

Article XVI  
Sections 9 and 10

234

sons claiming the premises and property sold, or any part thereof, from, through or under the Company, its successors or assigns.

The personal property and chattels conveyed, or intended to be conveyed, by or pursuant to the Mortgage, other than stocks, bonds and other obligations or securities or claims, shall be real property for all the purposes of the Mortgage, and shall be held and taken to be fixtures and appurtenances of the Company's lines of railroad and a part thereof, and are to be used and sold therewith and not separate therefrom, except as herein otherwise provided.

The receipt of the Trustees for the purchase money paid at any such sale, or the receipt of any other person authorized to receive the same, shall be a sufficient discharge therefor to any purchaser of the property, or any part thereof, and as aforesaid, and no such purchaser, or his representatives, grantees or assigns, after paying such purchase money and receiving such receipt, shall be bound to see to the application of such purchase money or any part thereof upon or for any trust or purpose of the Mortgage, or in any manner whatsoever, be answerable for any loss, misapplication or nonapplication of any such purchase money, or any part thereof, or be bound to inquire as to the authorization, necessity, expediency or regularity of any such sale.

SECTION 10. In case of a sale of the mortgaged property substantially as a whole under any of the foregoing provisions of this Article XVI, whether made under the power of sale hereby granted or pursuant to judicial proceedings, the principal of all Bonds then outstanding, if not previously due, immediately thereupon shall become due and payable, notwithstanding the date of maturity thereof as stated in such Bonds or in the Mortgage.

Article XVI  
Sections 11 and 12

236

SECTION 12. In case of any sale under the foregoing provisions of this Article XVI, whether made under the power of sale hereby granted or pursuant to judicial proceedings, any purchaser, for the purpose of making settlement or payment for the property purchased, shall be entitled to use and apply any Bonds and any matured and unpaid coupons and interest obligations hereby secured, subject to the provisions of Section 1 of this Article XVI, by presenting such Bonds and coupons in order that there may be credited as paid thereon the sums payable out of the net proceeds of such sale to the holder or registered owner of such Bonds and coupons, as his proportionate share of such net proceeds; and such purchaser shall be credited on account of the purchase price payable by him with the sums payable out of such net proceeds which shall be applicable to the payment of and which shall have been credited, upon the Bonds and coupons so presented; and, at any such sale, any Bondholder may bid for and purchase such property, and may make payment therefor as aforesaid, and, upon compliance with the terms of said sale, may hold, retain and dispose of such property without further accountability therefor.

SECTION 13. The Company covenants that (a) if default shall be made in the payment of any installments of Fixed Interest on any of the Outstanding Bonds when due as such interest shall become due and payable as therein and in the Mortgage expressed, and such default shall continue for 90 days, or in the payment of any installment of Contingent Interest on any of the Outstanding Bonds when and as such interest shall become due and payable as therein and in the Mortgage expressed, and such default shall continue for 30 days, or (b) if default shall be made in the payment of the principal of any Outstanding Bonds, or the premium thereon payable on redemption thereof, when the same shall become

Article XVI  
Section 11

235

SECTION 11. The purchase money, proceeds and avails of any such sale, whether made under the power of sale hereby granted or pursuant to judicial proceedings, together with any other sums which then may be held in trust for the Trustees under any of the provisions of the Mortgage as part of the mortgaged property or of the proceeds thereof, except sums held in trust for the benefit of the holders of particular Bonds or coupons, shall be applied as follows:

First. To the payment of the costs and expenses of such sale, the reasonable compensation to the Trustees, their agents, attorneys and counsel, all expenses, liabilities and advances made or incurred by the Trustees, except such as may have arisen by their negligence or bad faith, and the payment of all taxes, assessments or liens prior to the lien of the Mortgage, except taxes, assessments and prior liens, if any, subject to which the property shall have been sold.

Second. To the payment of the whole amount then due and unpaid upon the Outstanding Bonds for principal and interest, with interest on the overdue principal at the highest rate of interest borne by any of the Outstanding Bonds, and in case such moneys shall be insufficient to pay in full the whole amount so due and unpaid upon the Outstanding Bonds, then to the payment of such principal and interest proportionately, according to the aggregate of such principal and accrued and unpaid interest, without preference or priority of any Outstanding Bond over any other Outstanding Bond of the same or of another series or of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, subject, however, to the provisions of Section 1 of this Article XVI.

Third. To the payment of the surplus, if any, to the Company, its successors or assigns, or to whoever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct.

Article XVI  
Section 13

237

due and payable, whether at the maturity of such Bonds, upon redemption, by declaration or by a sale of the mortgaged property, or otherwise, then, upon demand of the Trustees, the Company will pay to the Trustees for the benefit of the holders of such Bonds and coupons the whole amount then due and payable on such Bonds and coupons, for principal (and premium if any) or interest, or both, as the case may be, with interest on the overdue principal at the highest rate of interest borne by any of the Outstanding Bonds; and in case the Company shall fail to pay the same forthwith upon such demand, the Trustees in their own name and as Trustees of an express trust, shall be entitled to recover judgment for the whole amount so due and unpaid.

The Trustees shall be entitled to institute and prosecute any action and enforce any judgment or final decree as aforesaid, either before or after or during the pendency of any proceedings for the enforcement of the lien of the Mortgage, and the right of the Trustees to such judgment or final decree shall not be affected by any entry or sale hereunder, or by the exercise of any other right, power or remedy for the enforcement of the provisions of the Mortgage or the foreclosure of the lien hereunder; and in case of a sale of the mortgaged property or any part thereof, the Trustees, in their own names and as trustees of an express trust, shall be entitled to enforce payment of, and to receive, all amounts then remaining due and unpaid upon any and all of the Bonds and coupons, for the benefit of the holders thereof, and shall be entitled to institute and prosecute any action and enforce any judgment or final decree as aforesaid for any portion of the said debt remaining unpaid, with interest. No judgment or decree obtained by the Trustees, and no levy of any execution upon the mortgaged property, or upon any other property, shall in any manner, or to any extent, affect the lien of the Mortgage upon the mortgaged property, or any part thereof, or any lien, rights,