

agreement being to prevent any accumulation of coupons after maturity.

Section 2. In case (1) default shall be made in the payment of any interest on any First and Refunding Bond or bonds, or in the performance of any of the covenants of the Railway Company contained in section 5 of Article Two hereof, and any such default shall have continued for a period of six months; or in case (2) default shall be made in the due and punctual payment of the principal of any First and Refunding Bond; or in case (3) default shall be made in the due observance or performance of any other covenant or condition herein required to be kept or performed by the Railway Company, and any such last-mentioned default shall have continued for a period of six months after written notice thereof, to the Railway Company from the Trustee, whose duty it shall be to give such notice at the request, in writing, of the holders of five (5) per cent. in amount of the bonds at the time outstanding hereunder; then, and in each and every case, the Trustee, personally or by its agents or attorneys, may enter into and upon all or any part of the railways, rolling stock, property and premises, lands, rights, interests and franchises hereby conveyed, and each and every part thereof, and may exclude the Railway Company, its agents and servants, wholly therefrom, and having and holding the same, may use, operate, manage and control said railways and other premises, regulate the toll for the transportation of passengers and freight thereon, and conduct the business thereof, either personally or by its superintendents, managers, receivers, depositaries, intervenors, agents and servants or attorneys, to the best advantage of the holders of the first and refunding bonds; and upon every such entry the Trustee, at the expense of the trust estate, from time to time, either by purchase, repairs or construction, may maintain and restore, and insure or keep insured, the rolling stock, tools and machinery and other property, buildings, bridges and structures erected or provided for use in connection with said railways and other premises, and whereof it shall become possessed as aforesaid, in the same manner and to the same extent as is usual with railroad companies, and likewise from time to time, at the expense of the trust estate, may make all necessary or proper repairs, renewals and replacements, and useful alterations, additions, betterments and improvements thereto and thereon, as to it may seem judicious; and, in such case, the Trustee shall have the right to manage the mortgaged premises, and to carry on the business and exercise all rights and powers of the Railway Company, either in the name of the Railway Company or otherwise, as the Trustee shall deem best; and it shall be entitled to collect and to receive all tolls, earnings, incomes, rents, issues and profits of the same and every part thereof; and, after deducting the expenses of operating said railways and other premises, of conducting the business thereof, and of all repairs, maintenance, renewals, replacements, alterations, additions, betterments and improvements, and all payments which may be made for taxes, assessments, insurance and prior or other proper charges upon the said premises and property, or any part thereof, as well as just and reasonable compensation for its own services, and all agents, clerks, servants and other employees by it properly engaged and employed, it shall apply the moneys arising as aforesaid as follows:

In case the principal of the First and Refunding Bonds shall not have become due, to the payment of the interest in default, in the order of the maturity of the installments of such interest, with interest thereon at the rate of five (5) per cent. per annum; such payments to be made ratably to the persons entitled thereto, without discrimination or preference;

In case the principal of the First and Refunding Bonds shall have become due, by declaration or otherwise, first, to the payment of the accrued interest (with interest on the over-due installments thereof at the rate of five per cent. per annum) in the order of the maturity of the installments, and then to the payment of the principal of all First