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Corporate Trustee may join in reorganization of corporation whose securities are pledged.

Telephone Company will pay Corporate Trustee's expenses under § 5 and 6.

Sinking Fund for Series A.

Application of Sinking Fund,

ing, and if supplied with the amount of money necessary therefor, shall purchase or cause to be purchased such property and shall use such stocks, bonds and other obligations so far as may be to make payment for such property; and in case of such purchase the Trustees shall take such steps as they may deem proper to cause such property to be vested in the Telephone Company and become subject to the lien hereof or to be vested in some other corporation organized or to be organized, with power to acquire and manage such property.

Section 5. The Corporate Trustee at any time may, and if requested by the Telephone Company shall, take such steps as in its discretion it may deem advisable to protect its interests and the interests of the bondholders in respect of any stock, bonds, or other corporate obligations subject to the lien hereof, and for that purpose it may join in any plan of reorganization in respect of any such stock, bonds or other securities subject to the lien hereof and may accept in lieu of any stock or securities subject to the lien hereof, new stock or securities issued in exchange therefor under such plan.

Section 7. The Telephone Company covenants that on demand of the Corporate Trustee it forthwith will pay or will satisfactorily provide for all expenditures incurred by the Corporate Trustee under any of the provisions of Sections 5 and 6 of this Article Third, including all sums required to obtain and perfect the ownership and title to any property which the Trustees shall purchase or cause to be purchased pursuant to the provisions thereof, and in case the Telephone Company shall fail so to do, then without impairment of, or prejudice to, any of its rights hereunder by reason of the default of the Telephone Company, the Corporate Trustee in its discretion may advance all such expenses and other moneys required or may procure such advances to be made by others, and for such advances made by the Corporate Trustees or by others, at its request, with interest thereon, the Corporate Trustee shall have a lien prior to the lien hereof upon all the property subject to the lien of this indenture.

#### ARTICLE FOURTH.

##### SINKING FUND.

Section 1. The Telephone Company covenants that, as and for a Sinking Fund for the benefit of the bonds of Series A issued hereunder, it will on the first day of August and on the first day of February in each year beginning the first day of August in the year 1924, pay to a sinking fund trustee or trustees, appointed by the Board of Directors of the Telephone Company and subject to change by said Board, the sum of Two Hundred and Fifty Thousand Dollars (\$250,000). The moneys so paid into said sinking Fund shall be applied by the sinking fund trustee or trustees, to the purchase of bonds of said Series A at the lowest price at which they can be obtained readily, but not exceeding the principal amount thereof and accrued interest. The sinking fund trustee or trustees may advertise publicly for proposals to sell such bonds to the sinking fund or may purchase the same either at public or private sale, as to them