

collateral of whatever nature and kind as shown and listed in Schedules "A" and "B." In the event of default by the obligors upon any of the obligations pledged and described in Schedules "A" and "B" or otherwise, the Trustee is hereby vested with the authority in its name to force collections of any such obligations by foreclosure, or suit, or action at law, against such obligors; or the obligation may be renewed and the maturities extended in accordance with the discretion of the Trustee, with security acceptable to the Trustee, and all obligations so renewed and the security therefor shall be held by said Trustee in accordance with the terms and provisions hereof, and if in the judgment of the said Trustee a compromise of any of the said obligations would be advisable, the said Trustee is hereby authorized and empowered to effect such compromises; and that the total cost and expense of such collections, including attorneys fees, shall be paid out of the proceeds arising from such collections, but it is agreed that the Trustee shall in all cases be reimbursed for any cost or expense made by it, and the Trustee shall not incur any liability on account of its failure to collect any of said obligations. All collections so made, so long as the Company is not in default, shall be applied to the payment of principal and interest on said mortgage bonds in the order of their maturity, and upon application of the Company, payments may be anticipated to the extent of funds on hand from collections, provided that no bonds shall be anticipated other than the bonds maturing next after the application of the Company for the anticipation of such bonds.

Section 3. That the Trustee, upon the application of the Company for the release of any lots, described in Schedule "B," shall execute and deliver a deed of release, without the consent or joinder of the holders of said bonds, from the operation of the trust indenture, to the Company or to the purchaser, upon the deposit with the Trustee, in cash, or

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