

terms of this Indenture or to comply with any other provision of this Indenture. For the purposes of subparagraph (b) of this section, additional property shall be taken at the amount thereof, as the term "amount" is defined in § 1.01(g) of this Indenture.

If in any calendar year, the expenditures of the Company for one or more of the purposes set forth in subparagraphs (a), (b) and (c) of this section shall not equal in the aggregate the amount required by this section to be expended during such calendar year and if the Company shall not be entitled to take credit for such calendar year in the required amount on account of excess expenditures made in some preceding year or years, the Company shall pay in cash to the Trustee on or before April 1st next succeeding the expiration of such calendar year the amount of any deficiency. All sums received by the Trustee under this section shall be held by it as a part of the trust estate until paid out as hereinafter provided. In case the expenditures made by the Company for the purpose specified in subparagraph (b) of this section shall, in any calendar year, exceed the amount required to be expended and certified to comply with the requirements of this section for such year, any moneys theretofore paid to the Trustee under the provisions of this section and not withdrawn or applied under the provisions of Article 7 of this Indenture, may be withdrawn by the Company upon delivery to the Trustee of a certificate signed by the President or a Vice-President and by the Treasurer or an Assistant Treasurer of the Company certifying the expenditures made for said purpose during such calendar year and showing that they were in excess of the expenditures required by this section to be made in such calendar year and requesting the payment to or on the order of the Company of an amount of money equal to the excess of said expenditures. Any

sums received by the Trustee under this section and not withdrawn under the provisions of this paragraph may be withdrawn or applied in accordance with the provisions of § 7.02 of Article 7 hereof. Any bonds redeemed with money deposited with the Trustee under this § 5.18 shall be redeemable at the principal amount thereof together with interest accrued thereon to the date of redemption.

No expenditures certified or applied to the requirements of this section and no bonds retired (by purchase, payment or redemption) through expenditures certified or applied to the requirements of this section shall be available as a basis for the authentication of bonds or the withdrawal of deposited cash or any other moneys or the release of property under, or to comply with, any provision of this Indenture.

The percentage of the gross operating revenues of the Company required to be expended as in this section specified may, at the option of the Company, be redetermined in the manner hereinafter provided, but no such redetermination shall be made effective prior to January 1, 1951, and no such redetermination shall be made effective within three years from the effective date of the last previous determination. Subject to the foregoing, the Company may at any time appoint in writing an independent engineer, satisfactory to the Trustee, to redetermine said percentage. A copy of such appointment shall be delivered to the Trustee. The engineer so appointed by the Company, satisfactory to the Trustee, shall file with the Trustee and with the Company a certificate signed by him in which shall be stated the percentage of the gross operating revenues of the Company which in his judgment, having due regard for the provisions of § 5.12 of Article 5 of this Indenture, shall be sufficient and proper to provide adequate maintenance, repair, renewal and replacement of the telephone

utility properties of the Company, and such percentage so stated in such certificate shall, effective for the calendar year in which such certificate shall be filed with the Trustee, be substituted for the percentage in effect at the time of filing such certificate and shall remain in effect until a further redetermination thereof is made in accordance with the provisions of this section.

#### ARTICLE 6.

##### POSSESSION, USE AND RELEASE OF MORTGAGED PROPERTY.

§ 6.01. Unless an event of default exists (A) the Company shall be suffered and permitted to possess, manage, develop, operate, use and enjoy the mortgaged property (except such cash as is expressly required to be deposited with the Trustee and except, to the extent not herein otherwise provided, such securities as are deposited or expressly required to be deposited with the Trustee), and to receive, use and dispose of the tolls, rents, revenues, issues, earnings, income, and profits thereof, including interest and dividends on securities and purchase money mortgages held by the Trustee, with power in the ordinary course of business freely and without let or hindrance on the part of the Trustee or of the bondholders, to use, consume, deal in, sell or otherwise dispose of materials and supplies and the products of the business of the Company, and except as herein otherwise expressly provided to the contrary, to obtain the benefits of and to exercise any and all rights under choses in action, contracts, franchises and claims;

(B), the Company may at any time and from time to time, without any release or consent by the Trustee or accountability to the Trustee for any consideration received by the Company:

(1) sell or otherwise dispose of, free from the lien of this Indenture, any machinery, equipment, tools,

implements or other property which shall have become old, inadequate, obsolete, worn out or unfit or unadapted for use in the operations of the Company upon replacing the same by or substituting for the same other property, not necessarily of the same character but of a value at least equal to that of the property sold or otherwise disposed of;

(2) cancel or make changes or alterations or substitutions of any and all contracts, leases and/or right-of-way grants;

(3) alter, change the location of, add to, repair and replace any and all towers, poles, wires, cables, conductors, conduits, lines, stations, substations, subscribers' station equipment, private branch exchanges, switchboards, central office plant and equipment and other movable property and equipment; and

(4) surrender or assent to the modification of any right, power, franchise, license, governmental consent or permit, right-of-way or easement pursuant to which it may be operating, provided that prior to or contemporaneously with the taking of any such action by the Company, the Trustee shall receive (a) a resolution of the Board of Directors of the Company authorizing or approving such surrender or modification, and (b) an engineer's certificate stating that in his opinion such surrender or modification is desirable in the conduct of the business of the Company and does not impair the security of the Bonds outstanding hereunder.

The Trustee shall, however, upon receipt of a written request of the Company, execute any release and/or consent which may be therein requested to confirm any action taken by the Company pursuant to this Subdivision (B) of § 6.01, in which event the Trustee may accept as conclusive evidence of compliance with the foregoing provisions and appropriate statements contained in such request, and the Trustee in so doing shall be without liability.

§ 6.02. Unless the Company is in default in the payment of the interest on any Bonds then outstanding hereunder