

The Company is authorized to own and operate the lines of railroad as described in the granting clauses hereof, and covenants and agrees to execute any and all instruments and do any and all acts and things necessary or proper to perfect its title to the same or any thereof.

SECTION 3. The Company covenants that it will not voluntarily create or suffer to be created any lien or charge, having priority or preference over or equality with the lien of this Indenture, upon the trust estate or upon any part thereof, or upon the income and profits thereof, and, within six months after the same shall accrue, it will pay, or cause to be discharged, or will make adequate provision for the satisfaction or discharge of, all lawful claims and demands of mechanics, laborers and others, which, if unpaid, might by law be given precedence to this Indenture as a lien or charge upon the trust estate, or any part thereof, or the income thereof.

Nothing in this Section contained shall require the Company to acquire, pay or discharge any such claim, demand, debt, lien or charge, so long as the Company in good faith shall contest the validity or the amount thereof, unless in the opinion of the Trustee, in the case of any claim, demand, debt, lien or charge in excess of \$100,000, such action might jeopardize the interests of the bondholders.

The Company will deliver to the Trustee annually in the month of March in each year a certificate signed by its President or a Vice President and by its Secretary or an Assistant Secretary setting forth in reasonable detail a description of any such claims, demands, debts, liens or charges in excess of \$100,000 existing on January 1 of each year. The Trustee shall have no duty in respect of such certificates except to exhibit them on request to the holders of Bonds.

The Company will pay or will cause to be paid the interest and the sinking fund on the First Mortgage Bonds of the Company due November 1, 1963 as and when such interest and sinking fund shall become payable; and, when due it will pay the principal of all such bonds.

SECTION 4. The Company, from time to time, will pay and discharge before delinquent all taxes, assessments and governmental charges, the lien of which would be prior to the lien hereof, lawfully imposed upon the trust estate, or upon any part thereof, or upon the income and profits thereof, so that the lien and priority of this Indenture thereon shall be fully preserved at the cost of the Company without expense to the Trustee or to the bondholders in respect of such properties; and will also pay and discharge before delinquent all taxes, assessments and governmental charges lawfully imposed upon the interest of the Trustee in the trust estate.

Nothing contained in this Section shall require the Company to pay any such tax, assessment or charge so long as the Company in good faith shall contest the validity or amount thereof, unless in the opinion of the Trustee in the case of any such tax, assessment or charge in excess of \$100,000, such action might jeopardize the interests of the bondholders.

The Company will deliver to the Trustee annually in the month of March in each year a certificate signed by its President or a Vice President and by its Secretary or an Assistant Secretary setting forth in reasonable detail a description of any such taxes, assessments or charges in excess of \$100,000 existing on January 1 of each year. The Trustee shall have no duty in respect of such certificates except to exhibit them on request to the holders of Bonds.

SECTION 5. If default shall be made in paying any sum which in Section 3 or 4 of this Article the Company has

covenanted to pay or discharge, the Trustee, without affecting any of its rights hereunder, from time to time in its discretion may, but shall not be under any duty to, pay any sum so in default, and thereupon shall have and forthwith may assert a lien for such advances upon the trust estate and the proceeds thereof prior to the lien of the Bonds issued hereunder. In case the sums so advanced shall amount at any one time to as much as \$300,000, the Trustee shall give notice of such advances and the purposes and amounts thereof by publication at least once in one newspaper printed in the English language and customarily published on each business day and of general circulation in the Borough of Manhattan, the City of New York, State of New York, and in one newspaper printed in the English language and customarily published on each business day and of general circulation in the City of Atlanta, State of Georgia. A copy of such notice shall also be mailed by the Trustee on or before the date of such publication to the registered holders of Bonds (including coupon Bonds registered as to principal) at their last addresses appearing upon the registry books.

SECTION 6. The Company shall use its best efforts to preserve all the rights and franchises to it granted and upon it conferred, and will, to the extent needful and proper for the efficient and economical operation of the properties of the Company, maintain, preserve and keep the mortgaged property in good repair, working order and condition, and, from time to time, to make all needful and proper repairs, renewals and replacements thereto.

SECTION 7. In case the Company shall hereafter create any other mortgage upon the railroads and property subject to the lien of this Indenture or any part thereof, such mortgage shall be and shall be expressed to be subject to the prior lien of this Indenture for the security of all Bonds then issued or thereafter to be issued hereunder.

SECTION 8. The Company will duly observe and perform its covenants and obligations contained in any writing executed by it as a supplement to this Indenture as herein authorized.

SECTION 9. The Company with all convenient speed will duly record, register and file and re-record, re-register and re-file this Indenture and every indenture supplemental hereto which hereafter may be executed as may be required by law in order to protect the lien hereof on the property covered hereby or intended so to be, and will pay any recording, registration or filing tax or fee legally due upon the recording of this Indenture or of any indenture supplemental hereto or due at any time upon or in connection with the issuance of the Bonds hereunder, and will make such statements and do such acts now or hereafter as are or shall be required by it to be made or done under any law affecting the recording hereof or of any supplemental indenture.

The Company will furnish to the Trustee, promptly after the execution and delivery of this Indenture, an opinion or opinions of its counsel (or of counsel for the Southern Company) stating that this Indenture has been properly recorded and filed so as to make effective the lien thereof, and reciting the details of such action. The Company will also furnish to the Trustee on or before November 1, 1944, and annually thereafter, an opinion or opinions of its counsel (or of counsel for the Southern Company) so long as the Southern Company shall operate the properties of the Company) stating either that in the opinion of such counsel such