

the lien of this Indenture and the Trustee to execute a release for such property at the request of the Company.

The Company covenants that it will pay to the Trustee any consideration received by it for the property so taken.

The Trustee shall be entitled to rely on an opinion of counsel for the Company (or for the Southern Company so long as the Southern Company shall operate the properties of the Company) as to the provisions and legal effect of any decree or requirement referred to in this Section.

**SECTION 7.** The resolutions, opinions and certificates hereinbefore provided to be furnished to the Trustee may be received by it as conclusive evidence of any of the facts or of the continuance of any condition or of anything by this Article required to be established or shown in order to authorize the action sought in respect of any property forming the subject of such resolutions, opinions and certificates, and shall be full warrant to the Trustee for any action taken on the faith thereof, but the Trustee, in its discretion, may require at the cost and expense of the Company, such further and additional evidence as to it may seem reasonable.

**SECTION 8.** The Company shall have full power in its discretion and without notice to or action by the Trustee, from time to time

(a)(1) To alter, remove, demolish or retire from service any building or structure or industry tracks or side tracks or yard tracks or other property on the trust estate which may have become unfit or undesirable for use or which it may deem necessary or desirable to alter, remove, demolish or retire in connection with the maintenance or operation of or in the improvement of the trust estate, and (2) to dispose of any portion of the fixtures, machinery, apparatus, implements, furniture, materials, supplies and portable personal property at any time held subject to the lien hereof, which may have become obsolete or otherwise unfit or undesirable for use or which it may not be necessary or advantageous longer to retain for use upon the trust estate; hereby agreeing, within a reasonable time to replace the same with, or to substitute therefor, other properties, not necessarily of the same character but having a value at least equal to the value of the old property at the time of its disposition or, if it be sold, equal to the consideration therefor received by the Company, and such new property shall become subject to the lien of this Indenture as a first lien thereon.

(b) To make any lease of, or to grant trackage rights upon, the trust estate, or any part thereof, or to enter into any contract affecting the same, subject to the prior lien of this Indenture, but nothing in this Section contained shall be construed as giving the Company power to make any such lease, or to grant any such trackage rights, or to enter into such contract, unless such lease, trackage rights or contract shall be subordinate to the prior lien of this Indenture.

(c) To make changes or alterations in, or substitutions for, or to terminate, any leases, trackage rights, agreements or contracts, the rights of the Company under which are subject to this Indenture; *provided*, that the Company is not thereby prevented (except to an extent which in the judgment of the Board of Directors of the Company will not adversely affect to a material degree the security for the Bonds or the interests of the bondholders) from maintaining and

operating a continuous main line railroad in the manner set forth in subparagraph (2) of Paragraph (a) of Section 1 of this Article. Any changed, amended or supplemental lease, trackage rights or contract forthwith shall be subject to this Indenture in the same manner and to the same extent as that previously existing.

**SECTION 9.** All moneys received for property released or sold as provided in this Article (except as provided in Section 5 of this Article), and all moneys receivable as compensation for any property subject to this Indenture, the title to which is taken by public authority and any and all other moneys at any time receivable by the Trustee, except to the extent that any such moneys shall be applied in accordance with the provisions of this Indenture particularly applicable thereto, shall be received and held by the Trustee as part of the trust estate and, if no event of default shall have happened and be continuing, at the request of the Company shall be applied by the Trustee from time to time as hereinafter provided to the purchase of Bonds secured by this Indenture and then outstanding, at a price or prices not exceeding the fair value thereof at the time of purchase, or the then current price for redemption at the option of the Company of the Bonds purchased, whichever is less, or to the redemption of Bonds, otherwise than for the purpose of the sinking fund, in the manner specified in Article Five of this Indenture, or may be paid over to the Company by the Trustee, upon the conditions hereinafter set forth, in reimbursement for expenditures made by the Company for additions, betterments or improvements to the mortgaged property, used or useful upon or in connection with the railroads of the Company and subject to the lien of this Indenture as a first lien.

In case the Company shall desire any of such moneys to be applied by the Trustee to the purchase of Bonds, the Company shall request the Trustee, in writing, to apply a specified amount of such moneys to the purchase of Bonds, and shall deliver to the Trustee the certificate provided for in subdivision (b) of this Section. The Trustee shall thereupon proceed to purchase such Bonds, if available, 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 such Bonds at the option of the Company. Such purchases may be made by the Trustee from the Company or from the Southern Company at a price not in excess of the fair value thereof (exclusive of accrued interest) on the date of any such purchase from the Company or from the Southern Company 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 redemption of Bonds at the option of the Company.

In case the Company shall desire any such moneys to be applied by the Trustee to the redemption of Bonds, the Company shall deliver to the Trustee the following instruments:

(a) A certified copy of a resolution of the Board of Directors of the Company, requesting the Trustee to apply, on a date or dates to be specified therein, a specified amount of such moneys to the redemption of Bonds issued hereunder.

(b) A certificate signed by the President or a Vice-President, certifying that the Company is not in default with respect to the performance or observance of any covenant or agreement contained in this Indenture.