

assistance, extended scope or switching services to be furnished by or for connecting or other companies; provided, however, that such approval shall not be required for any toll traffic or operator assistance contracts which in form and substance conform with contracts in general use in the telephone industry; or (b) deposit any of its funds, regardless of the source thereof, in any bank which is not insured by the Federal Deposit Insurance Corporation, or the successor thereof.

SECTION 10. Salaries, wages and other compensation paid by the Mortgagor for services, and directors' fees shall be reasonable and in conformity with the usual practice of corporations of the size and nature of the Mortgagor.

SECTION 11. The Mortgagor will at all times keep, and safely preserve, proper books, records and accounts in which full and true entries will be made of all of the dealings, business and affairs of the Mortgagor, in accordance with methods of accounting prescribed by the state regulatory body having jurisdiction over the Mortgagor, or in the absence of such regulatory body or such prescription, by the Federal Communications Commission. The Mortgagor will furnish each noteholder: (a) not later than the thirtieth day of January, April, July and October in each year, a statement of operations for the three calendar months preceding said months, including, without limitation, an analysis of the Mortgagor's revenues, expenses and subscriber accounts for such preceding three months, and, if requested by the majority noteholders, such statement shall be in such form and include therein such other information as may be specified in such request; and (b) within ninety (90) days after the close of each fiscal year, full and complete reports, certified by its Treasurer, of its financial condition as of the end of such fiscal year and of its operations for such period, and, if requested by the majority noteholders, such reports shall be audited and certified by independent public accountants satisfactory to such noteholder or noteholders. Any noteholder, through its representatives, shall at all times during reasonable business hours have access to, and the right to inspect and make copies of any or all books, records and accounts, and any or all invoices, contracts, leases, payrolls, canceled checks, statements and other documents and papers of every kind pertaining to the Mortgagor's property or business.

SECTION 12(a). The Mortgagor will from time to time upon written demand of the majority noteholders make, execute, acknowledge and deliver or cause to be made, executed, acknowledged and delivered all such further and supplemental mortgages, instruments and conveyances, and take or cause to be taken all such further action, as may reasonably be requested by such noteholders to effectuate the intention of these presents and to provide for the securing and payment of the principal of and interest on the notes and for the purpose of fully conveying, transferring and confirming unto the Mortgagee the property hereby conveyed, mortgaged and pledged, or intended so to be, whether now owned by the Mortgagor or hereafter acquired by it. The Mortgagor will cause this Mortgage and any and all supplemental mortgages and every additional instrument which shall be executed pursuant to the foregoing provisions forthwith upon execution to be recorded and filed and rerecorded and refiled as conveyances and mortgages of real and personal property in such manner and in such places as may be required by law in order fully to preserve the security for the notes and to perfect and maintain the superior lien of this Mortgage and all supplemental mortgages and the rights and remedies of the Mortgagee and the noteholders.

(b) In the event that the Mortgagor has had or suffers a deficit in net income, as determined in accordance with methods of accounting prescribed in section 11 of article II hereof, for any of the five fiscal years immediately preceding the date hereof or for any fiscal year while any of the notes are outstanding, the Mortgagor will at any time or times upon written demand of the majority noteholders make, execute, acknowledge and deliver or cause to be made, executed, acknowledged and delivered all such further and supplemental mortgages, instruments and conveyances, and take or cause to be taken all such further action, as may reasonably be requested by such noteholders in order to include in this Mortgage, as Mortgaged Property, and to subject to all the terms and conditions of this Mortgage, all right, title and interest of the Mortgagor in and to, all and singular, the automobiles, trucks, trailers,