

assessments, advertising charges, betterments and other proper expenses incurred by it in connection with said lands hereby conveyed, or to promote the sale thereof, shall be used and applied as provided in Sections 2 and 3 of this Article, and are hereby designated by the term "net moneys."

Sec. 2. During each calendar year, or within three months after the expiration thereof, out of one-half of such net moneys received in such calendar year, an amount up to, but not exceeding, in the aggregate \$500,000, shall be applied to the purchase of bonds hereby secured at not over 100 per cent. of their par value, such purchase to be made without unnecessary delay in such manner as shall be deemed best by the Railway Company and the Trustee, which immediately thereupon shall cancel all bonds so purchased; and such purchases shall be made whenever \$50,000 are available therefor.

If in any calendar year, or within three months after the expiration of such year, the Trustee shall not be able upon the terms above prescribed to purchase bonds hereby secured to an amount sufficient to exhaust the portion of such net moneys in such year applicable to such purchase (the portion so applicable not to exceed \$500,000 as aforesaid) then and in every such case, such unapplied balance of such portion of net moneys shall be applied by the Trustee, in such manner as the Railway Company and the Trustee may deem best, in the purchase of securities in which Savings Banks shall then be authorized under the laws of New York to invest their funds, such securities to be held by the Trustee as a part of the trust estate hereunder; and the Trustee is hereby authorized from time to time in its discretion and with the consent of the Railway Company to dispose of any such securities purchased by the Trustee, and to reinvest the proceeds of such sale in similar manner, or it may apply the same to the purchase and cancellation of General Lien Bonds as aforesaid.

Sec. 3. One-half of all such net moneys mentioned in Sections 1 and 2 of this Article, received in any calendar year and such portion of the other one-half received in such year as may have been in excess of \$500,000, and also, in the cases hereinbefore indicated, any moneys received by the Trustee on account of any bonds subject to the lien hereof, and any moneys received by the Trustee as the proceeds of any shares of stock or claims held by the Trustee hereunder upon the liquidation or dissolution of the company which issued such stock or is liable upon such claims (but not any interest on bonds, or dividends on stocks, or principal or interest of claims or indebtedness which the Railway Company shall be entitled to receive under any provision of this indenture) and also the net proceeds of sales of bonds reserved under Section 4 of Article One hereof, shall be held by the Trustee separate and apart from all other funds under this indenture as a Cash Fund to be paid over to the Railway Company, from time to time, for the following purposes, or some one or more of them, viz.:

For the construction or acquisition, on and after January 1st, 1897, of branch lines, extensions, terminal properties, rolling stock or other additional property; or for the construction of betterments, subsequent to said date; all such construction, or betterments, or property acquired, to be upon, along or appurtenant to lines of railway, branches or terminal properties of the Railway Company, at the time of such use subject to the lien of this indenture, or upon, along or appurtenant to the lines of railway or the terminal properties of some one or more of the companies mentioned in the schedule of stocks in the granting clauses hereof (other than the Duluth Union Depot and Transfer Company, Minnesota Transfer Railway Company, St. Paul Union Depot Company, Northern Pacific Coal Company and Northern Pacific Express Company) or of any other company of whose capital stock at least a majority in amount shall be subject to the lien hereof, it being intended that such branch lines, extensions or terminal properties or other new property may be constructed or