

bonds shall be paid ratably in proportion to the amount owing and unpaid upon them respectively, without preference of one bond over any of the others, or of principal over interest or of interest over principal.

Third: The surplus, if any, on demand to whomsoever may be lawfully entitled to receive the same by the judgment of some court of competent jurisdiction.

ARTICLE FOURTEEN.

INSTRUCTING TRUSTEE TO WAIVE DEFAULT.

In every case of default in the payment of the money secured or any part thereof, or in respect of any covenant or agreement in said bonds or coupons or herein contained, the duty of said Trustee and also its power to act in the premises are hereby declared to be subject to the rights and power of majority in interest of the holders of the bonds hereby secured and then outstanding, to instruct the said Trustee to waive such default or to enforce their rights whereunder, but no action of the said Trustee or bondholders in case of any default shall affect any subsequent default or any right arising therefrom.

ARTICLE FIFTEEN.

TRUSTEE - COMPENSATION, INDEMNITY, RESIGNATION.

It is understood and hereby mutually covenanted and agreed by and between the parties hereto that the words "The Trustee." or "said Trustee," when and as used in these presents shall, for all purposes, be taken, held and construed to mean, include and describe the person or persons, or the corporation or corporations, who or which shall, for the time being and from time to time, be charged with the trusts hereby and herein created and expressed, whether the same be the said party of the second part, or any successor or successors in said trust.

The Trustee shall be entitled to just compensation for all services it may render, and reimbursement for all reasonable expenses and liabilities by it paid or incurred in the execution of said trusts, including fees for its attorneys, and that before complying with any requests or demands of bondholders whether herein provided for or not, the Trustee may before acting or continuing to act, require sufficient indemnity to reimburse it for all reasonable expenses, charges or liabilities incurred or which may be incurred by it in so doing.

The Trustee may resign and be discharged of said trust by giving notice in writing to the Telephone Company at least ninety days before such resignation shall take effect, or such shorter period as said Telephone Company shall accept as sufficient notice.

It is further agreed that in case of resignation or incapacity of the trustee, a successor or successors may be appointed by a majority in interest of the holders of said bonds then outstanding, unpaid or unredeemed, by an instrument in writing signed by them; and in case such majority do not agree upon the appointment of a new Trustee within thirty days after a vacancy shall occur, the said Telephone Company or the holder or holders of any of said bonds to the amount of Ten thousand Dollars, may apply to any court of competent jurisdiction for the appointment of a new Trustee or new Trustees, upon such notice as such court shall prescribe to be given in such manner, or upon or to such party or parties, person or persons, as such court shall direct, or upon such notice as shall be in accordance with the rules and practice of the court. And the Trustee or Trustees appointed by the majority in interest of said bondholders, or by said court, shall, on his or their acceptance of such appointment, thereupon become and be vested with all the powers, authorities, estates, rights, titles and interests granted to and conferred upon the said party of the second part by these presents, without any further assurance or conveyance whatsoever; nevertheless, the Trustee or Trustees resigning shall immediately, on demand of the new Trustee or Trustees, execute, acknowledge and deliver all such conveyances, assurances and