

Coupons Always
to Pass by De-
livery.

Until Default
Tel. Co. To
Possess and
Use its Prop-
erty.

Trustee After
Default to Col-
lect all Money
Due Tel. Co..

Tel. Co.
Entitled
Bonds
Default.

atures on
by Former
ers Good.

nds Valid
Authen-
ed by
ee.

holders,
of Tel.
ot Liable
vidually.

inition of
," Per-
ent Addi-
s and Im-
ments."

Tel. Co. To
Insure Prop-
erty for Fair
Insurable Value,
Loss Payable
to Trustee.

Same: Upon De-
fault or Loss,
Tel. Co. To Re-
tain Policies;
Then to Deliver
to Trustee.

Same: Proceeds
Applied for
Replacement or
Additions with-
in Six Months;
Otherwise In-
vested by
Trustee.

Bonds to
by Deliver
Register-
or Regis-
; How Dis-
ed from
try.

Tel. Co. War-
rants Title; To
Pay Any Prior
Encumbrances;
To Pay Taxes
and Liens; Pre-
serve Franchises;

such person as may by said written order be designated, and the transferee shall thereaf-
ter be deemed owner of the bond, under the same conditions as the prior owner, including
the right to change the registration as aforesaid; and so, from time to time, as the own-
ers for the time being may desire. Any registered holder may have any bond discharged
from registration by so having the same transferred to bearer; and any holder of a bond
so transferred to bearer may again cause it to be registered in his name, with the same
effect as the first registration. The coupons attached to any bonds shall in all cases be
negotiable by delivery, whether the bond be registered or not. The Telephone Company and
its agents for paying said coupons and bonds, and the Trustee, may deem and treat the bear-
er of any of said coupons, and any bonds that are not registered, as the absolute owner
such coupons or bonds for all purposes, whether such coupons or bonds be overdue or not.

ARTICLE FIFTH.—Until default shall be made in any manner hereunder by the Telephone
Company, it shall except in the case of bonds and other securities, required to be depos-
ited with the Trustee, be suffered and permitted to possess, manage, develop, operate,
and enjoy the real and personal property and franchises hereby conveyed, or intended so
to be, and to take and use the income, rents, issues and profits thereof, in the same
manner and to the same extent and with the same effect as if this indenture had not
been made, and to enjoy all rights, powers and privileges belonging or incident to the
full ownership thereof, except such rights, powers and privileges as are inconsistent
herewith. The Telephone Company hereby irrevocably constitutes and appoints the Trustee
its true and lawful agent and attorney in fact, after default as aforesaid, to receive,
receipt for, sue, and recover any and all sums of money that may be or become due or
owing to the Telephone Company during the existence of any part of the debt hereby
secured and to apply the money so collected toward the payment of said debt, or for the
operation or protection of the mortgaged property.

The interest on all bonds or other interest bearing securities deposited with the
Trustee shall until default, if collected by the Trustee, be paid to the Telephone Com-
pany. After default such interest shall be disposed of by the Trustee in the manner pro-
vided for other income from the mortgaged property.

All bonds and other securities deposited with the Trustee shall be accompanied by irro-
vocable powers of attorney authorizing their transfer to the Trustee. Until default, such
bonds and other securities shall not be transferred into the names of the Trustee or
any other person. Until default, the Telephone Company shall have the right to control
and represent said bonds and other securities for any and all purposes not inconsistent
with the provisions or purposes of this indenture, and the Trustee shall execute and de-
liver from time to time to the Telephone Company all necessary authority for that pur-
pose; but no such bonds and other securities shall be sold, exchanged, or otherwise dis-
posed of except as herein provided, and no action shall be taken by the Telephone Com-
pany, which shall impair or diminish the rights and interests represented by such bonds
and other securities. All interest or income from such bonds and other securities, except
such interest or income in liquidation of principal, shall be paid over to the Telephone
Company if received by or for the Trustee. Any interest or income in liquidation of
principal shall be retained by the Trustee or paid to it by the Telephone Company, if
received by the latter and disposed of in the same manner as the proceeds of sale of
securities pledged hereunder as provided in Article Tenth hereof.

ARTICLE SIXTH.—Said Telephone Company covenants to keep all property usually insured
by like companies insured against loss or damage by fire, for the fair insurable value
thereof, in good and responsible insurance companies, and cause such insurance to be
made payable in case of loss to said Trustee by proper stipulations inserted in the pol-
icies; that it will at such time as the Trustee may demand, make for the Trustee and de-
liver to it a detailed statement of insurance policies then outstanding and in force
and made payable to the Trustee as aforesaid, giving the name of the companies in which
the policies are held, the date, amounts and expirations of the policies respectively
and the property covered thereby. Until default by the Telephone Company in any manner
hereunder, the Telephone Company shall be entitled to retain possession of all insurance
policies; but upon such default, or in case of any loss under any policies, the Telephone
Company agrees to promptly surrender such policies to the Trustee upon its demand. If in
the opinion of the Trustee, any company in which such insurance is effected is not good,
and responsible, or if in the opinion of the Trustee, the form of any policy is not
satisfactory, then and in either event the Trustee may require new policies to be taken
out in lieu thereof, and the Telephone Company agrees in such event to promptly obtain
such new policies acceptable to the Trustee and to keep the same in force; and, in de-
fault of the Telephone Company so doing, the Trustee may, at its option effect such in-
surance in the name of the Trustee for the time being.

In case of loss the Trustee shall allow any insurance money received to be applied
towards the replacement of, or additions to, the property destroyed or injured, or
applied to the improvement of other property then subject to the lien hereof, if said
Telephone Company shall, in writing, so request; and said Trustee, shall upon request,
under such restrictions as it may deem reasonable, allow such insurance money to be
applied for or toward the replacement of property destroyed or injured or for or toward
the improvement of such other property, such replacement or improvement actually costing
as much as the amount of money so paid over; but if said Telephone shall not within six
months from the time of the collection of such insurance money request the Trustee, in
writing, to so apply such insurance money, then the same shall be applied to the redemp-
tion of bonds hereby secured or invested as in other cases provided for in article tenth
of this indenture. In case of any loss covered by any policy of insurance, any apprais-
ment or adjustment of such loss and settlement and payment of indemnity therefor which
may be agreed upon between the Telephone Company and any insurance company may be con-
sented to and accepted by said Trustee, and said Trustee shall in no way be liable or
responsible for the collection of any insurance in case of any loss.

ARTICLE SEVENTH.—The Telephone Company covenants that it is well seized of all the
real and personal property and franchises above described or mentioned, and has full
power to convey the same as hereby conveyed; that same are free from all former grants
and encumbrances, except this mortgage, and are free from taxes and assessments and
sales therefor of every kind; that said Telephone Company will forever warrant and defend