

privileges, ordinances and franchises, all to the extent necessary so that at all times the efficiency of the pipe lines, delivery systems, plants and properties of the subsidiaries shall be fully preserved and maintained, and will to the best of their ability maintain, preserve and cause to be extended and continued, until the satisfaction of this Indenture, all their rights and their corporate existence and corporate rights and privileges granted and confirmed by law or otherwise to them; provided, however, that nothing herein contained shall be construed to obligate any subsidiary to retain, preserve, repair, renew or replace any property, rights, privileges, ordinances or franchises no longer used or useful in the conduct of its business, or to obligate the Company or any subsidiary to continue and maintain the corporate existence and corporate rights and privileges of such subsidiary if the Company shall determine that it is advisable and in the best interests of the Company and the holders of the bonds hereunder that such subsidiary be dissolved or that its separate corporate existence be otherwise terminated. In the event of such dissolution or other termination of the corporate existence of such subsidiary the applicable provisions of Article Nine shall be complied with.

SECTION 7.07. That it will keep all the mortgaged property, which is of a character usually insured by companies similarly situated, insured against loss, damage or liability by fire and other risks against which insurance is usually carried by such companies operating in the same territory and/or under similar climatic conditions, to a reasonable amount, by a reputable insurance company or companies (which term shall include stock companies, mutual companies, reciprocal and Lloyds associations), any one loss in excess of \$25,000 to be made payable to the Corporate Trustee as its interests may appear; and, if so requested in writing by the Trustees or either of them, will cause policies for such insurance to be delivered to the Corporate Trustee. The Corporate Trustee, however, shall not be under any duty to demand possession of the policies.

The Company will deposit with the Corporate Trustee during the month of September in each year, and at such other times as the Corporate Trustee may demand, a detailed statement signed by the Treas-