

ultimate redemption of all the bonds hereby secured, without regard to the time said bonds are actually issued. The money thus paid may be invested by the Trustee in the purchase of said bonds, at a price not exceeding par, accrued interest and a premium of five per cent (5%) on the par value thereof; and if the same is not so applied, it shall be by the Trustee from time to time, with the advice of the Telephone Company placed at interest or invested in such securities as to the Trust Company and Telephone Company may seem advisable. And the proceeds of said sinking fund shall, upon maturity of said bonds (whether such maturity be according to the face of said bonds, or whether because of a declaration of maturity as heretofore provided) be paid in the discharge and satisfaction of said bonds and any interest thereon then unpaid, without discrimination or priority of one bond over another, or of principal over interest, or of interest over principal. 11. The Telephone Company will, during the continuance of this security, keep full and correct books of account in connection with its business, which books as well as all its property of every kind shall be at all times open to the inspection of the Trustee. 12. If default shall be made in the payment of any interest or principal of any of the bonds secured by this mortgage, or in any of the agreements on the part of the Telephone Company hereunder, and any such default shall continue for six (6) months after written demand of payment or performance, or if a receiver of any property of the Telephone Company covered by this mortgage shall be appointed in any proceeding, the principal of all of said bonds then outstanding, with all interest accrued and unpaid thereon, shall become due and payable at the election and upon the declaration of the holders of the majority in amount of said bonds then outstanding, filed with the Trustee, but the holders of the majority in amount of said bonds then outstanding, may at any time thereafter until a sale of the property and franchises secured by this mortgage record in like manner any such declaration.