

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.

(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 (a) the provisions of this Indenture particularly applicable thereto, or (b) the provisions of the First Mortgage of the Company dated November 1, 1943, 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, 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.

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 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.

Upon delivery of the instruments required by the foregoing provisions of this paragraph, the Trustee shall, from said moneys then held by it hereunder, set aside the amount specified in said resolution, and select by lot as provided in Article Five hereof, a sufficient number of Bonds to absorb the moneys so set apart at the redemption price (exclusive of accrued interest) of such Bonds payable on a specified redemption date or dates; and the Company shall thereupon cause notice of redemption of the Bonds so selected to be given by publication and mailing in the manner provided in Article Five hereof for the redemption of Bonds, and with like effect, and, on and after the redemption date, the Trustee shall apply or cause to be applied the moneys so set aside to the redemption of such Bonds in accordance with the provisions relating thereto.

The Company covenants to pay on request of the Trustee the expenses of the Trustee in purchasing and redeeming Bonds, including the cost of advertisement of redemption notices and any other advertisements, and any customary broker's commission upon such purchases, and any accrued interest payable with respect to any such Bonds purchased or redeemed.

All Bonds secured by this Indenture so purchased or redeemed, together with the appurtenant coupons, shall be cancelled by the Trustee, and the coupon Bonds and coupons shall be cremated by the Trustee and certificates of cremation delivered by the Trustee to the Company and the cancelled registered Bonds shall be returned by the Trustee to the bond registrar. No bonds shall be issued in lieu of the Bonds so purchased or redeemed.

In case the Company shall desire any such moneys to be applied by the Trustee in reimbursement for expenditures made by the Company (or Southern Railway Company) for additions, betterments or improvements to the mortgaged property, the Trustee shall pay such moneys to or upon the written order of the Company signed by its President or a Vice-President requesting such payment and accompanied by the certificate or certificates in this Section specified and the opinion or opinions of counsel in Section 10 of this Article specified. Such payments shall be made in a sum not exceeding the cost or the fair value at the time of the application, whichever is less, of the property acquired or of additions, betterments or improvements to the mortgaged property as set forth in the certificate or certificates hereinafter in this Section specified.