

such default, shall upon the written request of the Railway Company (the Railway Company not then being in default under this indenture), and, if required by the Trustee hereunder, upon receiving reasonable indemnity, and in other cases upon such written request it may, in its 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 Trustee 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 Trustee, in its 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 Trustee subject to this indenture as a first lien thereon, shall be dissolved or liquidated, or in case (2) all or any 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 Trustee 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 Trustee 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 mortgage gold bonds shall so request), the Trustee in its discretion may, and, if requested in writing by the Railway Company or by the holders of a majority in amount of the first mortgage gold 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 Trustee or of the Railway Company, or by purchasing trustees, as the Trustee 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 Trustee shall take such steps as it 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 Trustee 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, but not otherwise, the Trustee at any time may vote upon any shares of stock that shall be held by it hereunder, and may take such other action as in its discretion it shall deem advisable to protect its 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 Trustee 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