

## MORTGAGE RECORD 83

herein or by law conferred upon or reserved to the Mortgagee or to the noteholders, unless the holder or holders of not less than a majority in principal amount shall have failed or refused to exercise such rights and to enforce such remedies for a period of thirty (30) days after such holder or holders shall have had knowledge of a happening of an event or events of default. Nothing herein contained shall, however, affect or impair the right, which is absolute and unconditional, of any holder of any note which may be secured hereby to enforce the payment of the principal of or interest on such note on the date or dates any such interest or principal shall become due and payable in accordance with the terms of such note.

Section 4.- At any sale under this Mortgage the Mortgagee or any holder or holders of any of the notes then outstanding and secured hereby shall have the right to bid for and purchase the Mortgaged Property, or such part thereof as shall be offered for sale, and may apply in settlement of the purchase price of the property so purchased the portion of the net proceeds of such sale which would be applicable to the payment on account of the principal of and interest on the notes held by such purchaser, and such amount so applied shall be credited as a payment on account of interest and principal on said notes.

Section 5.- Any proceeds or funds arising from the exercise of any rights or the enforcement of any remedies herein provided, after payment or provision for the payment of any and all costs and expenses in connection with the exercise of such rights or the enforcement of such remedies, shall be applied ratably, first, to the payment of indebtedness hereby secured other than the principal of or interest on the notes; second, to the payment of interest on the notes which shall have become due and be unpaid; third, to the payment or reduction of the unpaid principal of the notes; and to the payment of the balance, if any, to whomsoever shall be entitled thereto.

Section 6.- Every right or remedy herein conferred upon or reserved to the Mortgagee or to the noteholders shall be cumulative and shall be in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or by statute. The pursuit of any right or remedy shall not be construed as an election.

Section 7.- The Mortgagee for itself and all who may claim through or under it, covenants that it will not at any time insist upon or plead, or in any manner whatever claim, or take the benefit or advantage of any appraisement, valuation, stay, extension, or redemption laws now or hereafter in force in any locality where any of the Mortgaged Property may be situated, in order to prevent, delay, or hinder the enforcement or foreclosure of this Mortgage, or the absolute sale of the Mortgaged Property, or any part thereof, or the final and absolute putting into possession thereof, immediately after such sale, of the purchaser or purchasers thereof, and the Mortgagee, for itself and all who may claim through or under it, hereby waives the benefit of all such laws, unless such waiver shall be forbidden by law.

#### ARTICLE IV POSSESSION UNTIL DEFAULT-DEFEASANCE CLAUSE

Section 1.- Until some one or more of the events of default shall have happened, the Mortgagee shall be suffered and permitted to retain actual possession of the Mortgaged Property, and to manage, operate, and use the same and every part thereof, with the rights of franchises appertaining thereto, and to collect, receive, take, use, and enjoy the tolls, rents, revenues, issues, earnings, income, products, and profits thereof, subject to the provisions of this Mortgage.

Section 2.- If the Mortgagee shall well and truly pay or cause to be paid the whole amount of the principal of and interest on the notes at the times and in the manner therein provided, according to the true intent and meaning thereof and shall also pay or cause to be paid all other sums payable hereunder by the Mortgagee and shall well and truly keep and perform, according to the true intent and meaning of this Mortgage, all covenants herein required to be kept and performed by it, then and in that case, all property, rights, and interests hereby conveyed or assigned or pledged shall revert to the Mortgagee and the estate, right, title and interest of the Mortgagee and the noteholders shall thereupon cease, determine, and become void and the Mortgagee and the noteholders, in such case, on written demand of the Mortgagee but at the Mortgagee's cost and expense, shall enter satisfaction of this Mortgage upon the record. In any event, each noteholder, upon the payment in full to him by the Mortgagee of all principal of and interest on any note held by him and the payment and discharge by the Mortgagee of all charges due to such noteholder hereunder, shall execute and deliver to the Mortgagee such instrument of satisfaction, discharge, or release as shall be required by law in the circumstances.

#### ARTICLE V MISCELLANEOUS PROVISIONS

Section 1.- All of the covenants, stipulations, promises, undertakings, and agreements herein contained by or on behalf of the Mortgagee shall bind its successors and assigns, whether so specified or not, and all titles, rights, and remedies hereby granted to or conferred upon the Mortgagee shall pass to and inure to the benefit of the assigns of the Mortgagee and shall be deemed to be granted or conferred for the ratable benefit and security of all who shall from time to time be holders of notes executed and delivered as herein provided.

Section 2.- The descriptive headings of the various articles of this Mortgage were formulated and inserted for convenience only and shall not be deemed to affect the meaning or construction of any of the provisions hereof.

Section 3.- All demands, notices, approvals, designations, or directions permitted or required to be made upon or to the Mortgagee shall be in writing and shall be sufficient if mailed by registered mail addressed to the Mortgagee at 1004 National Bank of Topeka Building, Topeka, Kansas, or such other address as shall be designated in writing by the Mortgagee to the Mortgagee.

Section 4.- Any notice, statement, or report to the Mortgagee shall be in writing and shall be mailed by registered mail addressed to the Administrator of the Rural Electrification Administration, Washington, D.C., or to such other person and at such other address as may be designated in a notice from the Mortgagee to the Mortgagee given as above provided. Any notice, statement, or report to the noteholders shall be mailed to the respective noteholders at such address or addresses as shall be designated in a notice by the Mortgagee to the Mortgagee given as above provided.

Section 5.- The invalidity of any one or more phrases, sentences, clauses, paragraphs, or provisions shall not affect the remaining portions of this Mortgage.

Section 6.- This Mortgage may be simultaneously executed in any number of counterparts, and all said counterparts executed and delivered, each as an original, shall constitute but one and the same instrument.

IN WITNESS WHEREOF the Mortgagee has caused this Mortgage to be signed in its name by its President thereunto duly authorized and its corporate seal to be hereunto affixed and attested by its Secretary, also thereunto duly authorized, the day and year first above written.

(CORP. SEAL)

THE KAN VALLEY ELECTRIC COOPERATIVE COMPANY, INC.

Attest:

By Ben L Pressgrove

A. J. Bassett

President

Secretary

Executed by the Mortgagee in the presence of:

Otis S. Allen

(Witnesses)