

to lands on which the Company has easements or rights-of-way for pipe line purposes which, in the opinion of such counsel, do not impair the right of the Company to continue the use of such property for such purposes, and subject to such other minor defects in title not constituting permitted liens as the Company shall have power by appropriate legal proceedings to cure without substantial expense or which, in the opinion of such counsel, are inconsequential, and to such liens and encumbrances as are referred to in *paragraphs (iv) and (v)* below.

(ii) If such second stage property additions include any pipe lines, pipe line equipment or other similar structures located or constructed on, over or under public highways, rivers or other public property, the Company has the lawful right under permits or franchises granted by a governmental body having jurisdiction in the premises or by federal law or the law of the State in which such property is located to maintain and operate such equipment or structures for an unlimited, indeterminate or indefinite period of time, or for the period, if any, specified in such permit, franchise or law, and to remove such lines, equipment or structures at the expiration of the period covered by such permit, franchise or law, or that the terms of such permit, franchise or law require any public authority having the right to take over such lines, equipment or structures to pay fair consideration therefor.

(iii) The Company has power to own and operate such second stage property additions.

(iv) The nature and extent of the purchase money liens, construction liens and judgment liens, if any, on such second stage property additions are correctly stated in the Engineer's Certificate delivered pursuant to § 4.03(a).

(v) The Indenture is a lien upon all second stage property additions described in said Engineer's Certificate (except such as have been retired), free and clear of any mortgage or other lien prior to the lien of this Indenture, except specified purchase money liens, if any, of the nature and to the extent permitted by § 5.14, specified construction liens, if any, specified judgment liens, if any, and permitted liens, and free and clear of any easements or similar encumbrances, except such as, in the opinion of such counsel, do not impair the use of such second stage property additions for the purposes for which they were acquired.