

chises as aforesaid the principal of all the bonds secured by this Indenture, if not previously due, shall immediately thereupon become and be due and payable, anything in said bonds or in this Indenture contained to the contrary notwithstanding.

SECTION 12. The purchase money, proceeds and avails of any such sale of the mortgaged estates, properties and franchises, together with any other sums which then may be held by the Trustee as part of the trust estate, shall be applied as follows:

FIRST. To the payment of the costs and expenses of such sale, including reasonable compensation to the Trustee, its agents, attorneys and counsel, and of all expenses, liabilities and advances made or incurred by the Trustee in managing and maintaining the property hereby conveyed, and to the payment of all taxes, assessments or liens prior to the lien of these presents, except any taxes, assessments or other superior liens subject to which such sale shall have been made.

SECOND. To the payment of the whole amount then owing or unpaid upon the said bonds outstanding (not including bonds held by the Mortgagor Company) for principal and interest, with interest at the rate of six (6) per cent. per annum on the overdue instalments of interest, and in 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 instalment of interest over any other instalment of interest, ratably to the aggregate of such principal and the accrued and unpaid interest.

THIRD. To the payment of the surplus, if any, to the Mortgagor Company, its successors or assigns, or to whomsoever may be lawfully entitled to receive the same.

SECTION 13. In case of any sale as aforesaid, of the mortgaged estates, properties, and franchises, any purchaser, for the purpose of making settlement or payment of the purchase price shall be entitled to turn in any of the said bonds, and shall be credited on account of the purchase price with the sums payable out of the net proceeds of such sale to the holder of such bonds as his ratable share of such net proceeds, and, at any such sale, any holders of the said bonds may bid, and if such bid is accepted may make payment on account of the purchase price as aforesaid, and, upon compliance with the terms of sale, may hold, retain and dispose of the estates, properties and franchises purchased without further accountability therefor.

SECTION 14. The Mortgagor Company covenants that (1) in case default shall be made at any time in the payment of any interest on any of said bonds, and such default shall have continued for a period of ninety days, or (2) in case default shall be made in the payment of the principal of any of such bonds when the same shall become payable, whether at the maturity of said bonds, or by declaration as authorized, by this Indenture, or by a sale of the mortgaged estates, properties and franchises as hereinbefore mentioned, then, upon demand of the Trustee, it, the Mortgagor Company, will pay to the Trustee for the benefit of the registered owners of the said bonds then outstanding, the whole amount due and payable on such bonds for interest or principal, or both, as the case may be, with interest upon the overdue instalments of interest at the rate of six (6) per cent. per annum; and in case the Mortgagor Company shall fail to pay the same forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, shall be entitled to recover judgment for the whole amount so due and unpaid.

The Trustee shall be entitled to recover judgment as aforesaid, either before, or after, or during the pendency of any proceedings for the enforcement of the lien of this In-