

Section 7. The Company covenants and agrees

(a) That said Subsidiary will pay all taxes and assessments lawfully levied or assessed upon the property of said Subsidiary or any part thereof within said service area, or upon any income therefrom, when the same shall become due and will duly observe and conform to all valid requirements of any governmental authority relative to any of its property; provided, however, that nothing herein contained shall require said Subsidiary to observe or conform to any requirement or governmental authority or to pay any such tax or assessment so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings; provided, further, that nothing herein contained shall prohibit said Subsidiary from acquiring or holding property subject to easements, conditions or restrictions not materially impairing its usefulness and said Subsidiary's business.

(b) That said Subsidiary will keep or cause to be kept insured all of its plants, buildings, stations, machinery, equipment, apparatus and appliances in good and responsible insurance companies against loss, destruction or damage by fire, or other casualty, the risk against which and to the extent that such property is usually insured by other corporations in similar business.

(c) That said Subsidiary will at all times keep or cause to be kept proper books of record and account in accordance with sound telephone utility accounting practices.

(d) That the business of said Subsidiary will be continuously carried on and conducted in a business-like manner; that all property, plants, appliances and equipment of said Subsidiary used and useful in the carrying on of its business in said service area will be