

in the event of its destruction by fire or make substitutes therefor so that the capacity of the works to supply the demands upon them shall not be impaired; *provided, however*, that the Pipe Line Company, or any of its successors, may adopt such other plan or method of protection against loss by fire, whether by the establishment of an insurance fund or otherwise, as may be approved by the board of directors of the Pipe Line Company.

ARTICLE V.

In case the Pipe Line Company shall make default in the payment of any interest accruing upon any one or more of the bonds hereby secured, or intended so to be, according to the terms thereof, and such default shall continue for three (3) months, or shall make default in the performance of any other of the covenants herein contained on its part to be performed, and any such default shall continue for six (6) months, then and in any such case the Pipe Line Company upon demand of the Trustee, shall and will forthwith surrender to the Trustee the actual possession, and the Trustee shall be entitled forthwith, with or without process of law, to enter into and upon and take possession of all and singular the property and premises hereby mortgaged, or intended so to be, and each and every part thereof, with all records, books, papers, and accounts of the Pipe Line Company, and to exclude the Pipe Line Company and its agents and servants wholly therefrom, and to have, hold and use the same, controlling, managing, and operating, by its superintendents, managers, receivers, and other agents or attorneys, the said property with the appurtenances, and conducting the business and operations thereof, and exercising the franchises appertaining thereto, and making from time to time, at the expense of the trust estate, all repairs and replacements, and such additions, alterations, extensions, and improvements thereof and thereto as may become necessary, or as to the said Trustee may seem proper and judicious; and may collect and receive all tolls, incomes, rents, issues, and profits of the same, and every

part thereof, and after deducting all expenses of maintaining, managing, and operating said property and conducting the business thereof, and of all repairs, replacements, additions, alterations, and improvements so made, and all payments made for taxes, levies, and assessments, insurance premiums, and other charges upon said property, or any part thereof, and as well just compensation for the services of the Trustee, its agents, clerks, servants, attorneys, and counsel, and their proper disbursements and expenses, shall apply the remainder of the moneys so received by it as follows: In case the principal moneys evidenced by the bonds secured by this mortgage shall not have become due, or shall not have been declared due, to the payment of the interest in default in the order of the maturity of the installments of such interest, and in case said principal moneys shall have become due, or have been declared due, then to the payment of the principal and accrued interest upon said bonds *pro rata*, without any preference or priority whatsoever, and without preference of interest over principal or of principal over interest.

ARTICLE VI.

In case the Pipe Line Company shall make default in the payment of any installment of interest upon the bonds secured hereby, or any of them, and such default shall continue for three (3) months, or in the performance of any other of the covenants herein contained on its part to be performed, other than to pay the principal of the bonds hereby secured, at maturity thereof, and in case such default shall continue for six (6) months, then, and in any such case, the Trustee may, and if the holders of a majority in value of the outstanding bonds hereby secured shall so elect in writing, and notify the Trustee, the Trustee shall declare the whole principal of all the bonds hereby secured to be due and payable, and the same shall thereupon immediately become due and payable, and it shall be the duty of the Trustee, upon request in writing, signed by the holders of a majority in value of said bonds then outstanding, and upon being indemnified to its satisfaction, to institute proper proceedings, at