

interest in default in the order of the maturity of installments of such interest thereon, with interest on the over-due installments at the rate of seven per cent. per annum, such payments to be made ratably to the persons entitled thereto without discrimination or preference.

(c) *In case the principal* of the bonds hereby secured shall have become due, by declaration or otherwise, first to the payment of secured interest or past due coupons attached to the bond (with interest on the over-due installments thereof at the rate of seven per cent. per annum) in the order of the maturity of the installments; and then to the payment of the principal of all bonds hereby secured; in every instance such payment to be made ratably to the persons entitled to such payments without any discrimination or preference.

*Second:* Application of proceeds of a sale of the mortgaged property. The purchase money, proceeds and avails of any sale, pursuant to judicial proceedings, together with any other sums which may then be held by the Trustee under any of the provisions of this mortgage as a part of the trust estate, or the proceeds thereof, shall be applied as follows:

(a) *To the payment* of the costs and expenses of such sale including a reasonable compensation to the Trustee, the Agents, Attorneys and Counsel, and of all expenses, liabilities and advances made or incurred by the Trustee in managing and maintaining the property hereby conveyed and to the payment of all taxes, assessments or liens prior to the lien of these presents, except any taxes, assessments or other superior liens to which such sales shall have been made subject.

(b) *To the payment* of the whole amount then owing or unpaid upon the bonds hereby secured for the principal and interest, with interest at the rate of seven per cent. per annum, on the over-due installments of interest, and in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid upon the said bonds, then to the payment of such principal and interest without preference or priority of principal over interest, or interest over principal, or of any installment of interest over any other installment of interest, ratably to the aggregate of such principal and accrued and unpaid interest.

(c) *To the payment* of the surplus, if any, to the said Company, its successors or assigns, or to whomsoever may be lawfully entitled to receive the same.

*Third:* Nothing in the provisions of this section shall in anywise modify the provisions of Section 10, of this Article.

SECTION 10. INDEMNITY TO THE TRUSTEE AND RIGHT OF THE BONDHOLDER TO TAKE ACTION UPON ITS FAILURE SO TO DO. No holder of any bond or coupon hereby secured shall have any right to institute any suit, action or proceeding in equity or at law, for the foreclosure of this mortgage, or for the execution of any trust thereof, or for the appointment of a Receiver, or for any other remedy hereunder, unless such holder previously shall have given to the Trustee hereunder written notice of such default, and of the continuance thereof, as hereinafter provided, nor unless also, the holders of fifty per cent. in amount of the bonds hereby secured, then outstanding, shall have made written request upon the Trustee, and shall have afforded to it a reasonable opportunity, either to proceed to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding in its own name; nor unless also they shall have afforded to the Trustee satisfactory security and indemnity against the cost, expense and liabilities to be incurred therein or thereby; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this mortgage, and to any action or cause of action for foreclosure or for Receiver, or for any other remedy hereunder; it being understood and intended that no one or more holders of bonds and coupons shall have any right in any manner whatever to affect, disturb or prejudice the lien of this mortgage by his or their action, or to enforce any right hereunder, except in the manner herein provided; and that all proceedings at law or in equity shall be instituted, had, and maintained in the manner herein provided, and for the equal benefit of all holders of such outstanding bonds and coupons.

SECTION 11. THE ABOVE REMEDIES CUMULATIVE. Except as herein expressly provided to the contrary, no remedy to the Trustee, or to the holders of bonds hereby secured, is intended to be exclusive of any other remedy, but each and every remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law, or in equity, or by Statute.

SECTION 12. REMEDIES NOT WAIVED BY DELAY. No delay or omission of the Trustee, or of any holder of bonds hereby secured, to exercise any right or power accruing upon any default continuing as aforesaid, shall impair any such right or power, or shall be construed to be a waiver of any such default, or acquiescence therein; and every power and remedy given by this Article to the Trustee or to the bondholders may be exercised from time to time, and as often as may be deemed expedient by the Trustee or by the bondholders.

## ARTICLE SIX

### IMMUNITY OF OFFICERS, DIRECTORS AND STOCKHOLDERS

*No recourse* under and upon any obligation, covenant or agreement of this mortgage, or of any bond or coupon hereby secured shall be had against any incorporator, stockholder, officer, or director of the said Company, either directly or through the Company, by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any Statute or otherwise; it being expressly understood and agreed