Company shall be conclusive evidence and the only competent evidence that it has been duly authenticated and delivered hereunder.

ARTICLE 3.

Provisions for Bonds of 1975 Series.

§ 3.01. The initial series of Bonds to be executed, authenticated and delivered under and secured by this Indenture shall be Bonds of 1975 Series, which shall be designated as "First Mortgage Pipe Line Bonds, 6% Series due 1975" of the Company. They shall be substantially in the forms set forth or provided for in the recitals hereto and shall be executed, authenticated and delivered in accordance with the provisions of, and shall in all respects be subject to, all of the terms, conditions and covenants of this Indenture. The aggregate principal amount of Bonds of 1975 Series which may be executed by the Company and authenticated by the Trustee hereunder shall be limited to $12,000,000 principal amount, except as provided in Article 2, § 7.03 and § 17.03.

The Bonds of 1975 Series shall be coupon Bonds registerable as to principal, of the denomination of $1,000, numbered consecutively from M1 upwards, and registered Bonds without coupons, of the denominations of $1,000 or any multiple thereof, bearing appropriate serial numbers. The coupon Bonds of 1975 Series shall be dated as of May 1, 1960 and the registered Bonds of 1975 Series without coupons shall be dated as provided in § 2.06, and all Bonds of 1975 Series shall mature November 1, 1975, and shall bear interest at the rate of 6% per annum, payable semi-annually on the first days of May and November in each year, until payment of the principal thereof becomes due, whether at the stated maturity, by declaration or otherwise, and at the rate of 6% per annum on any overdue principal and (to the extent legally enforceable) on any overdue instalment of interest. The Bonds of 1975 Series shall be payable as to principal, interest and premium, if any, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and shall be payable as to principal, interest and premium, if any, at the principal office of the Trustee in the Borough of Manhattan, The City of New York. Bonds of 1975 Series

in definitive form may be printed on steel engraved borders or fully engraved as the Board of Directors may determine.

§ 3.02. The Bonds of 1975 Series shall, in the manner specified and subject to the provisions of Article 7, be redeemable as follows:

(a) The Bonds of 1975 Series shall be subject to redemption and shall be redeemed in part on the dates and in the amounts specified in § 3.03(a) for the sinking fund provided in said § 3.03(a) for Bonds of 1975 Series, upon payment of the principal amount thereof together with interest accrued thereon to the date fixed for redemption (hereinafter called the "sinking fund redemption price").

(b) The Bonds of 1975 Series shall also be subject to redemption, and may be redeemed in part, by the application of certain funds held by the Trustee as permitted or required by § 4.05, at a price equal to the sinking fund redemption price.

(c) The Bonds of 1975 Series shall also be subject to redemption, at the option of the Company, on any sinking fund date, at a price equal to the sinking fund redemption price, in a principal amount not in excess of the principal amount of Bonds of 1975 Series required to be redeemed on such sinking fund date pursuant to § 3.03(a).

(d) The Bonds of 1975 Series shall also be subject to redemption, at the option of the Company, in whole or from time to time in part, on any interest payment date, at a price equal to 102% of the principal amount thereof, together with interest accrued thereon to the date fixed for redemption (hereinafter called the "regular redemption price"), provided that the Company shall (*i*) have on hand excess or surplus funds not required in the conduct of its business and that of its subsidiaries, if any, in an amount not less than the amount required to make the proposed redemption of Bonds of 1975 Series, (*ii*) have outstanding no indebtedness for borrowed money other than the Bonds, the Convertible Notes and the Subordinated Debentures, (*iii*) have working capital, after giving effect to the proposed redemption, in an amount considered adequate by the officers of the Company for the safe conduct of the business of the Company and its subsidiaries, if any, without the necessity of creating additional funded debt or current debt to replace funds used to make such redemption, and (*iv*) have delivered to the