

SECTION 4. In any case where the redemption date shall be a Sunday or a legal holiday, generally or for any bank or trust company acting as paying agent hereunder, payment of the redemption price and interest payable upon redemption may be made on the next succeeding day not a Sunday or a legal holiday with the same force and effect as if made on the nominal redemption date.

SECTION 5. All the Bonds redeemed and paid under the provisions of this Article, together with the appurtenant coupons, shall be cancelled by the Trustee. The coupon Bonds and coupons shall be cremated by the Trustee and certificates of cremation delivered by the Trustee to the Company. The cancelled registered Bonds shall be returned by the Trustee to the bond registrar.

ARTICLE SIX.

Sinking Fund.

SECTION 1. The Company covenants and agrees that it will pay to the Trustee on November 1, 1944, and on November 1 in each year thereafter to and including November 1, 1962, as and for a sinking fund for such Bonds the sum of \$150,000.

Sinking fund payments may be made in cash, or in Bonds theretofore purchased by the Company or by the Southern Company, with all unmatured coupons attached, at the redemption price (exclusive of accrued interest) then prevailing for a redemption of Bonds for the purposes of the sinking fund, as hereinbefore in Section 1 of Article One provided, or at the cost thereof to the Company or to the Southern Company (exclusive of accrued interest and brokerage commissions), whichever is less, or partly in cash and partly in Bonds.

With each such sinking fund payment the Company or the Southern Company shall deliver to the Trustee the certificate of its President or one of its Vice-Presidents, stating the cost to the Company or to the Southern Company of any Bonds delivered to the Trustee for the sinking fund in lieu of cash. The Trustee shall be protected in relying upon such certificate and shall be under no duty to make any verification thereof, or investigation or inquiry as to any part thereof.

SECTION 2. At any time after the receipt of any sinking fund moneys and until a date 45 days prior to the next ensuing interest payment date, the Trustee, in such manner and from time to time in such amounts as it may deem advisable in its discretion (or in such manner as may be requested by the Company and approved by the Trustee), shall apply such moneys, so far as the same shall be adequate, to the purchase for the sinking fund of Bonds at a price (exclusive of accrued interest and brokerage commissions) not exceeding the redemption price (exclusive of accrued interest) then prevailing for a redemption of Bonds for the purposes of the sinking fund. Such purchases may be made by the Trustee from the Company or from the Southern Company at a price not in excess of the market price thereof (exclusive of accrued interest) on the date of any such purchase as ascertained by the Trustee in any manner deemed by it to be reliable, but in no event at a price in excess of the redemption price (exclusive of accrued interest) then prevailing for a redemption of Bonds for the purposes of the sinking fund.

SECTION 3. If upon the date limited as aforesaid for said purchases, the Trustee as above stated shall not have purchased Bonds in an amount sufficient to exhaust the sinking fund moneys available therefor, the amount of such moneys remaining unexpended, if \$25,000 or more (or any amount less than \$25,000, if so requested by the Company), shall be applied by the Trustee on the next ensuing interest payment date to the redemption of outstanding Bonds in the manner and with the same effect hereinbefore in Article Five provided (except that the Trustee and not the Company shall give notice of such redemption), at the redemption price applicable on such interest payment date for redemption of Bonds for the purposes of the sinking fund.

Any such amount of less than \$25,000 not so to be applied may be applied by the Trustee to the purchase for the sinking fund of Bonds upon the terms set forth in Section 2 of this Article, and any part thereof not so applied prior to the next sinking fund payment date shall be added to the next sinking fund installment and together with said installment applied in accordance with the provisions of this Article.

SECTION 4. Any Bonds acquired through the operation of the sinking fund, together with appurtenant coupons, shall be cancelled by the Trustee. The coupon Bonds and coupons shall be cremated by the Trustee and certificates of cremation delivered by the Trustee to the Company. The cancelled registered Bonds shall be returned by the Trustee to the bond registrar.

SECTION 5. The Company covenants to pay on request of the Trustee the compensation of the Trustee in administering the said sinking fund as provided herein, together with the Trustee's expenses, including the cost of advertisement of redemption notices and any other advertisements, and any customary broker's commission upon the purchase of any Bonds and any accrued interest payable with respect to any such Bonds purchased or redeemed, it being the intention that the aforesaid charges and accrued interest shall not be charged against sinking fund moneys.

SECTION 6. The Trustee shall not in any event be liable for the payment of principal of or interest on any Bonds called for redemption as herein provided, except to the extent that it shall have funds in its hands or in the sinking fund or paid to it by the Company for such purpose.

SECTION 7. When the Company shall pay or cause to be paid the principal of all the Bonds with interest and premium, if any, according to their terms, or shall deposit with the Trustee in trust for the holders thereof, an amount or amounts sufficient to pay the principal of all of said Bonds with interest and premium, if any, according to their terms, all moneys then held by the Trustee in the sinking fund shall, upon demand of the Railway Company, be repaid to it.

No such sinking fund moneys shall be applied to the purchase or redemption of Bonds (other than moneys then held for the payment of particular Bonds contracted to be purchased or in respect of which notice of redemption shall have been published) or be paid over to the Company during the continuance of an event of default under this Indenture of which the Trustee shall have notice, and, except as aforesaid, any moneys in such sinking fund at the time when such notice shall have been received by the Trustee, shall be held, unless all such defaults are remedied, as additional security for the payment of the Bonds then outstanding.