

placements, alterations, additions, betterments and improvements, and all payments which may be made for interest, taxes, assessments, insurance and prior or other charges upon the mortgaged property or any part thereof, which the Trustees may deem it advisable to pay in the interest of the bondholders, as well as all their expenses and just and reasonable compensation for their own services and for all agents, clerks, servants and other employees by them properly engaged and employed, they shall apply the balance of the moneys received by them as follows:

(a) In case the principal of none of the bonds shall have become due, to the payment of the instalments of interest in the order of their maturity, with interest, if and to the extent permitted by law, on such overdue instalments of interest, at the rate of six per cent. per annum, and next, to the discharge of any overdue payments to any sinking fund.

(b) If the principal of any, but not all, of the bonds shall have become due, by maturity, declaration or otherwise, first to the payment of the instalments of interest in default, in the order of their maturity, with interest, if and to the extent permitted by law, on such overdue instalments of interest, at the rate of six per cent. per annum, and next to the payment of the principal of all the bonds then due, with interest on the overdue principal at the rate of six per cent. per annum, pro rata, without any preference or priority whatsoever.

(c) In case the principal of all the bonds shall have become due, by maturity, declaration or otherwise, then as provided in paragraphs Second and Third of Section 10.13.

The provisions, however, of the foregoing paragraphs (a) and (b) are not intended in any wise to modify the provisions of Section 10.01, but are subject thereto. Whenever all that is due upon such bonds and instalments of interest under any of the terms of this Indenture shall have been paid and all events of default made good to the satisfaction of the Trustees, and no suit to foreclose or enforce this Indenture shall have been begun or sale made as hereinafter provided, and after payment in full of the compensation and expenses of the Trustees and their said attorneys, counsel, agents, clerks, servants and other employees, and after provision satisfactory to the Trustees for the payment of the next maturing semi-annual instal-