

maintain
erty; Not
Waste.

De. War-
Title;
Any
Encum-
es; To
axes and
Pre-
Fran-
es; To
ain, Pro-
Not Al-
aste; Not
y Divid-
in Cer-
Case.

Same: If Pro-
ceeds Not App-
lied, Trustee
to Invest.

Same: Until
Default, Tel.
Co. May Alter
Buildings;
Shall Prompt-
ly Restore.

Co. If
red To
Further
ances.

Same: Until
Default, Tel.
Co. May Dis-
pose of Mater-
ials; Shall
Promptly Sub-
stitute Other.

l. Co. Be
d in An-
or Sell
property,
turity to
er, Suc-
r Company
Issue Bonds
ne of
phone Com-

Same: Tel. Co.
On Request To
Furnish Trustee
Schedule of Pro-
perty Mort-
gaged.

; Success-
company
Issue Bonds
In Its

el. Co.
n Default
dispose
alty on
ituting
Or May
on Apply
proceeds.

Trustee May
Advance for
Insurance, Tax-
es, Prior
Liens, or Pro-
tecting Titles;

the property released and be subjected to the lien of this indenture, so that such release shall not injure the security hereby provided; nevertheless, instead of substituting other property for the property released, the Telephone Company may sell the same for cash, or for part cash and part on time, the deferred payments to be secured by first lien on the property sold, but such proceeds of sale shall be paid and delivered to the Trustee under a prior encumbrance (if any) to be disbursed in accordance with its duty as such Trustee or shall be paid and delivered to the Trustee herein and held by it as part of the security of this indenture. Such proceeds if received by the Trustee herein shall upon request of the Telephone Company, by resolution of its Board of Directors and a copy being certified and filed with the Trustee as aforesaid, be paid out by the Trustee only for the actual cost of permanent additions and improvements, under the same conditions and limitations as required for the certification of the remaining bonds of the Telephone Company hereinbefore set out, except that the percentage of cost shall be the full amount of such cost, instead of only ninety per cent (90%). If the Telephone Company shall not, within one year after the receipt of the cash proceeds of such sales, request the Trustee to apply the same as authorized, then the Trustee may invest so much as may be of cash proceeds in the purchase on best terms obtainable, of outstanding bonds, of this issue hereby secured, upon such purchase shall cancel the same and all coupons hereto attached and deliver them to the Telephone Company or the Trustee may so invest such cash proceeds in other first mortgage bonds with the approval of the Telephone Company, and shall hold the such other bonds subject to be sold with the consent of the Telephone Company from time to time and their proceeds reinvested as aforesaid. Any income collected on such other bonds shall from time to time be paid to the Telephone Company on demand and constitute part of its earnings.

Until default, the Telephone Company shall be permitted to alter or remove any improvements, buildings or other structures upon or under the surface of any lands, tenements or hereditaments hereby conveyed, if such alteration or removal will, in the opinion of the Telephone Company, enable it to use its property to better advantage in the judicious and most profitable operation and management of its business. The Telephone Company covenants in every case of such alteration or removal to promptly and within a reasonable time to restore such property or substitute other property and covenants to keep its system and property up to as high efficiency for practical and profitable operation in every respect as before such alteration or removal. Until such default the Telephone Company may alter, remove, sell exchange or otherwise dispose of such materials, appliances, instruments and other movable property as may have been become worn out or no longer be necessary or profitable for the use of the Telephone Company, Provided that it shall immediately renew the same or substitute other property therefor which in its judgment may be of the same or greater value, so that such alteration, removal or disposition shall not impair the security of the bonds issued hereunder. The Telephone Company agrees at all time on request to furnish the Trustee a schedule showing with reasonable detail the real and personal property at such time included in and covered by this mortgage or intended so to be.

It shall be the duty of the Trustee to release from the lien of this instrument any telephone exchange or exchanges, or any long distance telephone line or lines, or any bond or bonds, or other securities pledged hereunder at any time upon the request of the Telephone Company; subject, however, to the following conditions;

Before such release is made, there shall be presented to the Trustee a copy of a resolution passed by the unanimous vote of the Board of Directors of the Telephone Company under the seal of the corporation and verified upon oath by the Secretary and the President or the Secretary and the Chairman of the Board of the Telephone Company, setting forth that the property, release of which is asked, is in the judgment of the Telephone Company, no longer requisite, or necessary, or profitable, in the operation and maintenance of the telephone system and business of the Telephone Company and that the Telephone Company has sold, assigned and conveyed the same for a fair and adequate consideration, which shall be named in the resolution.

The said consideration and proceeds of such sale shall be paid over to the Trustee and held by it as part of the security of this indenture. In case the consideration of such sale shall be, in whole or in part, other property, such property shall become subject to this trust deed.

There shall also be presented and filed with the Trustee the sworn certificate of a competent engineer, to be selected by the Telephone Company and approved by the Trustee setting forth that in the judgment of such engineer the consideration agreed upon and received was a fair and adequate consideration.

There shall also be presented to and filed with the Trustee the affidavit of the President, or Vice-President, of the Telephone Company, or the Chairman of the Board, and also the affidavit of the Treasurer, setting forth the amount of the purchase price or consideration, and that in their judgment the same was fair and adequate.

The cash proceeds of such sale, when received by the Trustee herein, shall, upon request of the Telephone Company, by resolution of its Board of Directors, a copy of such resolution being certified to the Trustee, be paid out by the Trustee for the actual cost of permanent additions and improvements under the same conditions and limitations as required for the certification of the remaining bonds of the Telephone Company hereinbefore set out, except that the percentage of cost shall be the full amount of such cost instead of a smaller per cent. Or upon the request of the Telephone Company the Trustee shall invest the proceeds of such sale, in the purchase, on the best terms obtainable, not exceeding two per cent premium, with interest accrued, of outstanding bonds of this issue hereby secured, and upon such purchase shall cancel the bonds so purchased and all coupons thereto attached and deliver the same to the Telephone Company.

ARTICLE ELEVENTH.----If the Trustee, as it is authorized in its discretion to do advances or expend money, either for premiums for insurance or to save any property hereby conveyed from sale or forfeiture for taxes or assessments, or to redeem the same from such sale, or to purchase any tax title or claim thereon, or to remove any mechanic's lien or other lien or encumbrance thereon having priority over this inden-