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together with all rents, income, revenues, profits, and benefits at any time derived, received or had from any and all of the above-described property of the Mortgagor, TO HAVE AND TO HOLD the same forever, for the uses and purposes and upon the terms, conditions, provisos and agreements expressed and declared in the Mortgage, as amended and supplemented hereby.

2. The Outstanding Notes are hereby confirmed as notes of the Mortgagor entitled to the security of the Mortgage, as amended and supplemented by this Supplemental Mortgage, and of the property by the Mortgage and this Supplemental Mortgage mortgaged and pledged, or intended so to be, equally and ratably with one another and with other notes of the Mortgagor when and as executed and delivered under and pursuant to the Mortgage, as amended and supplemented hereby, without preference, priority or distinction of any one of the Outstanding Notes or such other notes over any other thereof and irrespective of the dates of the execution, delivery or maturity thereof, or of the assignment or negotiation thereof.

3. Section 15 of article II of the Mortgage is amended to read as follows:

SECTION 15. (a) The Mortgagor will not declare or pay any dividends on its Capital Stock or purchase or redeem any of its Capital Stock, unless after such action:

- (1) the Mortgagor's adjusted net worth will be at least ten percentum (10%) of its adjusted assets; and
- (2) there will be a credit balance in its Unappropriated Earned Surplus account after transferring therefrom amounts required as reserves under other sections of this Mortgage; and
- (3) its Current Assets will equal or exceed its Current Liabilities plus four percentum (4%) of the amounts advanced on all outstanding notes not repaid in full, less prepayments on such notes, provided, however, if such prepayments exceed four percentum (4%) of the amounts advanced on such notes, its Current Assets will equal or exceed its Current Liabilities;

provided, however, that the foregoing requirements shall not apply to the declaration or payment by the Mortgagor of dividends on issues of preferred stock, if the terms of such issues have been approved by the majority noteholders in writing.

(b) During such time or times as the Mortgagor's adjusted net worth is less than ten percentum (10%) of its adjusted assets, the Mortgagor will:

- (1) when requested in writing by the majority noteholders, make no increases in salaries, wages, fees and other compensation paid to officers, directors and employees of the Mortgagor without prior written approval of the majority noteholders; and
- (2) promptly furnish the majority noteholders with certified copies of the minutes of all meetings of its stockholders and directors; and
- (3) take all required action to increase its charges for telephone service or to execute a plan, acceptable to and approved in writing by the majority noteholders, for reducing expenses, if the operation of the Mortgaged Property for the preceding calendar year resulted in a decrease in the Mortgagor's Earned Surplus accounts and if so requested in writing by the majority noteholders; and