

account of the interest on any such bonds or obligations out of the proceeds of the sale of property covered by a mortgage or trust deed securing such bonds or obligations, or in case, upon the dissolution or liquidation of any company, any sum shall be paid upon any bonds or shares of stock or any claims against or indebtedness of such company, subject to this indenture, (except claims or indebtedness subjected to the lien of this indenture under section 7 of Article Four hereof), then, in any such case, any such sum, unless required to be paid to and received by the trustee under any indenture constituting a prior lien on the mortgaged and pledged premises, or part thereof, or unless applied on account of the purchase price of property purchased pursuant to section 5 of this Article, shall be received by the Trustees and shall from time to time be paid over by the Trustees to the Railway Company to reimburse it for expenditures by it made for any of the purposes for which bonds or their proceeds may be used under section 6 of Article One hereof, upon certificates of such expenditures, signed by the President or a Vice-President or the Chief Engineer, and by the Comptroller or Auditor or Treasurer of the Railway Company, and otherwise subject to the provisions and restrictions of said section. Such certificates shall be in the form required by section 6 of Article One hereof, and shall be full protection to the Trustees for their action on the faith thereof.

SEC. 4. Unless and until some one of the events described in the first paragraph of section 2 of this Article Five shall have happened, the Railway Company shall have the right to vote upon all shares of stock subject to this indenture for all purposes not contrary to its covenants herein contained or otherwise inconsistent with the provisions or purposes of this indenture, and with the same force and effect as though such shares were not subject to this indenture; and from time to time, upon

demand of the Railway Company, the Trustees forthwith shall execute and deliver, or shall cause to be executed and delivered, to the Railway Company or to its nominees, suitable powers of attorney or proxies to vote upon any shares of stock which shall have been transferred to the Trustees or to their nominees. Specifically, but without limitation of the general powers in this section or elsewhere herein reserved to the Railway Company, or to the owner or owners of any shares of stock pledged hereunder, the Railway Company shall have the right so to vote all shares of stock pledged hereunder in favor of the creation by any company of whose capital stock the greater part shall be pledged hereunder, of mortgages or other liens or charges, upon any additional property subsequent to the date of this indenture acquired by any such company. A certificate, signed by the President or a Vice President or the Chief Engineer, and by the Comptroller or Auditor or Treasurer of the Railway Company, specifying such additional property acquired by any such company, may be received by the Trustees as conclusive evidence of the truth of the facts therein set forth, and shall be full warrant and protection to the Trustees for their action on the faith thereof.

SEC. 5. In case default shall be made in the payment of the principal or interest of any of the bonds or obligations which shall have been delivered to and shall be held by the Trustees hereunder, or of any other bonds then secured by the same mortgage or deed of trust as such bonds held by the Trustees, then, and in any such case, if the Trustees shall hold more than ninety per cent. in amount of the entire issue of such bonds or obligations in default, the Trustees, without prejudice, however, to their right to claim a default under this indenture, or to assert any right consequent upon such default, shall, upon the written request of the Railway Company (the Railway Company not being then in default

under this indenture), and, if required by them, upon receiving reasonable indemnity, and in other cases upon such written request they may, in their discretion, cause proper proceedings to be instituted and prosecuted in some court of competent jurisdiction to foreclose or enforce the mortgage, or trust, or charge, by which such bonds or obligations in default are secured. In case of the happening of any of the events hereinafter denominated events of default, or in case the Trustees shall have entered or shall have elected to enter into possession of the railways or some of them constituting part of the mortgaged and pledged premises, either under the power herein conferred, or by the voluntary action of the Railway Company, then, and in any such case, the Trustees, in their discretion, may institute such proceedings without such written request.

In case (1) at any time any company of whose capital stock the greater part shall be held by the Trustees subject to this indenture as a first lien thereon, shall be dissolved or liquidated, or in case (2) all or any of the property of any such company shall be sold at any judicial or other sale, or in case (3) any property covered by a mortgage securing any bonds, or subject to any charge or trust for the payment of any other obligations, held by the Trustees subject to this indenture as a first lien thereon, shall be sold upon foreclosure of such mortgage, or by enforcement of such charge or trust,—then in any such event, if the property of such dissolved or liquidated company, or the property sold, can be acquired by crediting on the bonds, obligations, claims, indebtedness, or stock, held by the Trustees hereunder, any sum accruing or to be received thereon out of the proceeds of such property, and by paying not more than ten per cent. of the price of such property in cash (or more than ten per cent., if the holders of a majority in amount of the first and refunding mortgage bonds shall so request), the Trustees in their discretion may, and, if requested in writing by the Railway Company or by the holders of a

majority in amount of the first and refunding mortgage bonds and provided with the amount of cash necessary therefor (whether such amount be more or less than ten per cent. of the price of such property), in every case shall, purchase or cause to be purchased, or permit the Railway Company to purchase, such property, either in the name or on behalf of the Trustees or of the Railway Company, or by purchasing trustees, as the Trustees may determine, and shall use, or permit the Railway Company to use, such bonds, obligations, claims, indebtedness and stock, so far as may be, to make payment for such property; and in case of any such purchase the Trustees shall take such steps as they may deem proper to cause such property to be vested either in the Railway Company, subject to this indenture, or in some other corporation organized or to be organized with power to acquire and manage such property, provided, that all the bonds and other indebtedness and capital stock thereof (excepting the number of shares required to qualify directors), shall be received by the Trustees and shall be held for the benefit of the Railway Company, or its assigns, subject to this indenture.

With the written consent of the Railway Company, the Trustees at any time may vote upon any shares of stock that shall be held by them hereunder, and may take such other action as in their discretion they shall deem advisable to protect their interests and the interests of the bondholders hereunder in respect of any bonds, obligations or stocks subject to the lien hereof, and, with such consent of the Railway Company, the Trustees may join in any plan of reorganization in respect of any such bonds or stocks and may accept new securities issued in exchange therefor under such plan. In case of the happening of any of the events hereinafter denominated events of default, or in case the Trustees shall have entered or shall have elected to enter into the railways or some of them constituting part of the mortgaged and pledged prem-