

unpaid principal and accrued and unpaid interest of all said bonds then outstanding and unpaid, ratably and without discrimination in accordance with the terms of this indenture; and if, after payment and satisfaction thereof, a surplus shall remain, the same shall be paid over to the Telephone Company, its successors or assigns. Similar disposition of the proceeds received from a sale upon foreclosure shall be made.

And it is hereby declared that the receipt or receipts of the Trustee shall be a sufficient discharge to the purchaser or purchasers at such sale for the purchase money, and that neither such purchaser or purchasers, nor his or their heirs, executors, administrators or assigns, shall be liable after the payment thereof to the Trustee, and being in possession of such receipt or receipts, for the due application of said purchase money, or any part thereof, nor shall he or they or any of them, be in any way whatsoever answerable for any loss, misapplication, or non-application of such purchase money, or any part thereof, nor be in any manner required to inquire into the necessity, expediency or authority of or for any such sale; and that at any such sale the Trustee may bid for, purchase, or cause to be bid for and purchased, the said premises, property and appurtenances for and on behalf of all theholders of the bonds hereby secured and then outstanding and unpaid in the proportion of their respective interests, at a price not to exceed the whole amount of such bonds, with the interest accrued thereon and the expense of the sale.

Nothing herein contained shall be construed as limiting or in any way affecting the right of the Trustee to foreclose this mortgage by bill in equity in case default has been made at any time in the payment of any sum secured thereby, it being understood that the above provisions respecting the enforcement of the lien of this mortgage are cumulative and in addition to such right of foreclosure.

ARTICLE THIRTEEN

DEFAULT -----ELECTING TO CONSIDER PRINCIPAL DUE

In case the company shall make default in the payment of any installment of interest upon the bonds secured hereby or any of them or in the performance of any of the remaining covenants herein contained on its part to be performed, or shall fail to pay the principal of the bonds hereby secured when payable at maturity, and in case such default or defaults shall continue for six months, then and in any such case the trustee may, and if the holders of the majority in amount of the outstanding bonds hereby secured shall so elect in writing and notify the Company or its successor or assigns and the trustee for the time being, the trustee shall declare the principal of all the bonds hereby secured to be immediately due and payable, anything in said bonds or herein to the contrary notwithstanding, and the principal of all of the bonds hereby secured shall thereupon become immediately due and payable and it shall be the duty of the trustee upon request in writing, signed by a majority of the bond holders in amount of the bonds then outstanding and upon being indemnified to its satisfaction against any costs, expenses and liabilities to institute proper proceedings at law or in equity, to foreclose this mortgage or deed of trust and to enforce the lien hereby secured. A Majority in interest of the holders of all of said bonds then outstanding, unpaid or undredeemed, may in writing instruct the trustee in any such case to declare the said principal to be due or to waive the right so to declare, on such terms and conditions as such majority may deem proper and may annul or reverse the election of the trustee, provided that no waiver by the trustee or the bondholders shall extend to or be taken to affect any case of subsequent default or to otherwise impair the rights resulting therefrom. Right of action under this indenture is vested exclusively in the trustee and under no circumstances shall any bondholders or any number of bondholders may a right to institute an action or other proceeding under this indenture for the purpose of foreclosing