

ARTICLE TWO**Provisions Relating to Bonds of the 1986 Series
and Sinking Fund Therefor**

SECTION 1. Amount and Terms of Bonds of the 1986 Series. There shall be and hereby is created and established a new series of bonds to be issued under and secured by the Mortgage, as supplemented and modified by this Fifty-sixth Supplemental Indenture, such series to be designated "5 $\frac{7}{8}$ % Series due 1986", and the bonds of such series to bear the descriptive title "First Mortgage Pipe Line Bonds, 5 $\frac{7}{8}$ % Series due 1986", such bonds being herein sometimes referred to as "bonds of the 1986 Series".

The bonds of the 1986 Series shall be limited to (a) \$35,000,000 aggregate principal amount of bonds of such series to be authenticated and delivered pursuant to Section 4.03 of the Mortgage, or in part pursuant to Section 4.03 and in part pursuant to Section 4.05 thereof, and (b) bonds issued pursuant to Article Two of the Mortgage and/or Section 2 of this Article Two upon exchanges or transfers of or in substitution for a like principal amount of bonds of the same series.

The bonds of the 1986 Series shall be coupon bonds payable to bearer, with the privilege of registration as to principal only, in the denomination of \$1,000 each, numbered M-1 and consecutively upwards, and registered bonds without coupons in the denominations of \$1,000 or any integral multiples thereof, bearing the identifying letter R, and such other identifying letters or symbols, if any, as to the several authorized denominations thereof, and such numbers, as the Corporate Trustee in its discretion shall deem proper, but provision for the issuance of additional denominations of the bonds of the 1986 Series and/or for further exchangeability of the different forms and denominations of the bonds of such series may be subsequently authorized as and to the extent provided in Section 2.03 of the Mortgage. The coupon bonds of the 1986 Series shall be dated as of November 1, 1966. All bonds of the 1986 Series shall mature November 1, 1986, and shall bear interest at the rate of five and seven-eighths per cent. per annum until payment of the principal becomes due, and at the rate of six per cent. per annum on any overdue principal and (to the extent legally enforceable) on any overdue installment of interest. The registered bonds without