer that (a) this Indenture is executed and delivered by Wilmington Trust Company, not individually or personally but solely as Issuer Trustee, in the exercise of the powers and authority conferred and vested in it under the Issuer Trust Agreement, (b) each of the representations, undertakings and agreements herein made on the part of the Issuer is made and intended not as personal representations, undertakings and agreements by Wilmington Trust Company, but is made and intended for the purposes of binding only the Issuer and (c) under no circumstances shall Wilmington Trust Company be personally liable for the payment of any indebtedness or expenses of the Issuer or be liable for the breach or failure of any obligation, representation, warranty or covenant made or undertaken by the Issuer under this Indenture or the other Transaction Documents; provided that this Section 16.13 shall not limit any liability expressly assumed by Wilmington Trust Company under the Issuer Trust Agreement (including Section 7.05 thereof).

[signature pages follow]

IN WITNESS WHEREOF, the undersigned have caused this Indenture to be duly executed as a deed as of this 28th day of March, 2001 by their respective representatives hereunto duly authorized.

WCG NOTE TRUST, as Issuer

By: Wilmington Trust Company, not in its individual capacity, but solely as Issuer Trustee

By: /s/ JAMES P. LAWLER

Name: JAMES P. LAWLER
Title: Vice President

WCG NOTE CORP., INC., as Co-Issuer

By: /s/ HOWARD S. KALIKA

Name: Howard S. Kalika
Title: Vice President

UNITED STATES TRUST COMPANY OF NEW YORK,
as Indenture Trustee

By: /s/ LOUIS P. YOUNG

Name: LOUIS P. YOUNG
Title: VICE PRESIDENT

UNITED STATES TRUST COMPANY OF NEW YORK, as Securities Intermediary for purposes of Section 5.01, Section 5.02, Section 5.03, Section 5.04 and Section 5.05 only

By: /s/ LOUIS P. YOUNG

Name: LOUIS P. YOUNG
Title: VICE PRESIDENT

EXHIBIT 12

The Williams Companies, Inc. and Subsidiaries
Computation of Ratio of Earnings to Fixed Charges
(Dollars in millions)

	Nine months ended September 30, 2001
Earnings:	
Income from continuing operations before income taxes	$ 1,593.4
Add:	
Interest expense - net	521.8
Rental expense representative of interest factor	24.0
Minority interest in income and preferred returns of consolidated subsidiaries	65.0
Interest accrued - 50% owned company	7.4
Equity losses in less than 50% owned companies	19.9
Other	4.2
Total earnings as adjusted plus fixed charges	$ 2,235.7
Fixed charges:	
Interest expense - net	$ 521.8
Capitalized interest	33.3
Rental expense representative of interest factor	24.0
Pretax effect of preferred returns of subsidiaries	49.0
Interest accrued - 50% owned company	7.4
Total fixed charges	$ 635.5
Ratio of earnings to fixed charges	3.52