

entry the Trustee or Trustees in possession, at the expense of the trust estate, from time to time make all necessary or proper repairs, renewals replacements and useful or required alterations, additions, betterments and improvements to and on the trust estate as to them or him may seem judicious, and may pay and satisfy all liens and charges thereon prior to the lien of this indenture, and may insure and keep insured any property subject to the lien of this indenture, and in such case the Trustees or Trustee in possession shall have the right to manage the trust estate and to carry on the business and exercise all rights and powers of the Telephone Company, either in the name of the Telephone Company, or otherwise, as the Trustees or Trustee in possession shall deem best; and the Trustees or Trustee in possession shall be entitled to collect and receive all earnings income rents issues and profits of the same and every part thereof. After deducting the expenses of operating said trust estate and of conducting the business thereof, and of all repairs, maintenance, renewals, replacements, alterations, additions, betterments, improvements and all payments which the Trustees or Trustee in possession may be required or may elect to make for taxes, assessments, insurance or prior interest or other proper prior charges on said trust estate, or any part thereof, as well as just and reasonable compensation for the services of the Trustees, and for all agents, clerks, and other employees, and for all attorneys and counsel by them, or either of them, properly engaged and employed, the Trustees or Trustee in possession shall apply the moneys arising as aforesaid as follows:

Application of  
income.

If principal  
not due.

In case the principal of none of the bonds issued hereunder shall have become due and be unpaid, to the payment of the interest in default, in the order of the maturity of the installments of such interest with interest thereon at the same rate as is borne by the bonds upon which such interest is due; such payments to be made ratably to the persons entitled thereto without discrimination or preference.

if principal due

In case the principal of any of the bonds issued hereunder shall have become due, by declaration or otherwise, and shall be unpaid, first to the payment of the accrued interest (with the interest on the overdue installments thereon at the same rate as is borne by the bonds on which such interest is due), in the order of the maturity of the installments of such interest, and then to the payment of the principal of all the bonds issued hereunder then due; in every instance such payments to be made ratably to the persons entitled to such payments without any discriminations or preference.

The foregoing provisions are, however, subject to the provisions of Section 1 of this Article Ninth.

Upon payment in full of whatever may be due for principal or interest, or both, as the case may be, and the expenses of the Trustees, and in case all other defaults have been made good or secured to the satisfaction of the Corporate Trustee, possession of the mortgaged premises shall be returned to the Telephone Company or to whosoever shall be entitled thereto.