

of the pledged bonds, or in the due observance or performance of any covenant contained in any of such bonds or any such mortgage or deed of trust or other instrument, then, and in every such case, the Trustee shall, upon receipt of a Request so to do, and upon being indemnified to its satisfaction against any expenses to be incurred in connection therewith and in accordance with the advice of its counsel bring an appropriate action to recover such principal and interest or to compel the observance or performance of such covenant, and if it holds an amount of such bonds in default sufficient under such mortgage, deed of trust or instrument to take such action, cause proper proceedings to be instituted and prosecuted in some court of competent jurisdiction to foreclose the mortgage, deed of trust or other instrument by which such bonds are secured, or otherwise enforce such rights, provided, however, that if the Companies shall be In Default hereunder then the Trustee in its discretion may institute such proceedings without such Request.

If at any time any property covered by a mortgage securing any pledged bonds shall be sold upon foreclosure of such mortgage, then, if the property sold can be acquired by crediting on the pledged bonds any sum accruing or to be received thereon out of the proceeds of such property, and the Trustee is requested in writing by the Companies or by the holders of a majority in principal amount of the Bonds at the time outstanding hereunder so to purchase or cause to be purchased such property and if it is provided with the cash necessary therefor and indemnified to its satisfaction on account of its expenses in connection therewith, the Trustee shall so purchase or cause to be purchased such property, and shall so use such pledged bonds in paying for said property. In case of any such purchase the Trustee may cause such property to be vested either in one of the Companies, subject to the lien of this In-