

defend said Trustee in the peaceable and quiet possessions of said property and franchises against all and every person or persons lawfully claiming or to claim the whole or any part thereof; that the Telephone Company will pay all taxes and assessments, general and special, which may be levied or assessed upon any property hereby conveyed as and when the same shall become due and payable; that it will not suffer any property hereby conveyed to be sold for any taxes or assessments, or be forfeited therefor, nor suffer any mechanics' or other liens having priority over this indenture to attach to any of said property. Provided that the Telephone Company may in good faith contest the validity of any taxes, assessments or prior liens, and pending litigation thereof, shall not be required to pay the same; that the Telephone Company after duly accepting will diligently preserve the rights, privileges, easements and franchises now hereafter granted to or conferred upon it by the laws or ordinances of any state, county, city, town or municipality by which the same are granted and wherein any of its property is or shall be situated, except such as may no longer be necessary, useful or profitable in the conduct of its business; that the Telephone Company will at all times keep and maintain its property and systems in good and businesslike working order and condition and fully supplied with power and equipments, so that its business shall at all times be effectively conducted, reasonable delays from accidents and unavoidable contingencies excepted; that the Telephone Company will not commit nor permit any waste of any property hereby conveyed and necessary, useful or profitable in the conduct of its business; that the Telephone Company will duly record and file these presents and do all things necessary to preserve the lien thereof at all times as a first lien upon all the trust property, both real and personal, and will at any time upon demand furnish evidence that it has done so.

The Telephone Company further covenants that it will at no time declare or pay any dividends on the capital stock of the said Company, unless at the times of such dividends it shall have on hand, accumulated out of earnings and subject to the lien of this mortgage, a full and adequate depreciation reserve; the intent and purpose of this covenant being that the total security of the bondholders hereunder shall at no time be less than it now is, and that in any event no dividends shall ever be paid when there is any deficit in the depreciation reserve. The Telephone Company further covenants that the duly accredited representative agent of the Trustee shall at all times have free access to the books and records of the Telephone Company for the purpose of determining whether this covenant is being observed.

ARTICLE EIGHTH.—Said Telephone Company covenants that it will upon request of the Trustee do and perform all act necessary and proper to keep valid the lien hereby created or intended to be created, and that it will upon request of the Trustee at any time hereafter, as often as may be necessary, make, execute and deliver to said Trustee any other or further deed or deeds, acts, conveyances or assurances said Trustee may upon advice of counsel learned in the law reasonably demand, for the purpose of carrying into full effect the objects and purposes of this indenture.

ARTICLE NINTH.—In case the Telephone Company or any successor company shall be consolidated or merged with any other corporation, or shall sell, convey and transfer subject to this indenture all the mortgaged properties, rights, privileges and franchises, either, or Sell as an entirety, any successor corporation formed by such consolidation, or into which the Telephone Company or any such consolidated company shall be merged, or which shall purchased and received a conveyance and transfer of all said property as an entirety, upon executing and causing to be recorded an instrument, satisfactory to the Trustee, whereby such successor or purchasing corporation shall assume the due and punctual payment of the principal and interest of said bonds and the performance of all the covenants and conditions of this mortgage on the part of the Telephone Company, such corporation shall succeed to and be substituted for the Telephone Company, with the same effect as if it had been named in this mortgage as party of the first part; and such successor or purchasing corporation thereupon may cause to be executed and may issue, either in its own name or in the name of the Telephone Company, any or all of the bonds secured by this mortgage, or intended so to be, which theretofore shall not have been executed by the Telephone Company or any such consolidated company and authenticated by the Trustee and issued; and upon the order of said successor or purchasing corporation, in lieu of the Telephone Company, and subject to all the terms, conditions and restrictions herein prescribed, the Trustee shall authenticate and deliver to such successor or purchasing corporation any of such bonds which it shall cause to be signed and delivered to said Trustee for that purpose. All bonds so issued shall in all respects have the same legal rank and security as the bonds theretofore issued in accordance with the terms of this mortgage, as though all of said bonds had been issued on the day of the date of this mortgage.

In the event the Telephone Company lose its identity as contemplated in this article or if in the opinion of the directors of any successor or purchasing corporation the then conditions make it impracticable to cause the bonds to be properly executed in the name of the Telephone Company after the happening of any event mentioned in this article, the then directors of such successor or purchasing company shall have authority and are hereby empowered by resolution to authorize any unexecuted bonds to be executed by like officers of such successor or purchasing corporation as required hereunder when executed and issued by the Telephone Company as party of the first part herein; and such successor or purchasing corporation shall thereby be deemed to have adopted such execution and issue as in its own name.

ARTICLE TENTH.—At any time while the Telephone Company is not in default in any manner hereunder, upon its written request expressed in a resolution of its Board of Directors, a copy of same certified by its Secretary under its seal to be filed with the Trustee, the Trustee shall convey by release or otherwise, to any person or corporation designated by the Telephone Company in such resolution, such lands, tenements and hereditaments which in the judgment of said Telephone Company as determined by said resolution shall no longer be necessary or useful or profitable in the operation and maintenance of the telephone system and business of the Telephone Company; provided that in each case other lands, tenements or hereditaments of equal or greater value in the judgment of the Telephone Company, expressed as aforesaid, be substituted for

To Maintain Property; Not Allow Waste.

Tel. Co. Warrants Title; To Pay Any Prior Encumbrances; To Pay Taxes and Liens; Preserve Franchises; To Maintain Property; Not Allow Waste; Not to Pay Dividends in Certain Case.

Tel. Co. If Required To Give Further Assurances.

If Tel. Co. Be Merged in Another, or Sell its Property, as Entirety to Another, Successor Company May Issue Remaining Bonds in Name of Telephone Company.

Same; Successor Company May Issue Bonds in Its Name.

If Tel. Co. Not in Default May Dispose of Realty on Substituting Other, Or May Sell on Applying Proceeds.