

in the performance by the Telephone Company of any of the covenants of the said bonds or interest coupons, or of this mortgage or deed of trust, the Telephone Company shall possess, operate, maintain and enjoy all the franchises, rights and property of every kind conveyed by this mortgage or deed of trust, and every part thereof, with the appurtenances, and take and use the tolls, income, rents, issues and profits thereof.

ARTICLE TWO

EXECUTION OF BONDS AND COUPONS

The bonds and coupons shall be identical in all respects save as to serial number and face value of said bonds and of said coupons. The coupon bonds secured by this mortgage or deed of trust to the amount of Two Hundred and Fifty Thousand (\$250,000.00) Dollars of principal shall be executed by the Telephone Company, and the corporate seal of the Telephone Company shall be thereto affixed, and shall be attested by such officers of the Telephone Company as shall from time to time be thereunto authorized by the Board of Directors of the Telephone Company. In case the officers who shall have signed and sealed any of said bonds as aforesaid, shall cease to be such officers of the Telephone Company after the Telephone Company has delivered such bonds to the Trustee, but before the bonds so signed and sealed have been certified and re-delivered by the Trustee, such bonds may, notwithstanding, upon the request of the Telephone Company be issued, certified and delivered as hereafter provided, as though the persons who signed and sealed said bonds had not ceased to be officers of the Telephone Company.

The coupons to be attached to such bonds shall be signed by the engraved or printed signature of the present Secretary of the Telephone Company, or any future Secretary of the Telephone Company, it being intended that said Company may adopt and use for that purpose the engraved or printed signature of any such Secretary, notwithstanding the fact that he may have ceased to be the Secretary of such Company at the time when such bonds shall be actually certified and delivered.

All such bonds, when executed by the Telephone Company, shall be delivered to the Trustee to be certified and re-delivered to the Telephone Company only as provided in Articles Two and Three hereof. Only such of said bonds as shall bear thereon endorsed the Trustee's certificate duly signed shall be secured by this indenture or entitled to any lien or benefit thereunder, and such certificate of the Trustee upon any bond executed on behalf of the Telephone Company shall be the conclusive and only evidence that the bond so certified has been duly issued hereunder, and is entitled to the benefits of the trusts hereby created.

Before certifying or delivering any bond, the Trustee shall cut off, cancel and deliver to the Telephone Company all coupons thereon then matured. The aggregate amount of all the mortgage bonds which may be issued and outstanding, under this indenture, shall not in any event exceed Two Hundred and Fifty Thousand (\$250,000.00) Dollars.

ARTICLE THREE

CONDITIONS OF ISSUANCE OF BONDS.

Bonds of the aggregate face value of One Hundred Fifty Thousand (\$150,000.00) Dollars shall be forthwith executed by the Telephone Company, and be certified by the Trustee, and by it delivered to the Telephone Company, or to its order, to be used in discharging existing obligations of the Telephone Company, providing funds for the rehabilitation and consolidation of telephone systems recently acquired; but the Trustee has no duty to see that said bonds are actually used for such purpose. The remainder of the bonds from time to time after execution by the Telephone Company shall be certified by the Trustee and delivered to the Telephone Company to reimburse the Telephone Company for sixty-six and two thirds per cent (66 2/3%) of the moneys actually disbursed for improvements to or