

acquired by the Telephone Company subsequent to the date of this indenture for the purpose of the authentication and delivery of additional bonds under the provisions of this Section 5 of Article Second.

Securities may be subjected to lien of indenture.

E. The Telephone Company may at any time subject to the lien of this indenture, by deposit with the Corporate Trustee, any stocks bonds or other securities acquired by it subsequent to the date of this indenture; and such stocks, bonds and other securities shall upon such deposit be considered, subject to the limitations prescribed by subdivision (4) of Part B. of this Section 5, of Article Second, as property acquired by the Telephone Company subsequent to the date of this indenture for the purpose of the authentication of additional bonds under the provisions of this Section 5 of Article Second hereof.

Disposition after six years of cash deposited with Corporate Trustee.

F. If at the expiration of six years after the date of maturity or date fixed for redemption, respectively, of any bonds for the refunding, payment or redemption of which cash shall have been deposited with the Corporate Trustee under the provisions of Sections 3 and 4, of this Article Second, any such cash shall not have been applied by the Corporate Trustee to the purposes specified in said Sections, it shall be disposed of by the Corporate Trustee for the same purposes and subject to the same conditions as deposited moneys under the foregoing provisions of this Section 5 of Article Second.

No bonds to be authenticated if Telephone Company is in default.

Section 6. No bonds shall be authenticated or delivered by the Corporate Trustee in case the Telephone Company shall at the time be in default in the payment of interest on or principal of any of the bonds secured hereby, or in default in the observance of any of the covenants on its part to be performed under the provisions of this indenture and such default shall be known to the Corporate Trustee.

Corporate Trustee may rely on resolutions and certificates.

Section 7. The resolutions, certificates and other writings provided for in this Article Second may be accepted by the Corporate Trustee as satisfactory and conclusive evidence as to the statements therein contained and shall be full authority to the Corporate Trustee for the authentication and delivery of bonds or for the payment of deposited moneys but before authenticating and delivering any bonds under this Article Second or before making any payment of deposited moneys, the Corporate Trustee may in its discretion, and shall, if requested in writing so to do by the holders of not less than twentyfive per cent (25%) of the aggregate principal amount of bonds secured hereby then outstanding and if furnished with indemnity satisfactory to it, cause to be made such independent investigation as it may see fit, and in that event, may decline to authenticate and deliver such bonds or to make any payment of deposited moneys, unless and until satisfied by such investigation of the substantial accuracy of such resolutions, certificates and other writings. The reasonable expense of any such

may make an independent investigation.

at the expense of the Telephone Company.

investigation shall be paid by the Telephone Company, or, if paid by the Corporate Trustee, shall be repaid by the Telephone Company upon demand, and until repaid, shall be a charge upon the trust estate, prior to the lien of the bonds secured hereby.