

443

the mortgaged property or otherwise, the sinking fund trustee or trustees shall pay over such sinking fund moneys to the Corporate Trustee as security for the payment of the Series A bonds, provided, however, that in case a declaration of the maturity of the principal of the Series A bonds shall have been rescinded or annulled as provided in Section 4 of Article Ninth hereof, the Corporate Trustee shall repay to the sinking fund trustee or trustees any such sinking fund moneys so previously received by it, to be applied by the sinking fund trustee or trustees in accordance with the provisions of this Section 1 of Article Fourth; and provided, further, that in determining any right of the Telephone Company to withdraw for capital expenditures any part of such sinking fund moneys so repaid, the period of the continuance of the said event of default shall be excluded.

Sinking Funds for
other series.

Section 2. In the creation of any other series of bonds here under the Telephone Company may by resolution of its Board of Directors establish a Sinking Fund in respect of such series and fix the amount and other terms of such sinking fund. The provisions in respect of any such sinking fund shall be set forth in an indenture supplementing this indenture, and appropriate references to such sinking fund shall be expressed in each of the bonds of such series.

Sinking Fund
Trustees.

Section 3. The sinking fund trustee or trustees shall be protected in acting upon any instrument or other paper believed by them to be genuine and to have been signed by the proper person. They may perform any of the duties of the trust by attorneys, agents, or employees selected by them, and may act upon the advice of counsel upon any question of law; and they shall not be responsible for any act, mistake or default of any attorney, agent, employee or counsel selected in good faith. In no event shall the sinking fund trustee or trustees be responsible, except for their own gross negligence or wilful fault. The Telephone Company covenants that the reasonable compensation of the sinking fund trustee or trustees for their services under this indenture and also their reasonable expenses from time to time will be paid by the Telephone Company, and for such compensation and expenses the sinking fund trustee and trustees shall have a prior lien upon any moneys in their hands. The sinking fund trustee or trustees may purchase, acquire, hold and dispose of any of the bonds issued hereunder, the same as if they were not holding the office of sinking fund trustee. Any moneys received by the sinking fund trustee or trustees under any provision of this indenture shall be held until paid out conformably herewith, without any liability for interest for the use thereof except such as they shall agree with the Telephone Company to pay thereon. All such interest allowed by the sinking fund trustee or trustees upon moneys in the sinking fund shall, at least quarterly, be paid to the Telephone Company. Any sinking fund trustee or trustees may resign or may be discharged from the trust by giving at least thirty (30) days' written notice to the Telephone Company and ^{and} such trustee or trustees may, by resolution of the Board of Directors