also for supplying the said cities with gas, electric lights and electricity for other purposes and carrying on the business incidental thereto; and the said Company is the owner and holder of a grant from the said City of Paola and the City of Lawrence of the franchise and privilege of constructing and operating such water works, and the said Company in virtue of the powers, rights and privileges vested in it by the laws of the State of Kansas and the said grant from the City of Paola and the City of Lawrence is now operating said water works in said cities; and

Whereas, The said party of the first part did on the first day of October, in the year one thousand, eight hundred and eighty-nine, make, execute and deliver unto the American Loan and Trust Company of New York a certain trust deed or mortgage bearing date on that date, whereby it granted, bargained, sold, assigned, transferred, and conveyed unto the American Loan and Trust Company aforesaid all of the corporate property, rights, powers, privileges and franchises of said party of the first part, to have and to hold the same unto the said American Loan and Trust Company its successors and assigns, in trust to secure the payment of three hundred bonds or obligations of said party of the first part bearing even date with the said trust deed or mortgage, each for the principal sum of one thousand dollars and amounting in the aggregate to three hundred thousand dollars, all of which said bonds are outstanding and unpaid; and

Whereas, By order of the Supreme Court of New York, dated July 28th, 1891, the Knickerbocker Trust Company of the City of New York was duly substituted as Trustee in the place and stead of said American Loan and Trust Company which had become incapacitated from acting as such Trustee by reason of its insolvency. And said appointment was duly ratified by a majority of the holders of the bonds issued under said mortgage or deed of trust, as provided in Article Eleven of said mortgage, and said Knickerbocker Trust Company has qualified and is now acting as Trustee under said mortgage or deed of trust; and

Whereas, The said party of the first part is largely indebted for debts contracted by it in the business for which it was incorporated, and is desirous of borrowing money for the payment of said indebtedness and to obtain the means of increasing and improving, extending and enlarging its water works, and to issue its bonds therefor, and to secure the payment of the same by a mortgage on its real and personal property; and