

portion of cash payment shall be determined and announced previous to any such sale; and if such proportionate sum shall be less than the amount of such bonds, and the interest thereon to make such settlement by receiving thereon for the amount to be credited thereupon.

The said party of the first part, its successors and assigns reserves to itself the right and authority to sell and dispose of the water works plant, and all its appurtenant property, real, personal and mixed, as well as its franchises appertaining thereto herein and hereby conveyed or any portion of said property, at such price and on such terms as the said party of the first part shall decide; and thereupon the said trustee, upon payment to it of the consideration agreed upon for the sale and disposition of said property, shall release the same by instrument in writing or conveyance from the effect and operation of this mortgage, and such sale, disposition and release shall be effective upon all the holders of the said bonds, issued, certified and outstanding hereunder. The proceeds from the sale thereof shall be applied in accordance with the provisions of its said first mortgage, the provisions of which are deemed to be sufficient for the protection of the holders of the bonds issued and certified hereunder. The surplus remaining over and above the principal and accrued interest upon all of the bonds, issued, certified and outstanding and secured by said first mortgage, and reasonable charges and expenses shall, when paid to the trustee, be distributed by the said trustee pro-rata and without preference among the holders of the bonds secured hereby, not, however, exceeding the principal and the interest accrued thereon, and the amount of such distribution and payment shall be endorsed upon each of the said bonds respectively. The surplus remaining over and above the principal and accrued interest upon all the said bonds, issued, certified and outstanding shall be paid over to the said party of the first part, its successors or assigns, provided, however, that the right and authority to sell the water works plant, reserved as aforesaid, shall apply only to a sale by said party of the first part to the City of Lawrence, Kansas.

Upon the payment of the principal and interest of all the bonds hereby secured, the estate hereby granted to the party of the second part shall be void, and the right to all the real and personal property hereby granted and conveyed shall revert to and revert in the party of the first part, its successors or assigns, in law and in equity, without any acknowledgment of satisfaction, reconveyance, surrender, re-entry or other act.

Article Twelfth. The words "trustee", "said trustee" and "party of the second part," as used in this instrument shall be construed to mean the trustee or trustees for the time of this deed of trust, and whenever a vacancy shall exist, or any change of trustees shall be made, to mean the surviving or continuing or successor trustee and any surviving, continuing or successor