

of the following powers as it may deem best for the protection and enforcement of the interests and rights of the Trustee and of the holders of the Mortgage Bonds then outstanding:

(a) The Trustee, in its discretion, may demand that the Company proceed forthwith to foreclose or enforce any purchase money notes, mortgages or deeds of trust that have matured and become due and have not been paid by the obligor or obligors thereof or by any of the assignors or endorsers who have assigned or endorsed said obligations prior to the assignment or endorsement, made by the Company, and the Company covenants to comply with such demand.

(b) The Trustee, in such manner as in its discretion it shall deem best, may collect all sums due or to become due for principal or interest upon the purchase money notes then subject to this indenture, and may institute and maintain any suits or proceedings against the makers of said purchase money notes and may enforce or foreclose any mortgages or deeds of trust and may take any other steps it may deem advisable to obtain the payment or part payment of any of said purchase money notes, mortgages or deeds of trust, and upon the satisfaction of the same the said Trustee is authorized and empowered to cancel the same of record.

(c) The Trustee personally or by any agent or attorneys selected by it may sell any or all of the property pledged and described in Schedules "A" and "B" together with purchase money notes and any security therefor or property which then shall be subject to this indenture, and all right, title and interest claim and demand therein, and right of redemption thereof at public auction in the City of Asheville, North Carolina, or at such other place or places; provided, however, and at such times and upon such terms as the Trustee may fix and briefly specify in a notice of sale to be given by publication in at

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