

160

holders of not less than ten per centum (10%) in aggregate principal amount of the bonds then outstanding; or

(f) The admission in writing of its inability to pay its debts generally, as they come due, or the making of a general assignment for the benefit of creditors, or the filing of a voluntary petition in bankruptcy or under the corporate reorganization provisions of the National Bankruptcy Act (as now or hereafter amended), or an answer admitting the material allegations of a petition filed against the Company under such provisions, or the filing by the Company of a voluntary petition, answer or consent seeking relief under the provisions of any other now existing or future bankruptcy or other law providing for the reorganization, dissolution, liquidation or winding up of corporations on the ground of insolvency; or

(g) The expiration of a period of sixty (60) days following the consenting by the Company to the appointment, upon the application of a creditor or creditors, of a receiver of itself or of the whole or any substantial part of the trust estate or of a period of sixty (60) days following the entry of an order, judgment or decree, upon the application of a creditor or creditors, by any court of competent jurisdiction adjudicating the Company a bankrupt or insolvent, or appointing, without the consent of the Company, a receiver of the Company or of the whole or any substantial part of the trust estate for the purpose of the dissolution of the Company, or for the reorganization, liquidation, or winding up of the Company, on the ground of insolvency; unless during such period such adjudication, appointment, order, judgment or decree shall have been vacated, set aside or stayed; or

(h) The expiration of a period of sixty (60) days following the approval, by any court of competent jurisdiction, of a petition against the Company in proceedings under the corporate reorganization provisions of the National Bankruptcy Act (as now or hereafter amended) or the assumption, by any court of competent jurisdiction, of custody or control of the Company or of the whole or any substantial part of the trust estate under the provisions of any other now existing or future bankruptcy or other law providing for the reorganization, dissolution, liquidation or winding up of corporations on the ground of insolvency, unless during such period such approval shall be

162

shall have been made, may annul any such declaration and its consequences under this Indenture, or (2) if in declaring the principal due the Trustees shall have acted without a direction from the holders of not less than a majority in aggregate principal amount of the bonds outstanding at the time of such request, or if the principal was declared due and payable by the holders of not less than twenty-five per centum (25%) in aggregate principal amount of the bonds at the time outstanding, and if there shall not have been theretofore delivered to the Principal Trustee and to the Company written direction to the contrary by the holders of not less than a majority in aggregate principal amount of the bonds then outstanding, then any such declaration and its consequences shall *ipso facto* be deemed to be annulled; but no such annulment, waiver or rescission shall extend to or affect any subsequent default or breach or any right consequent thereon. In event of such annulment or waiver the mortgaged property if in the hands of the Trustees or either of them or of a receiver appointed hereunder shall be returned to the Company.

§ 4.02. Each of the Trustees shall, within sixty (60) days after the occurrence thereof, give to the bondholders, in the manner and to the extent provided in subsection (c) of § 4.01 notice of all defaults known to it, unless such defaults shall have been cured before the giving of such notice (the term "default" for the purposes of this Section being hereby defined to be the events specified in subsections (a), (b), (c), (d), (e), (f), (g) and (h) of § 4.01 not including any periods of grace provided for in said subsections); provided that, except in the case of default in the payment of the principal, or premium, if any, or interest on any of the bonds, or in the payment of any purchase or sinking fund installment in respect of bonds of any series, each of the Trustees shall be protected in withholding such notice if and so long as the board of directors, the executive committee, or a trust committee of directors and/or responsible officers, of such Trustee in good faith determines that the withholding of such notice is in the interests of the bondholders.

161

withdrawn or stayed on appeal, or such proceeding dismissed, or such custody or control relinquished or terminated.

If and so long as any such default shall continue to exist, either the Trustees or the holders of not less than twenty-five per centum (25%) in aggregate principal amount of the bonds at the time outstanding may, by notice in writing given to the Company (and to the Trustees if the notice be given by the bondholders) declare the principal of all bonds then outstanding, together with all accrued and unpaid interest thereon, if not already due, to be due and payable immediately, and upon any such declaration the same shall become due and payable immediately, anything in this Indenture or in any of the bonds contained to the contrary notwithstanding.

This provision is subject, however, to the condition that if, at any time after the principal of all the bonds shall have been so declared due and payable, and before any sale of all or any part of the mortgaged property shall have been made, all arrears of interest upon all the bonds, with interest (to the extent that payment of such interest is enforceable under applicable law) on overdue installments of interest at the same rates respectively borne by the bonds the interest on which shall be in default, together with the reasonable charges and expenses of the Trustees, their agents and attorneys, and all other sums which may have become due and payable by the Company under this Indenture, other than the principal of such bonds as shall not have become due and payable by their terms or upon call for redemption, shall either be paid by the Company to those entitled thereto (or to the Principal Trustee for their account) or be collected out of the income from or earnings of the trust estate, and all other defaults under the bonds or under this Indenture known to the Trustees shall be made good or be secured to the satisfaction of the Trustees, or provision deemed by the Trustees to be adequate shall be made therefor, or shall have been waived as in § 4.20 provided, then and in every such case (1) the holders of not less than a majority in aggregate principal amount of the bonds then outstanding, by written notice to the Company and to the Trustees, before any sale of all or any part of the mortgaged property pursuant to the provisions of this Article 4

163

Each Trustee shall promptly give to the other Trustees notice in writing of the occurrence of any default specified in § 4.01 known to it.

§ 4.03. In case one or more of the defaults enumerated in § 4.01 shall exist, then and in each and every such case the Trustees, or either of them, personally or by their attorneys or agents, are hereby authorized and empowered, whether or not the principal of the bonds shall have matured or been declared due, to exercise any one or more of the following remedies, and to do so or cause to be done any or all of the following acts and things, namely:

(1) The Trustees by their agents or attorneys, shall be entitled to enter and take possession of, all the mortgaged property (with the books, papers and accounts of the Company), and to hold, operate and manage the same, and from time to time to make all needed repairs, and such alterations, additions and improvements as to them shall seem wise; and to receive the rents, income, issues and profits thereof and out of the same to pay all proper costs and expenses of so taking, holding and managing the same, including reasonable compensation to the Trustees, their agents and counsel and any charges of the Trustees hereunder, and any taxes and assessments and other charges prior to the lien of this Indenture which the Trustees may deem it wise to pay, and all expenses of such repairs, alterations, additions and improvements, and to apply the remainder of the monies so received by them, first, if none of the bonds is due, to the payment of the installments of interest which are due and unpaid, in order of their maturity, with interest after maturity (if and to the extent permitted by law) at the respective rates borne by the bonds (except as otherwise provided in § 4.02 with respect to extended, pledged and transferred coupons); and next, if the principal of any of said bonds is due, to the payment of said principal and accrued interest thereon *pro rata* without any preference or priority whatever (except as aforesaid). Whenever all that is due upon such bonds and installments of interest shall have been paid and all other defaults under this Indenture made good, the Trustees shall surrender possession to the Company, its