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Orig. Tel. Indt. T-6
4245

Corporation shall (a) to the extent necessary, replace the same by, or substitute therefor, other property of the same kind and nature, which shall be subject to the lien hereof, free and clear of all prior liens, and apply any proceeds derived from such sale or other disposition of such property and not needed for the replacement thereof to the payment of the indebtedness evidenced by the notes; or (b) immediately upon the receipt of the proceeds of any sale or other disposition of said property, apply the entire amount of such proceeds to the payment of the indebtedness evidenced by the notes; or (c) deposit all or such part of the proceeds derived from the sale or other disposition of said property as the majority noteholders shall specify in such restricted bank accounts as such holder or holders shall designate, and shall use the same only for such additions to or improvements of the Trust Estate and on such terms and conditions as such holder or holders shall specify.

SECTION 5. (a) The Corporation will at all times maintain and preserve the Trust Estate in good repair, working order and condition, and will from time to time make all needful and proper repairs, renewals and replacements and useful and proper alterations, additions, betterments and improvements, and will, subject to contingencies beyond its reasonable control, at all times keep its plant and properties in continuous operation and use all reasonable diligence to furnish the subscribers served by it through the Trust Estate with adequate telephone service.

(b) In the event that the Corporation incurs expense for maintenance of the Trust Estate for any fiscal year in an amount less than eighteen per centum (18%) of its operating revenues for said year, the amount by which eighteen per centum (18%) of such operating revenues exceeds maintenance expense for said year shall be transferred in its books, records and accounts, required to be kept by the Corporation pursuant to the provisions of section 11 of article II hereof, from the Unappropriated Earned Surplus Account to an earned surplus reserve to be called the "Earned Surplus Maintenance Reserve"; provided, however, that the amount thus transferred shall not exceed the accumulated balance then in the Unappropriated Earned Surplus Account; and provided, further, that transfers to the Earned Surplus Maintenance Reserve required to be made hereunder shall be made before transfers are made from the Unappropriated Earned Surplus Account for any other purpose. In the event that the Corporation incurs expense for such maintenance for any fiscal year in an amount in excess of eighteen per centum (18%) of its operating revenues for said year, the amount of such excess shall be transferred from the accumulated balance in its Earned Surplus Maintenance Reserve to the Unappropriated Earned Surplus Account; provided, however, that the amount thus transferred shall not exceed the accumulated balance then in the Earned Surplus Maintenance Reserve. If at the end of any fiscal year, the accumulated balance in its Earned Surplus Maintenance Reserve exceeds forty per centum (40%) of its operating revenues for said year, the Corporation will promptly make prepayments on account of the principal of one or more of the notes in the amount of such excess, and such amount shall be transferred from the accumulated balance in its Earned Surplus Maintenance Reserve. The terms "maintenance" and "Unappropriated Earned Surplus Account" as used in this Indenture shall have the meanings presently prescribed for these terms by the state regulatory body having jurisdiction over the Corporation, or in the absence of a definition of these terms by such state regulatory body, these terms shall have the meanings prescribed by such state regulatory body for terms corresponding most closely in substance to these terms as presently defined by the Federal Communications Commission, or in the absence of such state regulatory body or such prescription, these terms shall have the meanings presently prescribed for these terms by the Federal Communications Commission.

(c) The Corporation will, within ninety (90) days after the end of each fiscal year, furnish each noteholder, as a part of the annual reports required to be furnished pursuant to section 11 of article II hereof, with a statement of the Corporation's expense for maintenance, and amounts transferred to or from, and balances remaining in, the Unappropriated Earned Surplus Account and the Earned Surplus Maintenance Reserve.