

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 of interest over principal, or of any installment of interest over any other installment of interest, ratably according to the aggregate of such principal and the accrued and unpaid interest.

Third: Any surplus then remaining to the ELECTRIC COMPANY or its successors and assigns, or to whomsoever may be lawfully entitled to receive the same.

Section 11. In case of sale of the mortgaged property or any part thereof, the purchaser, in settling or payment for the property purchased, shall be entitled to use and apply toward payment of the purchase price of the property purchased, any bond and any matured and unpaid coupons hereby secured, by presenting such bonds and coupons so that there may be credited or endorsed or stamped as paid thereon the sum applicable to such payment out of the net proceeds of such sale as provided in Section 10 of this Article; and such purchaser shall thereupon be credited, on account of the purchase price payable by him, with the sum so applicable and credited on the bonds and coupons so presented.

Such bonds and coupons so presented by the purchaser shall be deemed to be paid only to the extent of the amount so credited as paid thereon; provided, however, that no coupon the time of payment of which has been extended, shall be accepted on account of payment of purchase money for said property.

At any such sale, the TRUSTEE, or any bondholders, or their agents, may bid for and purchase such property and make payment therefor as aforesaid; and, upon compliance with the terms of sale, may hold, retain and dispose of such property without further accountability.

Section 12. On the written request of the holders of a majority in amount of the bonds hereby secured then outstanding, in case of any default as aforesaid, when such default shall have continued beyond the period of grace (if any) allowed therefor herein, it shall be the duty of the TRUSTEE, upon being indemnified as hereinafter provided, to take all needful steps for the protection and enforcement of its rights, and the rights of the holders of the bonds hereby secured, or to exercise the powers of entry and sale herein conferred, or to commence appropriate judicial proceedings by action, suit, or otherwise, as the TRUSTEE may deem most expedient in the interests of the holders of the bonds hereby secured; but, anything in this indenture contained to the contrary notwithstanding, the holders of the majority in amount of the bonds hereby secured and outstanding shall have the right, from time to time, if they so elect, and manifest such election by an instrument in writing executed and delivered to the TRUSTEE, to direct and control the method of conducting any and all proceedings for any sale of the property hereby mortgaged, or for the foreclosure of this indenture, or for the appointment of a receiver, or any other action or proceeding hereunder; and for such purpose to instruct the TRUSTEE to exercise its rights of election to declare such bonds due, or to waive the exercise of the same; or, if exercised, to annul the same, or to institute, continue, or discontinue any proceedings hereunder; and no such action by the TRUSTEE or by said majority in at any time waiving any default or otherwise, shall extend to or be taken to effect any subsequent default or impair any right resulting therefrom. However, nothing herein contained shall be construed as requiring any direction or action on the part of the bondholders to enable the TRUSTEE to act in its discretion in any case where such action by the bondholders is not herein expressly