

tion or otherwise, first, to the payment of the accrued interest (with interest thereon at the rate of four per cent. per annum) in the order of the maturity of the installments thereof, and next to the payment of the principal of all bonds hereby secured; in every instance such payments to be made ratably to the persons or parties entitled to such payment, without any discrimination or preference;

These provisions, however, not being intended in any wise to modify the provisions of Section 1 of this Article.

In case, and during such continuance, of any such default in either of the first three cases specified in this section, either with or without entry by the Trustee, and also in the fourth case, if the Trustee shall have entered or shall have elected to enter as aforesaid, the Trustee shall have, exercise, and enjoy the right to vote on all shares of stock pledged or agreed to be pledged hereunder, and, for the benefit of the holders of bonds hereby secured, the right to receive and collect all interest moneys and dividends maturing or payable upon all pledged bonds and stocks, and to apply as hereinbefore provided the net moneys received, and as holder of such shares of stock and of such bonds pledged or agreed to be pledged in this indenture, to perform any and all acts, and to make or execute any and all requests, requisitions or other instruments. In the event that a Receiver of the mortgaged railways shall have been appointed and shall be in possession thereof, the Trustee, from time to time, in its discretion, may turn over any part or all of the interest moneys and dividends so collected by it, to such Receiver, and may co-operate with such Receiver/Company in such manner as the Trustee shall deem for the best interests of the holders of the bonds hereby secured.

Sec. 3. In case default shall be made by the Railway Company in the payment of any interest on any bond hereby secured, and such default shall continue for a period of six months, then and in every case of such continuing default, upon the written request of the holders of a majority in amount of the bonds hereby secured then outstanding, the Trustee, by notice in writing delivered to the Railway Company, shall declare the principal of all bonds hereby secured then outstanding to be due and payable immediately, and upon any such declaration the same shall become and be immediately due and payable, anything in this indenture or in said bonds contained to the contrary thereof in anywise notwithstanding. This provision is, however, subject to the condition, that if at any time after the principal of said bonds shall have been so declared due and payable, all arrears of interest upon all such bonds, with interest at the rate of four per cent. per annum on overdue installments of interest, shall either be paid by the Railway Company or be collected out of the mortgaged premises before any sale of the mortgaged premises shall have been made, then and in every such case the holders of a majority in amount of the bonds hereby secured then outstanding, by written notice to the Railway Company and to the Trustee, may waive such default and its consequences; but no such waiver shall extend to, or affect any subsequent default, or impair any right consequent thereon.

In case the Trustee shall have proceeded to enforce any right under this indenture by foreclosure, entry or otherwise, and such proceedings shall have been discontinued or abandoned because of such waiver, or for any other lawful reason, or shall have been determined adversely to the Trustee, then<sup>and</sup> in every such case, the Railway Company shall be restored to its former position and rights hereunder in respect of the mortgaged premises and the shares of stock and bonds, and other property, herein pledged or agreed to be pledged; and, upon the written request of the Railway Company, the Trustee shall do, make, execute, acknowledge and deliver such acts, deeds, instruments and assurances