

its successors or assigns. The personal property and chattels conveyed or intended to be conveyed by or pursuant to this indenture, other than stocks, bonds and other securities and claims, shall be real estate for all the purposes of this indenture, and shall be held and taken to be fixtures and appurtenances of the said railroads and part thereof, and are to be used and sold therewith and not separate therefrom, except as herein otherwise provided.

SEC. 11. The receipt of the Trustees for the purchase money paid at any such sale shall be a sufficient discharge therefor to any purchaser of the property or any part thereof, sold as aforesaid; and no such purchaser or his representatives, grantees or assigns, after paying such purchase money and receiving such receipt, shall be bound to see to the application of such purchase money upon or for any trust or purpose of this indenture, or in any manner whatsoever be answerable for any loss, misapplication or non-application of any such purchase money or any part thereof, or be bound to inquire as to the authorization, necessity, expediency or regularity of any such sale.

SEC. 12. In case of a sale under any of the foregoing provisions of this Article, whether made under the power of sale herein granted or pursuant to judicial proceedings, or in case of a sale upon foreclosure under or other enforcement of any or all of said trust agreements, mortgages or trust deeds constituting liens upon the trust estate or any part thereof prior to the lien of this indenture, by reason of any default thereunder, the principal sums of the gold bonds, if not previously due, shall immediately thereupon become due and payable, anything in the gold bonds or in this indenture to the contrary notwithstanding.

SEC. 13. The purchase money, proceeds or avails of any such sale, whether under the power of sale herein granted or pursuant to judicial proceedings, together with any other sums

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which then may be held by the Trustees under any of the provisions of this indenture as part of the trust estate or the proceeds thereof, shall be applied as follows:

*First.* To the payment of the costs and expenses of such sale, including reasonable compensation to the Trustees, their agents, attorneys and counsel, and of all expenses, liabilities and advances made or incurred by the Trustees, and to the payment of all taxes, assessments or liens prior to the lien of this indenture, except the superior liens and any taxes, assessments or other charges subject to which the property shall have been sold;

*Second.* To the payment of the whole amount then owing or unpaid upon the gold bonds for principal and interest, with interest on the overdue instalments of interest at the same rate as was borne by the respective bonds on which such instalments of interest are overdue; and in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid upon said bonds, then to the payment of the principal and interest of said bonds without preference or priority of principal over interest or of interest over principal, or of any instalment of interest over any other instalment of interest, ratably to the aggregate of such principal and the accrued and unpaid interest; subject, however, to the provisions of Section 1 of this Article Six;

*Third.* To the payment of the surplus, if any, to the Railroad Company, its successors or assigns, or to whosoever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct.

SEC. 14. Upon any such sale by the Trustees or pursuant to judicial proceedings, any purchaser, for or in settlement or payment of the purchase price of the property purchased,

shall be entitled to use and apply any gold bonds and any matured and unpaid coupons thereto appertaining, by presenting such gold bonds and coupons in order that there may be credited thereon the sums applicable to the payment thereof out of the net proceeds of such sale to the owner of such bonds and coupons as his ratable share of such net proceeds, after the deduction of costs, expenses, compensations and other charges; and thereupon such purchaser shall be credited on account of such purchase price payable by him, with the portion of such net proceeds that shall be applicable to the payment of, and that shall have been credited upon, the bonds and coupons so presented; and at any such sale any bondholders may bid for and purchase such property and may make payment therefor as aforesaid, and upon compliance with the terms of sale may hold, retain and dispose of such property without further accountability.

SEC. 15. The Railway Company covenants that:

(1) in case default shall be made in the payment of any interest on any gold bond or bonds at any time outstanding and such default shall have continued for a period of six months; or

(2) in case default shall be made in the payment of the principal of any such bonds when the same shall become payable, whether upon the maturity of said bonds or upon declaration as authorized by this indenture, or upon a sale, as set forth in Section 12 of this Article Six,

then upon demand of the Trustees, the Railroad Company will pay to the Trustees for the benefit of the holders of the gold bonds and coupons then outstanding, the whole amount that shall have become due and payable on all such bonds and coupons then outstanding, for interest or principal, or both, as the case may be, with interest upon the overdue principal and instalments of interest at the same rates re-

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spectively as on the bonds which, or the instalments of interest on which, are overdue; and in case the Railroad Company shall fail to pay the same forthwith upon such demand, the Trustees in their own name and as trustees of an express trust shall be entitled to recover judgment for the whole amount so due and unpaid.

The Trustees shall be entitled to recover judgment as aforesaid either before or after or during the pendency of any proceeding for the enforcement of the lien of this indenture; and the right of the Trustees to recover such judgment shall not be affected by any entry or sale hereunder or by the exercise of any other right, power or remedy for the enforcement of the provisions of this indenture or the foreclosure of the lien hereof; and in case of a sale of the property subject to this indenture, and of the application of the proceeds of sale to the payment of the debt hereby secured, the Trustees in their own name, and as trustees of an express trust, shall be entitled to enforce payment of, and to receive, all amounts then remaining due and unpaid upon any and all of the gold bonds then outstanding, for the benefit of the holders thereof, and shall be entitled to recover judgment for any portion of the debt remaining unpaid, with interest. No recovery by the Trustees of any such judgment, and no levy of any execution upon any such judgment upon property subject to this indenture, or upon any other property, shall in any manner or to any extent affect the lien of this indenture upon the property or any part or portion thereof subject to this indenture, or any rights, powers or remedies of the Trustees hereunder, or any lien, rights, powers or remedies of the holders of the gold bonds, but such lien, rights, powers and remedies of the Trustees and of the bondholders shall continue unimpaired as before.

Any moneys thus collected by the Trustees under this Section shall be applied by the Trustees first, to the payment of the expenses, disbursements and compensation of the