

tribution lines shall be surrendered or disposed of without a release thereof by the Trustee, unless before or concurrently with such surrender or disposition the Company shall own or acquire other rights of way for the same portion of said line or lines or for a relocated or substituted line or lines serving substantially the same purpose or unless the properties served thereby have been abandoned or released as hereinafter provided;

(5) surrender or assent to the modification of any franchise (including in that term any ordinances, indeterminate permits or other operating rights, however denominated, granted by State, municipal or other public authority) under which the Company may be operating; provided that, at the time of any such surrender or modification, the Company shall have, under some other existing franchise or under a new franchise received in exchange for the surrendered franchise or under the same franchise as modified, lawfully authority sufficient, in the opinion of counsel, for the Company to conduct the same or an extended business in substantially the same or an extended territory for the same or an extended or unlimited period of time, or for a period of time which cannot be terminated without the consent of the Company before the latest maturity date of any Bonds then outstanding hereunder, except termination upon default by the Company or upon condemnation or payment of compensation for the property taken or upon the reinstatement of the franchise surrendered or modified;

(6) grant or convey rights of way and easements over or in respect of any real property owned by the Company, provided that there shall be filed with the Trustee a certificate of an engineer stating that in his opinion such grant or conveyance will not impair the usefulness of such real property for the purposes of the Company and will not be prejudicial to the interest of the holders of the Bonds hereunder; or

(7) (a) abandon, or permit the abandonment of, the operation of any property of the Company and the surrender by the Company of any franchises, as above defined, under which such property is operated, whenever the operation of such property and such franchises is not, under the circumstances, necessary or important for the operation of any system or plant of the Company, or whenever such abandonment or surrender is deemed for any reason to be advisable and (b) cease to pay rents

(1) sell or otherwise dispose of, free from the lien of this Indenture, or abandon or otherwise retire, any gas pipe, measuring, regulator or compressor station machinery, machinery, equipment, tools, implements or other similar property which shall have become old, inadequate, obsolete, worn out or unfit or unadapted for use in the operations of the Company *provided* that: (i) the Company shall have replaced, or shall contemporaneously replace, the same by, or substitute for the same, other machinery, equipment, tools or appliances, not necessarily of the same character but of a value at least equal to that of the property sold or otherwise disposed of, which shall forthwith become, without further action, subject to the lien of this Indenture, (ii) this Clause (1) shall not permit such disposition of any unit of machinery, equipment, tools or appliances having a fair value at the time in excess of Fifty Thousand Dollars (\$50,000); and (iii) this Clause (1) shall not permit such disposition of machinery, equipment, tools or appliances in excess, in any one calendar year, of an aggregate fair value of One Hundred Thousand Dollars (\$100,000);

(2) cancel or make changes in or alterations of or substitutions for any and all contracts and leases *provided* that unless the Company shall have obtained and filed with the Trustee the consent in writing of the holders of at least a majority in principal amount of each series of the Bonds then outstanding hereunder, or unless approved or required by order or regulation of a governmental body having jurisdiction in the premises, the Company will not surrender or cancel any contract referred to in Clause Third of the Granting Clauses and will not make or suffer to be made any change or alteration in any such contract which would change or alter any of the provisions of such contract in any respect materially adverse to the Company or the holders of the Bonds;

(3) alter, change the location of, add to, repair and replace any and all transmission and distribution lines, pipe lines, measuring stations, compressor stations, sub-stations, machinery, engines, pumps, tanks, fittings, fixtures and other equipment;

(4) cancel, make changes in or substitution for or dispose of any and all rights of way (including easements and licenses); *provided* that no right of way for gas transmission or dis-