

DOUGLAS COUNTY

at the same rates borne by the respective bonds; and in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid, then to the payment of such principal and interest ratably, according to the aggregate of such principal and the accrued and unpaid interest, without preference or priority of any one series over any other series of bonds, or of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, except as to the difference, if any, in the respective rates of such interest.

Upon payment in full, as above provided, of whatever sum or sums may be due for principal or interest, or both, or payable for other purposes, the mortgaged properties and any excess moneys in the possession of the Trustee arising as aforesaid shall be returned to the Company, its successors or assigns, as though no default had occurred.

SECTION 2. If any event or events of default specified in Section 1 of this Article shall happen, then in each and every such case the Trustee may cancel all assignments or orders for the payment of dividends or interest, and all proxies with respect to any of the pledged stock theretofore delivered by it to the Company, and the Trustee shall thereupon be entitled to receive and collect, for the benefit of the holders and owners of the bonds, all dividends that may thereafter be declared on any shares of stock pledged hereunder and all sums which may thereafter become due and payable as interest upon any bonds or other securities pledged hereunder or which may thereafter accrue upon any moneys deposited with the Trustee hereunder, and may itself vote or cause to be voted all shares of stock then pledged hereunder in such manner and for such purposes as it may in its discretion deem advisable.

The Trustee, subject to the provisions of Section 3 of Article III hereof, shall apply any and all moneys so received or collected by it in the same manner, as hereinbefore provided in Section 1 of this Article for the application of moneys arising from the operation of the mortgaged properties.

Upon payment in full, as above provided, of any sum or sums which may have been due for principal or interest, or both, or payable for other purposes and upon the fulfillment and performance of all other obligations of the Company in respect of which it was in default under this Indenture, the Company shall thereafter be entitled to receive the income from all stocks, bonds or other securities pledged hereunder, and to vote the pledged stock (unless such stock, bonds or other securities shall have been sold as in this Article provided) in the same manner and to the same extent as though no default had occurred.

SECTION 3. In case the Company shall make default in any of the respects specified in Section 1 of this Article, and at any time during the continuance of such default, whether before or after the same shall become an event of default, there shall be any existing judgment against it unsatisfied and unsecured by bond on appeal, or upon the filing of a bill in equity, or upon other commencement of judicial proceedings by the Trustees to enforce any right under this Indenture, the Trustees shall be entitled forthwith to exercise the right of entry herein conferred, without awaiting the prescribed period, if any, and also to exercise and have any and all other rights, powers and remedies herein conferred and provided to be exercised by the Trustees upon the occurrence and continuation of a default as hereinbefore provided; and, as a matter of right, the Trustees shall thereupon be entitled to the appointment of a receiver of all the mortgaged properties and of the earnings, income, rents, issues and profits thereof, with such powers as the court making such appointment may confer; but notwithstanding the appointment of any receiver or trustee in bankruptcy or reorganization proceedings, the Trustee shall be entitled to continue to retain possession and control of any stocks, bonds or other securities pledged hereunder or cash on deposit with the Trustee under this Indenture.

SECTION 4. In case the Company shall make default in any of the respects specified in Section 1 of this Article, and such default shall continue for a period, if any, therein specified, or in case of the happening of any event described in Section 3 of this Article, the Trustee may, and, upon the written request of the holders of not less than twenty-five per centum in aggregate principal amount of all the bonds then outstanding, shall, by notice in writing mailed or delivered to the Company, declare the principal of all the bonds then outstanding to be due and payable immediately; and upon any such declaration the same shall become and be immediately due and payable, anything in this Indenture or in said bonds contained to the contrary notwithstanding. This provision is, however, subject to the condition that if, at any time after the principal of said bonds shall have been declared due and payable, all arrears of interest upon such bonds (with interest on overdue installments of interest at the same rates borne by the respective bonds) and all expenses and charges of the Trustees be paid by the Company, or be collected out of the mortgaged properties before any sale thereof shall have been made, and every default in the observance or performance of any covenant or condition in the bonds or in this Indenture contained shall have been made good or secured to the satisfaction of the Trustees, or provisions deemed by the Trustees to be adequate shall have been made therefor, then, and in each and every such case, the holders of a majority in aggregate principal amount of the bonds then outstanding, by written notice to the Company and to the Trustees may waive such default and its consequences, and the Company may thereupon obtain from the Trustees rescission of such declaration of the maturity of the principal of such bonds as, except for such declaration, would not have been or become so due and payable; but no such waiver shall extend to or affect any subsequent default or impair any right consequent thereon.

SECTION 5. In case the Company shall make default in any of the respects specified in Section 1 of this Article, and such default shall continue for the period, if any, therein specified, then and in each and every such case, the Trustees shall, in their discretion, be forthwith entitled with or without entry, either personally or by their agents or attorneys, to sell, in the manner provided in Section 7 of this Article, all and singular the mortgaged and pledged properties, including all shares of stock and all bonds or other securities then pledged hereunder, or, in their discretion, the Trustees may forthwith proceed to protect and enforce their rights and the rights of the holders of the bonds under this Indenture by a suit or suits in equity or at law, for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted; or for the foreclosure of this Indenture, either for interest or for principal, or for both, or for the enforcement of any other appropriate legal or equitable remedy, as the Trustees, being advised by counsel, shall deem most effectual in support of any of their rights or duties hereunder. The court may appoint a special master to make any sale under or by virtue of the power of sale herein contained, or by virtue of judicial proceedings, or of any judgment or decree of foreclosure.

SECTION 6. In case the Company shall make default in any of the respects specified in Section 1 of this Article, and such default shall continue for the period if any, therein specified, then, in each and every such case, upon the written request of the holders of not less than twenty-five per cent in aggregate principal amount of all the bonds then outstanding, and upon being indemnified as hereinafter provided, the Trustees shall take all steps needful for the protection and enforcement of their rights and the rights of the holders of the bonds, and shall exercise the powers of entry or sale herein conferred, or both, or take such appropriate judicial proceedings by action, suit or otherwise, as the Trustees, being advised by counsel, shall deem most expedient in the interest of the holders of the bonds; provided that nothing in this Section 6 contained shall be deemed to require the Trustee to perform in any jurisdiction any act which by the law of such jurisdiction the Trustee is forbidden or disabled to perform.

SECTION 7. In the event of any sale under or by virtue of the power of sale herein contained, or by virtue of judicial proceedings, or by virtue of any judgment or decree of foreclosure and sale thereunder, the whole of the mortgaged properties, excluding all stocks, bonds and other securities which may be pledged under this Indenture, shall be sold in one parcel, as an entirety, unless such sale as an entirety be impracticable by reason of some statute or other cause, or unless the holders of a majority in aggregate principal amount of all the bonds then outstanding shall in writing request that said properties, or any part thereof, be sold in parcels; in which case, so far as lawfully may be, the sales shall be made in such parcels as may be specified in such request.