

or preference, except in the contingency for which Section 10 of Article Three relating to the extension of the time of payment of coupons provides and in that contingency, subject to the discrimination or preference specified in said section:

In case the principal of the bonds shall have become due, by declaration or otherwise, first, to the payment of the accrued interest, with interest on the overdue instalments thereof at the rate of five (5) per cent. per annum, in the order of the maturity of the instalments, and then to the payment of the principal of all of the bonds outstanding (not including bonds held in the Sinking Fund or by the Mortgagor Company); in every instance such payments to be made ratably to the persons entitled to such payment, without any discrimination or preference excepting only in the contingency for which Section 10 of Article Three, provides, relating to the extension of the time of payment of coupons.

Section 2. In the event that default shall be made in the payment of any interest on any of the said bonds or in the payment of any of the Sinking Fund instalments required by Article Six hereof, and any such default shall have continued for a period of ninety days, then and in every case of such continuing default, the Trustee may, and upon the written request of the holders of fifty (50) per cent, in amount of the bonds then outstanding, shall, by notice in writing delivered to the Mortgagor Company, declare the principal of all the bonds then outstanding to be due and payable immediately, and upon any such declaration the same shall become and be immediately due and payable, anything in this indenture or in said bonds contained to the contrary notwithstanding. This provision, however, is subject to the condition that if, at any time after the principal of said bonds shall have been so declared due and payable, all arrears of interest upon all such bonds, with interest at the rate of five (5) per cent. per annum on overdue instalments of interest, the expenses of the Trustee, and all other amounts in respect to which the Mortgagor Company shall then be in default under this indenture, other than the principal of the bonds, shall either be paid by the Mortgagor Company, or be collected out of the mortgaged estates, properties and franchises, before any sale thereof shall have been made, then and in every such case the holders of a majority in amount of the bonds then outstanding, by written notice to the Mortgagor Company and to the Trustee, may waive such default and its consequences; but no such waiver shall extend to or affect any subsequent default, or impair any right consequent thereon.

In case the Trustee shall have proceeded to enforce any right under this indenture, by foreclosure, entry or otherwise and such proceedings shall have been discontinued or abandoned because of such waiver, or for any other reason, or shall have been determined adversely to the Trustee, then and in every such case the Mortgagor Company and the Trustee shall be restored to their former position and rights hereunder in respect of the mortgaged estates, properties and franchises, and all rights, remedies and powers of the Trustee shall continue as though no such proceedings had been taken.

Section 3. In the event of any default by the Mortgagor Company of the character and continuance indicated in Section 1 of this Article, the Trustee, with or without entry, personally or by attorney, in its discretion (a) may sell to the highest and best bidder, all and singular the mortgaged estates, properties and