

shall be owned by the Telephone Company and be subject to the lien of this indenture at the time of requesting the authentication and delivery of bonds or the payment of deposited moneys under the provisions of this subdivision, the Telephone Company shall obtain, and shall be subject to the lien of this indenture, bonds or other obligations of such corporation, which shall (a) be secured by a first lien on the property of such corporation, (b) be for a principal amount not less than the amount of expenditures made or liabilities incurred by the Telephone Company for the purposes above expressed upon or in respect of the property of such corporation, as specified in the certificate or certificates provided for in subdivision (5) of Part B of this Section 5 of Article Second, and (c) mature not later, and bear interest at a rate not less than the bonds issued under this indenture for such purposes, or the bonds issued upon the deposit of moneys which moneys have been or are paid out for such purposes. The provisions of this subdivision (4) relating to the issue of bonds to pay or provide funds for direct expenditures upon the lines, plants or systems of corporations of the character above referred to are intended to be in addition to, but not in restriction or limitation of the provisions of subdivision (3) above.

for reimbursement for expenditures for enumerated purposes.

(5) To reimburse the Telephone Company for expenditures made subsequent to the date of this indenture for any of the purposes for which bonds may be issued as provided in the foregoing provisions of this Section 5, of Article Second, except in so far as such reimbursement shall be prohibited by law.

Conditions of issue -

B. The conditions upon which such bonds may be authenticated and delivered by the Corporate Trustee are as follows:

As to amount of bonds -

(1) The aggregate principal amount of bonds which may be authenticated and delivered by the Corporate Trustee, as well as the amount of moneys deposited as provided in subdivision (3) of this Part B of Section 5 which may be paid out by the Corporate Trustee, may equal but not exceed the full amount of the expenditures and/or liabilities certified to the Corporate Trustee by the Telephone Company as hereinafter provided, except that if at any time the aggregate principal amount of bonds secured by this indenture and then outstanding, when added to the aggregate principal amount of the prior bonded debt (as defined in Section 1 of this Article Second) of the Telephone Company, shall exceed the amount of the then outstanding full paid capital stock of the Telephone Company, then, as long as such excess of bonded indebtedness over capital stock exists, the authentication and delivery by the Corporate Trustee of bonds in excess of said amount, or the payment by the Corporate Trustee to the Telephone Company of deposited moneys received by the Corporate Trustee upon the authentication and delivery of bonds in excess of said amount shall be a principal amount of such bonds, or an amount of such deposited moneys, as the case may be, not exceeding seventy five per cent (75%) of the amount of such certified expenditures and/or liabilities. In determining for the purposes of this subdivision (1) the aggregate principal amount of