

(a) Replacement of Worn Out Property. Dispose of, free from the lien hereof, any property which does not constitute lands or interests in lands. Dispose of, free from the lien hereof, any of its fixtures, equipment, machinery, apparatus and appliances, if then constituting lands or interests in land and thus subject to the lien of this Indenture, which may have become worn out, un-serviceable, obsolete, unsuitable or unnecessary in the conduct of its business, upon contemporaneously replacing the same with or substituting for the same other fixtures, equipment, machinery, apparatus or appliances, not necessarily of the same character but of at least equal value to the Company at the date of such substitution or replacement, which, to the extent that such replaced property constitutes lands or interests in lands forthwith shall become subject to the lien of this Indenture; provided, however, that properties of the foregoing character may be so disposed of without such substitution or replacement for a cash consideration which is not less than the fair market value of such property provided that any cash received by the Company in connection with any such disposition shall forthwith be deposited with the Trustee for disposition as provided in Section 7.05; and

(b) Grant of Easement, etc., and Modification Thereof. Grant easements, licenses, rights-of-way and other similar rights and privileges with respect to the Mortgaged Property, or surrender or assent to or procure the modification of easements, licenses, rights-of-way and other similar rights and privileges, free from the lien of this Indenture, with or without consideration, provided that, such action shall not be contrary to the best interests of the Company and shall not materially impair the security for the Bonds, and that any cash consideration received by the Company, upon or in connection with the granting, surrender or modification of any such easement, license, right-of-way, right or privilege, shall forthwith be deposited with the Trustee for disposition as provided in Section 7.05.

The Company will furnish to the Trustee annually in the month of March in each year beginning March 1934 an Officers' Certificate setting forth the total amounts of (i) property disposed of by the Company under subdivision (a) above; (ii) properties acquired or constructed by the Company in replacement or substitution for property disposed of; (iii) cash received by the Company for property disposed of; (iv) cash received by the Company upon or in connection with the granting, surrender or modification of easements, licenses, right-of-way, rights or privileges under subdivision (b) above; and setting forth (v) actions taken pursuant to subdivision (b) above.

The Trustees shall execute any release or other documents confirming any action taken by the Company pursuant to this Section upon receipt of an Officers' Certificate and an Opinion of Counsel covering such matters as may, in their sole discretion, be specified by the Trustees.