

covenant or condition ^{which} required to be kept or performed by The Jones Gas Company and if any such default in payment or performance shall continue for the period of six months after demand, the Trustee may and upon written request of the holders of a majority in amount of the registered bonds then outstanding being first indemnified by them to its satisfaction shall sell or foreclose upon according to the proceedings by law prescribed in this state, all or any portion of the property held by it under this indenture and such proceedings of sale or foreclosure shall be a perpetual bar both at law and in equity against The Jones Gas Company and against all persons claiming by, from or under it.

After deducting from the proceeds of such sale or foreclosure the proper allowance for all expenses thereof including attorney and counsel fees and all other expenses or advances which may have been made or incurred by said Trustee in respect of the property, or the appurtenances thereto, and all payments which may have been made by it for taxes or assessments or in satisfaction of charges or liens, prior to the lien of the mortgage and deeds of trust to the Trustee thereon, or for insurance as well as reasonable compensation for its own services the Trustee shall apply the proceeds to the payments of such bonds and the coupons thereon as may be at the time unpaid, without giving preference or priority to one bond over another but ratably to the aggregate amount of such unpaid principal and accrued and unpaid interest and if any surplus remain after the payment in full of the principal and interest of said bonds then the Trustee shall transfer and pay over such surplus to The Jones Gas Company.