

44.

against loss or damage to the extent that such property is usually insured, or in lieu of or supplementing such insurance, it will adopt such other plan or method of protection against loss or damage by fire whether by the establishment of an insurance reserve or otherwise, as may be determined by the Board of Directors of the Telephone Company. The Proceeds of any such insurance received by the Telephone Company, if not required to be otherwise used by the terms of any prior mortgage covering the property in respect of which such insurance is paid, shall be applied by the Telephone Company to any one or more of the purposes specified in Section 4 of Article Eighth hereof.

Covenant to keep
records of sales
of bonds

Section 10. That it will keep full and complete records and accounts showing the sales of each series of bonds issued hereunder, and the price or prices received therefor, and the several purposes for which the proceeds thereof were expended. Such records and accounts shall be open at all times to the inspection of the Corporate Trustee.

Covenant not to
issue bonds ex-
cept in accord-
ance with mortg-
age.

Section 11. That it will not issue, negotiate, sell or dispose of any bonds issued hereunder in any manner other than in accordance with the provisions of this indenture and the agreements in that behalf herein contained, and in issuing, selling, negotiating or otherwise disposing of such bonds, from time to time, it will well and truly apply the same or the proceeds thereof, or will cause the same to be applied to and for the purposes herein prescribed and to and for no other or different purposes.

Proportionate
part of mort-
gaged stock.

Section 12. That, if bonds, shall have been authenticated under the provisions of subdivision (3) of Part A of Section 5 of Article Second hereof, or deposited moneys paid out under said Section 5, on account of the acquisition of any stock of any corporation, and such corporation shall increase the outstanding amount of any class or classes of its stock pledged with the Corporate Trustee, the Telephone Company will, unless the stock so pledged be duly released from the lien of this indenture, acquire and pledge with the Corporate Trustee such amount, if any, of the stock of such corporation as may be necessary in order that it may own and have pledged with the Corporate Trustee at least a majority of the stock of such corporation, including not less than a majority of the stock having voting power.

That, if bonds shall have been authenticated under the provisions of subdivision (4) of Part A of Section 5 of Article Second hereof, or deposited moneys paid out under said Section 5, on account of expenditures on the property of any corporation, and such corporation shall increase the outstanding amount of any class or classes of its stock pledged with the Corporate Trustee, the Telephone Company will, unless the stock so pledged be duly released from the lien of this indenture if bonds or other obligations secured by a first lien on the property of such corporation shall have been subjected to the lien of this indenture as provided in said Subdivision (4) of Part A of said Section 5, acquire and pledge with the Corporate Trustee such amount, if any, of the stock of such corporation as may be necessary in order that it may own