

tioned, and does also agree that none of the property hereby mortgaged shall be removed from the county in which the same is now located.

It is expressly understood and agreed, however, that this instrument shall not be construed as attempting to give a prior or superior lien over the claim or demand of any creditor of the company for the purchase price of any property which it may acquire and of which lien of any such creditor the trustee or the bond holders may have actual or constructive notice at the time of the delivery of this instrument or at the time of the purchase of such property.

It is further understood and agreed that in case default is made in the payment of either the principal or interest of any of said bonds at the place and at the time designated herein when and where the same should be paid in accordance with the terms hereof and as specified in said bonds and the interest coupons thereto attached, or in case of the failure of the company to keep and perform any of the material conditions or covenants of this instrument, then in any such case the trustee for and on behalf of the owners and holders of said bonds may enter upon, take possession of, operate, manage, control and collect the rents, income or profits from all of the property hereby conveyed or mortgaged.

For the purpose of carrying out this provision such trustee in case of any such default may declare the principal of all bonds not previously satisfied and the interest then due to be due and payable, and the trustee shall have the right by their agents or attorneys to enter upon and take possession of any or all of the trust estate and the properties comprised therein, and shall have power to carry on or conduct the business of the company in so far as the same pertains to the property hereby conveyed as fully and completely as the company itself could exercise in case there had been no default, and the trustee in the operation and in the maintenance thereof shall not be held responsible for loss and damage, except in cases of its gross neglect, and may collect and receive all earnings, accounts, tolls, rents, revenues, income and profits therefrom, and in case of such default in this paragraph above mentioned the trustee may sell all the premises and trust estate hereby conveyed, as by law provided, and upon any sale or sales made hereunder shall have the right to make and deliver to the purchaser or purchasers of any portion or all of the Trust Estate a good and sufficient deed, transfer or conveyance for the same, which sale shall be a perpetual bar both at law and in equity against the company and all persons attempting to assert any claim under it, and upon the making of any such sale or upon the institution of any proceedings for the foreclosure or enforcement of the terms of this mortgage, and upon the making of any such sale the trustee shall apply the proceeds thereof as follows to-wit:

(a) To the payment of the cost and expenses of such sale or sales, including a reasonable compensation to such trustee, its agents, attorneys and counsel, and the expenses, liabilities and advances made and incurred by said trustee in managing and maintaining and operating the property hereby conveyed and all taxes and assessments superior to the lien of this instrument.

(b) To the payment of the whole amount of the principal and interest which shall then be owing or unpaid upon the bonds secured hereby, and in case of the insufficiency of such proceeds to pay in full the whole amount of such principal and interest then due then to the payment of such principal and interest pro rata without any preference or superiority in proportion that such insufficient proceeds bear to the aggregate amount of such principal and accrued and unpaid interest.

(c) To pay over the surplus if any to whomsoever may be lawfully entitled to receive the same.

It is further understood and agreed that the trustee, in case any of the condi-