

# MORTGAGE RECORD 88

SECTION 14. Any noteholder may, at any time or times in succession without notice to or the consent of the Corporation and upon such terms as such noteholder may prescribe, grant to any person, firm, or corporation who shall have become obligated to pay all or any part of the principal of or interest on any note held by or indebtedness owed to such noteholder or who may be affected by the lien hereby created, an extension of the time for the payment of such principal or interest, and after any such extension the Corporation will remain liable for the payment of such note or indebtedness to the same extent as though it had at the time of such extension consented thereto in writing.

SECTION 15. The Corporation, subject to applicable laws and rules and orders of regulatory bodies, will charge for electric energy and other services furnished by it rates which shall be sufficient to pay and discharge all taxes, maintenance expense, cost of electric energy, and other operating expenses of its electric transmission and distribution system and electric generating facilities, if any, and also to make all payments in respect of principal of and interest on the notes when and as the same shall become due, and to provide and maintain a reasonable reserve for working capital of the Corporation.

SECTION 16. The Corporation will not declare or pay any dividends or make any distributions to its members or stockholders or to consumers except in the event and to the extent that there shall be surplus earnings of the Corporation remaining after payment of or provision for the items enumerated in section 15 of this article II, and unless there shall remain after such payment or distribution reserves in an aggregate amount at least equal to the total of the interest and principal payments required to be made during the next following calendar year in respect of all notes which shall at the time be outstanding.

SECTION 17. In the event that the Trust Estate, or any part thereof, shall be taken under the power of eminent domain, all proceeds and avails therefrom, except to the extent that all noteholders shall consent to other use an application thereof by the Corporation, shall forthwith be applied by the Corporation: first, to the ratable payment of interest which shall have accrued on the notes and be unpaid; third, to the ratable payment of or on account of the unpaid principal of the notes; and fourth, the balance shall be paid to whosoever shall be entitled thereto.

SECTION 18. The Corporation will not at any time employ or enter into any contract for the employment of any manager or superintendent of any electric transmission and distribution system or electric generating plant embraced in the Trust Estate unless such employment or such contract shall first have been approved by the holder or holders of not less than a majority in principal amount of the notes at the time outstanding. If the holder or holders of not less than a majority in principal amount of the notes at the time outstanding shall at any time give notice to the Corporation that, in their opinion, any such transmission and distribution system or generating plant is not being efficiently operated, and shall request that termination of the employment of the manager or superintendent thereof or of any operating contract in respect thereof, the Corporation will terminate such employment or operating contract with thirty (30) days after the date of such notice. All contracts in respect of the employment of managers or superintendents of such transmission and distribution systems or generating plants, or for the operation thereof, shall contain provisions to permit compliance with the foregoing covenants.

SECTION 19. The Corporation will well and truly observe and perform all of the covenants, agreements, terms and conditions contained in the Loan Contract on its part to be observed or performed.

## ARTICLE III

### REMEDIES OF THE TRUSTEE AND NOTEHOLDERS

SECTION 1. If one or more of the following events (hereinafter called "events of default") shall happen, that is to say:

(a) default shall be made in the payment of any installment of or on account of interest on or principal of any note or notes when and as the same shall be required to be made, and such default shall continue for thirty (30) days;

(b) default shall be made in the due observance or performance of any other of the covenants, conditions, or agreements on the part of the Corporation, in any of the notes or in this Indenture contained, and such default shall continue for a period of thirty (30) days after written notice specifying such default and requiring the same to be remedied shall have been given to the Corporation by the Trustee or by any noteholder;

(c) the Corporation shall file a petition in bankruptcy or be adjudicated a bankrupt or insolvent, or shall make an assignment for the benefit of its creditors, or shall consent to the appointment of a receiver of itself or of its property, or shall institute proceedings for its reorganization, or proceedings instituted by others for its reorganization shall not be dismissed with thirty (30) days after the institution thereof;

(d) a receiver or liquidator of the Corporation or of any substantial portion of its property shall be appointed and the order appointing such receiver or liquidator shall not be vacated within thirty (30) days after the entry thereof;

(e) the Corporation shall forfeit or otherwise be deprived of its corporate charter or franchises, permits, or licenses required to carry on any material portion of its business; or

(f) a final judgment shall be entered against the Corporation and shall remain unsatisfied or without a stay in respect thereof for a period of thirty (30) days, then in each and every such case any noteholder may, by notice in writing to the Corporation and delivery of a copy thereof to the Trustee and the other noteholders, declare all unpaid principal of and accrued interest on any or all notes held by such noteholder to be due and payable immediately; and upon any such declaration all such unpaid principal and accrued interest so declared to be due and payable shall become and be due and payable immediately, anything contained herein or in any note or notes to the contrary notwithstanding; provided, however, that if at any time after the unpaid principal of and accrued interest on any of the notes shall have been so declared to be due and payable, all payments in respect of principal and interest which shall have become due and payable by the terms of such note or notes shall be paid to the respective noteholders, and all other defaults hereunder and under the notes shall have been made good or secured to the satisfaction of all of the noteholders, then and in every such case, the noteholder or noteholders who shall have declared the principal of and interest on notes held by such noteholder or noteholders to be due and payable may, by written notice to the Corporation and delivery of a copy thereof to the Trustee and the other noteholders, annul such declaration or declarations and waive such default or defaults and the consequences thereof, but no such waiver shall extend to or affect any subsequent default or impair any right consequent thereon.

SECTION 2. If one or more of the events of default shall happen, the Trustee, personally or by attorney, in its discretion may, in so far as not prohibited by law:

(a) take immediate possession of the Trust Estate, collect and receive all credits, outstanding accounts and bills receivable of the Corporation, and all rents, income, revenues, and profits pertaining to or arising from the Trust Estate, or any part thereof, and issue binding receipts therefor; and manage, control, and operate the Trust Estate as fully as the Corporation might do if in possession thereof, including, without limitation, the making of all repairs or replacements deemed necessary or advisable;

(b) proceed to protect and enforce its rights and the rights of noteholders under this Indenture by suits or actions in equity or at law in any court or courts of competent jurisdiction, whether for specific performance of any covenant or any agreement contained herein, or in aid of the execution of any power herein granted, or for the foreclosure hereof or hereunder, or for the sale of the Trust Estate, or any part thereof, or to collect the debts hereby secured, or for the enforcement of such other or additional appropriate legal or equitable remedies as may be deemed most effectual to protect and enforce the rights and remedies herein granted or conferred, and in the event of the institution of any such action or suit the Trustee shall have the right to have appointed a receiver of the Trust Estate and of all rents, income, revenues, and profits pertaining thereto or arising therefrom derived, received, or had, and such receiver shall have all the usual powers and duties of receivers in like and similar cases, to the fullest extent permitted by law, and if the Trustee shall make application for the appointment of a receiver the Corporation hereby expressly consents that the court to which such application shall be made may make said appointment; and

(c) sell or cause to be sold all and singular the Trust Estate, or any part thereof, and all right, title, interest, claim and demand of the Corporation therein or thereon, at public auction at such place in any county in which the property to be sold, or any part thereof, is located, at such time and upon such terms as may be