

continued for the period of ninety days, or (2) in case default shall be made in the payment of the principal of any such bond or bonds when the same shall become payable, whether upon the maturity of said bonds, or upon the declaration or otherwise, then, upon demand of the Corporate Trustee, the Telephone Company will pay to the Corporate Trustee for the benefit of the holders of such bonds and coupons then outstanding, the whole amount that then shall have become due and payable on all such bonds and coupons then outstanding, for interest or principal, or both, as the case may be, with interest upon the overdue principal and installments of interest at the same rates respectively as were borne by the respective bonds whereof the principal or installments of interest shall be overdue; and in case the Telephone Company shall fail to pay the same forthwith upon such demand, the Trustees, or either of them, (the other having in writing given assent there to), in their his or its own name or name, and as the trustees or trustee of an express trust, shall be entitled to recover judgment against the Telephone Company for the whole amount so due and unpaid.

Upon failure to pay, Trustees entitled to judgment

The Trustees, or either of them, shall be entitled to recover judgment as aforesaid, either before or after or during the pendency of any proceedings for the enforcement of the lien of this indenture, and the right of the Trustees to recover such judgment shall not be affected by any entry or sale hereunder, or by the exercise of any other right, power or remedy for the enforcement of the provisions of this indenture or the foreclosure of the lien hereof; and in case of a sale of the mortgaged premises or any part thereof, the Trustees or either of them, (the other having in writing given assent thereto), in their, his or its own names or name and as Trustees or Trustee of an express trust, shall be entitled to enforce payment of, and to receive, all amounts then remaining due and unpaid upon any and all of such bonds, and coupons outstanding hereunder, for the benefit of the holders thereof, and shall be entitled to sue for and recover judgment for any portion of the said debt remaining unpaid, with interest. No recovery of any such judgment by the Trustees, or either of them, and no levy of any execution upon property subject to the lien of this indenture or upon any other property, shall in any manner, or to any extent, affect the lien of this indenture upon the property, or any part thereof, subject to this indenture, or any lien, rights, powers or remedies of the Trustees hereunder, or any lien, rights, powers or remedies of the holders of such bonds, but such lien, rights, and powers and remedies shall continue unimpaired as before.

Application of moneys collected by Trustees.

Any moneys thus collected by the Trustees, or either of them under this Section 13, shall be applied by the Trustees first, to the payment of the expenses, disbursements and compensation of the Trustees, their agents and attorneys, and, second, toward the payment of the amounts then due and unpaid upon such bonds and coupons, in respect of or for the benefit of which such moneys shall have been collected ratably, and without preference or priority of any kind, except as provided in Section 1, of this Article