

(d) As used in this section 15, the following terms shall have these meanings:

- (1) The term "adjusted net worth" means the sum of the Corporation's "Stock," "Other Capital Surplus" and "Earned Surplus" accounts, less "adjustments."
- (2) The term "adjusted assets" means the sum of the Corporation's accounts classified as "Investments," "Current Assets," "Other Assets," and "Prepaid Accounts and Deferred Charges," plus an amount equal to the amount of loan funds still to be advanced under the Loan Contract, as it may have been amended, if such amount has not been recorded as "Subscriptions to Funded Debt," less the sum of the "Depreciation Reserve," and "Amortization Reserve" accounts and "adjustments."
- (3) The term "adjustments" used in the foregoing definitions means the sum of the following: "Investments in Affiliated Companies," "Advances to Affiliated Companies," "Telephone Plant Acquisition Adjustment" debit amounts in excess of "Amortization Reserve," "Telephone Plant Adjustment" debit balances, "Company Securities Owned," unpaid "Subscriptions to Capital Stock," and "Discount on Capital Stock."
- (4) Titles of accounts or groups of accounts and other terms describing accounting transactions, used in the foregoing definitions or in this section 15, shall have the meanings prescribed for them by the Federal Communications Commission in its prevailing uniform system of accounts for Class 1 telephone companies. These terms shall also apply to accounts, or groups of accounts, of the Corporation, regardless of the account title or the system of accounts used, if such accounts have substantially the same meaning as terms referred to in such uniform system of accounts.

SECTION 16. In the event that the Trust Estate, or any part thereof, shall be taken under the power of eminent domain, all proceeds and avails therefrom, except to the extent that all noteholders shall consent to other use and application thereof by the Corporation, shall forthwith be applied by the Corporation: first, to the ratable payment of any indebtedness by this Indenture secured other than principal or interest on the notes; second, to the ratable payment of interest which shall have accrued on the notes and be unpaid; third, to the ratable payment of or on account of the unpaid principal of the notes; and, fourth, the balance shall be paid to whosoever shall be entitled thereto.

SECTION 17. The Corporation will well and truly observe and perform all of the covenants, agreements, terms and conditions contained in the Loan Contract, on its part to be observed or performed, and will well and truly observe and perform all of the covenants, agreements, terms and conditions contained in the Underlying Mortgage, except to the extent that any of the same are inconsistent herewith.

SECTION 18. The Government is obligated to advance the sum of three million seventy-four thousand dollars (\$3,074,000) (hereinafter called the "Loan"), the full amount of the loans provided for in the Loan Contract, as amended by four certain agreements, dated, respectively, as of January 28, 1959, as of October 26, 1959, as of March 8, 1962, and as of July 29, 1971, between the Government and the Corporation, provided, however, that the Government shall not be required to make any advance on account of the Loan unless the Corporation shall have satisfied all provisions of the Loan Contract, as amended, prerequisite to such advance. No obligation of the Corporation to the Government, incurred prior to the date of this Indenture, may be secured hereunder.

Ref. Tel. Indt. Comm. 3-22-1-610 of the records of the Corporation. III/63