

indemnify it against any liability, loss or damage for, or on account of any matter or thing done by it in good faith and in pursuance of its duties as said Trustee; and the party of the second part shall apply the remaining net income and revenue therefrom, without giving preference, priority or distinction to one bond over another, to the payment:

First, Of the interest due on the bonds then outstanding hereby secured, or intended so to be, in full, if said income and proceeds be sufficient, but if not, then pro rata,

Second, Of the principal of the said bonds in full, if the said income and proceeds be sufficient, but if not, then pro rata. And if after such satisfaction a surplus shall remain, to pay over such surplus to the said party of the first part, or as any court of competent jurisdiction shall direct.

After such payment the property to be restored to the party of the first part, subject, however, to the covenants and conditions of this indenture, and to the same extent as if said entry had never been made.

Or the said party of the second part may, after or without entering upon or taking such possession, upon the written request of the holders of a like amount of said bonds then outstanding, and upon like security and indemnity, proceed to sell and dispose of all and singular the said water works gas and electric light plants, corporate rights franchises and premises hereby mortgaged, or agreed or intended so to be, to the highest and best bidder at public auction, in the City of New York, or at such place as the said Trustee may designate, and at such time as it shall appoint, having first given notice of the time and place of such sale by advertisement published not less than twice in each week for six weeks in one or more newspapers published in the City of New York, and in the City of Paola, or with power in said Trustee, to adjourn said sale from time to time in its discretion, and after so adjourning, to make such sale at the time and place to which the same may be so adjourned, and thereupon to make and deliver to the purchaser or purchasers, of the said Water Works Gas and Electric Light plant, and their appurtenances, and all other, the said property and franchises thereto belonging, good and sufficient deed or deeds in law, in fee simple, free from all and every of the trusts hereby created, and without obligation on the part of purchaser to inquire into the necessity, expediency or authority of or for any such sale, which sale so made as aforesaid, shall be a perpetual bar, both in law and in equity, against the party of the first part, and all persons claiming or to claim the said described premises and property or any part thereof, or any interest therein, by, from, under or through the party of the first part, and after deducting from the proceeds of such sale proper allowances for all the expenses thereof, including attorney and counsel fees, and all other expenses, additions or liabilities which may have been paid or incurred by it