may suffice to pay, and the amount so paid shall be in full satisfaction of the interest to which the payment shall be applied. In case no net earnings for the six months covered by any interest period, after the deductions aforesaid, shall be shown by said account, the said interest and the obligation of the Water Company in that respect shall cease and become of no effect; and the said Water Company shall, by its board of directors, each six months state an account of the gross earnings, income and receipts received from the said mortgaged property, and all deductions and the net earnings applicable to the payment of interest upon the bonds outstanding, issued and certified hereunder, and lodge the statement thereof with said trustee.

This indenture is upon the express condition that if the said Water Company, the said party of the first part, shall well and truly pay, or cause to be paid, to the holder or holders of said bonds, the principal amount of money therein mentioned, according to the true intent and meaning thereof, with the interest thereon, according to the terms and conditions thereof, then and in that case the lien or encumbrance hereby created for the security and payment thereof, and the estate, right, title and interest hereunder of the said party of the second part in the property aforesaid shall cease and determine, and at the request of the said party of the first part or its assigns, this indenture shall be satisfied and discharged, and release and satisfaction thereof shall be entered of record in the county or counties in which this indenture shall have been recorded at the cost of the party of the first part.

Article Fourth. Until default shall be made in the payment of principal or interest or some part of either principal or interest as herein provided or in the performance of any covenant or condition of this indenture, the said party of the first part shall possess, control, manage and operate, use and enjoy the said water works plant, appurtenances, franchises, real estate and other property herein set forth, and shall receive, take and use the rentals, incomes, profits and tolls thereof for its own uses and purposes as if this indenture had not been made.

But in case default shall be made in the payment of any interest or of the principal of any of the aforesaid bonds issued and secured by this instrument, according to the tenor hereof and thereof, and if such default shall continue for a period of three months after demand made for the payment of the same at the financial agency of the said party of the first part in the City of New York, payment having by the terms hereof properly accrued; or in case the said party of the first part shall neglect to pay any tax or assessment as herein agreed, for the period of three months after the same shall have become lawfully due and payable, and payment thereof shall have been demanded by the Trustee hereunder, it shall be lawful, subject to waiver of such defaults as hereinafter pro-