

of any of the mortgage bonds at any time pledged hereunder, or of any other bonds secured by the same mortgage as such bonds held by the Trustee, then, in such case, the Trustee, upon written request of the Railway Company, and upon receipt of reasonable indemnity, shall cause proper proceedings to be instituted and prosecuted in some court of competent jurisdiction to foreclose the mortgage or mortgages by which such bonds are secured; but in any case where not less than eighty-five (85) per cent. in amount of the principal of all the bonds secured by any ~~such~~ mortgage are pledged hereunder, proceedings to foreclose such mortgage shall be taken only under such conditions as in the judgment of the Trustee will enable it either to obtain the fair value of the bonds secured by such mortgage held by it; or else to acquire the property covered by such mortgage and to subject such property, or securities representing such property, to the lien hereof, as hereinafter provided. The Trustee, however, shall not be liable for any error of judgment in respect of such proceedings or their outcome.

In case at any time any company of whose capital stock the greater part shall be held by the Trustee hereunder, shall be dissolved or liquidated; or in case all or any of the property of any such company shall be sold upon the insolvency of such company, at any judicial or other sale; or in case any property covered by a mortgage securing any of the bonds held by the Trustee hereunder, shall be sold upon foreclosure of such mortgage, then, in any such case, if the property of said company, or the property sold, can be acquired by crediting on the bonds or stock held by the Trustee hereunder the amount accruing therefrom out of the proceedings of such property, and paying not more than fifteen (15) per cent. of the price of such property in cash, the Trustee may, in its discretion, and in any case if requested by the Railway Company in writing and provided with the necessary funds therefor, the Trustee shall, purchase or cause to be purchased such property either in the name or on behalf of the Railway Company, or in its own name, or by purchasing trustee, and use such bonds and stock to make payment for said property; and in case of any such purchase, the Trustee shall take such proceedings as it may deem best to cause such property to be vested either in the Railway Company, subject to the lien of this indenture, or in some other corporation organized or to be organized for that purpose, all of whose bonded debt and capital stock (excepting the amount thereof required to qualify directors) shall be revived and held by the Trustee, and shall be vested in the Railway Company subject to the lien of this indenture. The Trustee may also, in any case, take such steps as in its discretion shall be best calculated to protect its interest hereunder in respect of any bonds or stock subject to the lien hereof; and for that purpose it may in its discretion, but shall be under no obligation to, join in any plan of reorganization in respect of any such bonds or stock and may accept new securities issued in exchange therefor under such plan.

The Railway Company covenants that, on demand of the Trustee, it will forthwith pay or satisfactorily provide for all expenditures incurred by the Trustee under any of the provisions of this section, including all sums required to obtain and perfect the ownership of and title to any railways or other properties or franchises which the Trustee shall purchase or cause to be purchased pursuant to the provisions of this section; and, in case the Railway Company shall fail to do so, then, without impairment of or prejudice to any of its rights hereunder by reason of default of the Railway Company, the Trustee, in its discretion, may advance all such expenses and other moneys required, or may procure such advances to be made by others, and for such advances made by the Trustee or by others at its request, with interest thereon, the Trustee shall have a lien on the property hereby mortgaged or pledged, which lien shall be prior to the lien of the First and Refunding Bonds; but in no event shall the principal of such lien exceed in the aggregate