Upon the making of any such sale the Trustee shall apply the proceeds thereof as follows: First: To the payment of the costs and expenses of such sale or sales, including a reasonable compensation to the Trustee, its agent, attorneys, and counsel, and all disbursements, expenses, liabilities, and advances made and incurred by the Trustee, and all payments made by it for taxes, assessments, and insurance premiums and other charges on the hereby mortgaged property. Second: To the payment of the whole amount of principal and interest which shall then be owing or unpaid upon the said bonds or any of them, whether the said principal by the tenor of said bonds be then due or yet to become due, and in case of the insufficiency of such proceeds to pay in full the whole amount of principal and interest owing and unpaid upon the said bonds, they shall be paid ratably, in proportion to the amounts owing and unpaid upon them, respectively, without preference of one bond over any of the others, or of interest over principal or of principal over interest.
Third: To pay over the surplus, if any, on demand to the Pipe Line Company, its successors and assigns, or as any court of competent may direct.

Article VII.

The foregoing powers of entry and of sale are each and both of them remedies cumulative to all other remedies for the enforcement of this mortgage and the bonds secured thereby. And it is expressly understood and agreed that no suit or proceeding for the foreclosure of this mortgage shall be instituted or prosecuted by the holder or holders of any bonds of the issue secured hereby until after the Trustee shall have first been requested in writing as hereinbefore provided, by the holders of a majority of said bonds then outstanding, to take such action, and an offer of reasonable indemnity against the cost, expense and liability to be