in or about such sale and otherwise in respect of the premises including reasonable remuneration for its own services and shall in the next place apply the same ratably and without any preference or priority to the payment of the principal moneys secured by such of the said bonds as shall then be outstanding whether the said principal moneys shall be then or thereafter due or payable and then in like manner to the payment of the interest then due upon the said bonds in the order in which it became due and to the interest on the said bonds to the time of the completion of the said sale and shall pay over the surplus of the proceeds of sale to the Telephone Company. And in case the residue of the proceeds of such sale after payment of the said costs and expenses shall be insufficient to pay in full the said principal moneys the said residue shall be apportioned ratably and without any preference or priority among all the holders of the said outstanding bonds according to the amount of the said principal moneys respectively. And in case such residue shall be sufficient to pay such principal moneys but not the said interest on the said bonds in full the residue after payment of the said principal moneys shall be apportioned ratably and without any preferences or priority in payment of such interest - 7 - In case the Telephone Company shall be dissolved or go or be put into bankruptcy or its charter shall be revoked or ended the Trustee and the bondholders shall then and at all times thereafter have the same rights to require payment and in default thereof to enter possess foreclose and sell the trust premises in every respect in the same manner as they would have respectively if the principal of the said bonds thereupon became due and payable. 8. At any time when the Telephone Company shall not be in default to the knowledge of the Trustee in the performance or observance of any of the covenants or agreements hereof the Trustee shall permit the Telephone Company to sell any of the trust premises for such price as the board of directors of the Telephone Company shall certify to be fair to the end that the value of the security hereby afforded shall not be impaired and the Trustee shall release the property so sold from the lien of these presents. Provided that the proceeds of every such sale shall be paid to the Trustee upon trust to lay out the same or any part thereof at the request of the Telephone Company in the construction erection or improvement of any systems exchanges, lines, buildings works or erections of a fixed or permanent nature suitable for the purposes of the Telephone Company and so as to constitute a permanent improvement of the remaining property of the Telephone Company or in the purchase of other hereditaments suitable to be held in connection with such property or in the purchase of equipments apparatus machinery chattels or effects necessary or convenient for the purposes of the Telephone Company and so that all such property if not already comprised in the trust premises shall be conveyed or assigned in such manner as the Trustee shall require so as to become subject to all the trusts powers and provisions herein contained And the Trustee shall pay out such proceeds according to the written order of the Treasurer of the

Rights of Trustee and Bondholders on expiration of the Company's charter

Disposition of worn out material