

majority in amount of the gold bonds, and provided with the amount of cash necessary therefor, shall, purchase or cause to be purchased such property, either in the name or on behalf of the Trustees; or by purchasing trustees, as the Trustees may determine, and shall 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 Trustees shall take such steps as they may deem proper to cause such property to be vested either in the Railroad Company, subject to the lien of 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 the capital stock thereof (except the number of shares required to qualify directors) shall be received by the Trustees and shall be held subject to this indenture. If said stock or interest in stock, of any such company so liquidated or dissolved, or whose property shall be sold, or such bonds or obligations the mortgage or other instrument securing which shall be so foreclosed, shall be held by the trustee under any indenture constituting a prior lien on the trust estate, or part thereof, the Trustees may in respect thereof, permit the purchase thereof by or on behalf of the trustee under such prior indenture.

The Trustees may in respect of any such bonds or stocks, join or permit and authorize the trustee under any indenture constituting a prior lien thereon to join in any plan of reorganization, and may accept or authorize the acceptance of new securities issued in exchange therefor under such plan, and such new securities shall be subject to this indenture.

The Railroad Company covenants that upon demand of the Trustees it forthwith will pay or will satisfactorily provide for all expenditures incurred by the Trustees or by either of them, under any of the provisions of this Section, including all sums, not more than ten per cent. of the price of such property, required to be paid in cash to obtain and perfect the own-

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ership and title to any property which the Trustees shall purchase or shall cause or authorize to be purchased, and in any case, without impairment of or prejudice to any of the rights of the Trustees hereunder by reason of any default of the Railroad Company, the Trustees in their discretion may advance all such expenses and other moneys required, or may procure such advances to be made by others, and for such advances made by the Trustees or by others at their request, with interest thereon, the Trustees shall have a lien under this indenture preferentially to the gold bonds upon all the stocks, bonds, claims and indebtedness in respect of which such advances shall have been made, and the proceeds thereof, and any property acquired by means thereof, as well as upon the trust estate.

In case the Trustees shall not purchase or cause to be purchased the property sold at any such sale, and shall not join in a plan of reorganization as aforesaid in respect of such bonds, obligations or stocks, then the Trustees shall receive any portion of the proceeds of the sale accruing on the properties by them held hereunder, and such proceeds from time to time shall be paid over to the Railroad Company to reimburse it for expenditures made by it for any and all 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. 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. 8. Anything in this indenture to the contrary notwithstanding, any company, all or part of whose capital stock shall be subject to this indenture, whether or not subject to prior liens, may be merged or be consolidated with, or all or

any part of its property may be sold or conveyed to the Railroad Company, or to any other company the greater part of whose capital stock shall be owned by the Railroad Company and be pledged under this indenture, whether or not subject to prior liens; provided, however, that in the event of the consolidation or merger of any one or more of said companies with, or its sale to, the Railroad Company, this indenture shall immediately become and be a lien on the property of the company so consolidated or merged with or sold to the Railroad Company with the same force and effect as if expressly conveyed by this indenture, subject, however, to the lien thereon of any prior mortgage of the Railroad Company which by its terms shall extend thereto, and, provided, in the event of such consolidation or merger with any other company the greater part of whose capital stock shall be owned by the Railroad Company and pledged under this indenture, or of sale to such company, that the portion of the capital stock of any company formed by such consolidation, or into which such merger shall be made, issued for or in lieu of stocks of the constituent companies parties to such consolidation or merger, previously pledged hereunder, shall always bear to the total capital stock of such company a proportionate relation at least as high as that borne by such previously pledged stock to the aggregate capital stock of said constituent companies; and the stock of the purchasing company becoming subject to this indenture, shall bear to its total capital stock a proportionate relation at least as high as that borne by the previously pledged stock of the purchasing and selling companies to the aggregate of the capital stock of said companies; all stock of the company formed by such consolidation or into which such merger shall be made, issued for or in lieu of stocks of the constituent companies parties to such consolidation or merger, previously pledged hereunder, and all stock of the purchasing company issued in lieu of previously

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pledged stock of the selling company, shall become and be subject to this indenture, and shall be held pursuant to the provisions hereof, and the holders of the gold bonds shall always have a lien upon such portion of such stock of such successor or purchasing company, as full and complete as upon the stock of such constituent companies by reason of the pledge thereof hereunder.

The Trustees may make any exchange, substitution, cancellation or surrender of securities required for the purposes or in accomplishment of any such merger, consolidation or sale, and may receive the opinion of any counsel approved by the Trustees as to the legal effect of any such merger, consolidation or sale, and as to the steps necessary to be taken to consummate the same, and as to any other matter under this Section.

SEC. 9. At any time, in their discretion, the Trustees may, and, if requested in writing by the Railroad Company, the Trustees shall, consent to the extension or renewal of any bonds or obligations now held, or which hereafter shall be held, by the Trustees hereunder; provided, however, that the mortgage and lien securing such bonds and obligations shall continue unimpaired, notwithstanding such extension. The Trustees may receive the opinion of any counsel approved by the Trustees as conclusive evidence that any such extension is in accordance with the provisions of this Section; and such opinion shall be full protection to the Trustees for any action by them taken pursuant hereto.

## ARTICLE SIX.

### REMEDIES OF TRUSTEES AND BONDHOLDERS.

SECTION 1. Neither any coupon belonging to any gold bond nor any claim for interest on any registered gold bond without coupons, which, in any way, at or after maturity, shall have been transferred or pledged separate and apart from the