

*Provided, however,* and hereby it is declared and agreed that except as in this indenture otherwise expressly provided,

(1) The Railroad Company shall not be entitled to receive and the Trustees shall not pay over to the Railroad Company the principal of any of the bonds or obligations subject to this indenture;

(2) The Railroad Company shall not be entitled to receive and the Trustees shall not pay over any interest on any of the bonds, obligations, claims or indebtedness subject to this indenture, or the dividends on any such shares of stock, which shall have been collected or paid out of the proceeds of any sale or condemnation of the property covered by a mortgage or deed of trust or trust agreement securing such bonds or obligations, or out of the proceeds of the sale of any other property of the company liable upon such bonds, obligations, claims or indebtedness, in case of a dissolution or liquidation of such company; it being the intention that the Railroad Company shall be entitled to receive only payments made out of the rents, revenues, income or proceeds of operation of such properties;

(3) The Railroad Company shall not sell, assign or transfer any such coupon or right to interest or dividends delivered or assigned to it, or any other such claim or indebtedness, except subject to this indenture;

(4) The Railroad Company shall not collect any such coupons or interest or dividends, or any such other claims or indebtedness by legal proceedings or by enforcement of any security therefor, except with the written assent of the Trustees, nor in any manner which the Trustees shall deem prejudicial to the trusts hereunder; and

(5) Until actually paid, released or discharged, every such coupon or right to interest or dividends, and all such other claims and indebtedness shall remain subject to the lien of this indenture.

76

The Trustees shall be entitled to assume that any interest received by them on any bond or other obligation, claim or indebtedness, or any dividend received on any shares of stock, is paid out of rents, revenues, income or proceeds of operation, until it is notified in writing to the contrary; and in the absence of any such written notification it shall be conclusively presumed as between the Trustees and the bondholders, that the Trustees, in making any payments thereof to the Railroad Company, acted in good faith.

If any such coupons or if any evidence of any such claim or indebtedness, delivered to the Railroad Company hereunder, shall not as aforesaid forthwith be paid or canceled, the Railroad Company shall return the same to the Trustees, and in case of the payment of any such coupon, claim or indebtedness, shall, upon the demand of the Trustees, furnish satisfactory evidence of the cancellation and extinguishment thereof.

SEC. 5. In case any sum shall be paid on account of the principal of any bonds, notes or other obligations pledged with or assigned to the Trustees hereunder, or in case any sum shall be paid on account of the interest or dividends on any such bonds, notes or other obligations, out of the proceeds of the property covered by a mortgage or trust deed securing such bonds, notes or other obligations, or in case upon the liquidation or dissolution of any company any sum shall be paid upon any bonds, notes, or other obligations or shares of stock of such company pledged or assigned hereunder, or upon any such claims against or indebtedness of any such company subject to this indenture, then in any such case any such sum, unless required to be paid to and received by the trustee under any mortgage, deed of trust or trust agreement securing some lien prior to the lien of this indenture upon any such notes, bonds or other obligations or shares of stock, or unless applied on account of the purchase price of property purchased pursuant to Section 7 of this Article, shall be received by the Trustees, and shall be paid over by the Trustees

77

to the Railroad Company to reimburse it for expenditures made by it for any of the purposes for which gold bonds or their proceeds may be used under Section 6 of Article Two hereof, upon certificates of such expenditures, signed by the president or a vice-president or chief engineer, and by the comptroller or auditor or treasurer or an assistant treasurer of the Railroad Company, and otherwise subject to the provisions and restrictions of said Section. Such certificates shall be in the form required by said Section and shall be full protection to the Trustees for their action on the faith thereof.

SEC. 6. Unless and until some one of the events described in the first paragraph of Section 4 of this Article Five shall have happened, the Railroad Company shall have the right to vote for all purposes not contrary to its covenants herein contained or otherwise inconsistent with the provisions or purposes of this indenture, and with the same force and effect as though such shares were not subject to this indenture, upon all shares of stock subject to this indenture, other than shares of the capital stock of any company which shall have made default in the payment of the principal or interest of any bond or obligation secured by mortgage or other instrument, and such default shall have continued for such period that under the mortgage or other instrument securing such bond or obligation, said mortgage or other instrument has become enforceable, or of any company of which, or of the property of which, a permanent receiver shall have been appointed; and from time to time, upon written demand of the president or a vice-president of the Railroad Company, the Trust Company forthwith shall execute and deliver, or shall cause to be executed and delivered, to the Railroad Company, or to its nominees, powers of attorney or proxies to vote upon any shares of stock which shall have been transferred to the Trustees or to their nominees other than as aforesaid.

Subject only as in this indenture specifically restricted and to the actual exercise by the Railroad Company of rights in

78

respect thereof conferred by this indenture, the Trustees shall have and may exercise all the rights of owners in respect of any bonds, obligations or stock or certificates of interest therein held by the Trustees under this indenture, or in any manner whatsoever on the trusts hereof.

SEC. 7. In case default shall be made in the payment of the principal or interest of any of the bonds or obligations which shall have been delivered to and held by the Trustees hereunder, or of any bonds or obligations then secured by the same mortgage or deed of trust as bonds so held by the Trustees, then and in any such case, the Trustees, without prejudice to their right to claim a default under this indenture, or to assert any right consequent upon such default, may in their 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 (1) at any time any company shares of the capital stock of which shall be subject to this indenture, shall be dissolved or liquidated, or in case (2) all or any of the 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 subject to this indenture, or subject to any charge or trust for the payment of other obligations subject to this indenture, 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 company or the property sold, can be acquired by crediting on the bonds, obligations, claims, indebtedness or stock held by the Trustees 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 gold bonds shall so request), the Trustees in their discretion may, and if requested in writing by the Railroad Company or by the holders of a