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rate and at such times as shall be agreed to between it and the Telephone Company. All moneys deposited with such depositaries shall for all purposes of this indenture be deemed to be held by an deposited with the Corporate Trustee, but the Corporate Trustee shall have no responsibility either to the Telephone Company or to any bondholder for any of said moneys while on deposit with any such depositary.

Cancellation
and return of
bonds and coupons.

All bonds and coupons delivered to the Corporate Trustee under the provisions of this Section 3 of Article Second shall if uncanceled, thereupon be cancelled and shall be stamped by the Corporate Trustee with a notation that the same have been refunded under this indenture, and returned to the Telephone Company. No bonds shall be subsequently issued hereunder in place of bonds that shall have been so refunded.

Issue of bonds
to retire under-
lying bonds.

Additional bonds secured by this indenture may from time to time be issued hereunder either (a) to refund, pay, redeem, retire, purchase or otherwise acquire, before, at or after maturity (1) any of the interest bearing obligations of the aggregate principal amount of approximately Five Million Nine Hundred Sixty Five Thousand Dollars (\$5,965,000) referred to in the granting clause hereof; and (2) any bonds or other obligations constituting the whole or part of an issue of bonds or obligations secured by mortgage or other lien upon the lines, plant or system may subsequent to the date of this indenture be acquired by the Telephone Company and become subject to the lien hereof, and which mortgage or other lien shall be prior to the lien of this indenture on the lines, plant or system so acquired; or (b) to reimburse the Telephone Company for money expended for any of said purposes. All such bonds and other obligations are in this indenture referred to collectively as underlying bonds.

Definition of
"underlying
bonds".

Conditions of
issue of bonds
to retire under-
lying bonds.

(1) Whenever, from time to time, the Telephone Company shall deposit with the Corporate Trustee before, at or after maturity any of said underlying bonds, cancelled or uncanceled, with all unmatured coupons, if any thereto appertaining, either in bearer form or accompanied by proper instruments of assignment and transfer, or shall furnish to the Corporate Trustee that any such underlying bonds, including those acquired for Sinking Fund purposes, have been paid and satisfied in full then Corporate Trustee, upon request of the Telephone Company, evidenced by a certified copy of resolution of its Board of Directors, shall authenticate and deliver to the Telephone Company or as directed by its written order, signed by its President or a Vice President, bonds secured by this indenture of any series requested by it, of a principal amount equal to the principal amount of such underlying bonds so delivered to the Corporate Trustee and/or of such underlying bonds so proved to have been paid and satisfied.

Issue of bonds
against cash to
retire under-
lying bonds.

(2) From time to time, before, at or after, the maturity of any of said underlying bonds, the Telephone Company may sell or otherwise dispose of bonds of any series, secured by this indenture, in order