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SECTION 5. The Mortgagor will at all times, so long as any of the notes shall be outstanding, take or cause to be taken all such action as from time to time may be necessary to preserve its corporate existence and to preserve and renew all franchises, rights of way, easements, permits and licenses now or hereafter to it granted or upon it conferred, and will comply with all valid laws, ordinances, regulations and requirements applicable to it or its property. The Mortgagor will not, without the approval in writing of the majority noteholders, take or suffer to be taken any steps for reorganization or to consolidate with or merge into any other corporation or to sell, lease or transfer (or make any agreement therefor) the Mortgaged Property, or any part thereof. The Mortgagor may, however, without obtaining the approval of the holder or holders of any of the notes at the time outstanding, at any time or from time to time so long as the Mortgagor is not in default hereunder, sell or otherwise dispose of, free from the lien hereof, any of its property which is neither necessary to nor useful for the operation of the Mortgagor's business, or which has become obsolete, worn out or damaged or otherwise unsuitable for the purposes of the Mortgagor; provided, however, that the Mortgagor 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 of 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 Mortgaged Property and on such terms and conditions as such holder or holders shall specify.

SECTION 6. The Mortgagor will at all times maintain and preserve the Mortgaged Property and each and every part and parcel thereof 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 Mortgaged Property, or any part thereof, with adequate telephone service.

SECTION 7. Except as specifically authorized in writing in advance by the majority noteholders, the Mortgagor will purchase all materials, equipment, supplies and replacements to be incorporated in or used in connection with the Mortgaged Property outright, and not subject to any conditional sales agreement, chattel mortgage, bailment lease, or other agreement reserving to the seller any right, title or lien.

SECTION 8. (a) The Mortgagor will take out, as the respective risks are incurred, and maintain insurance (including, without limitation, fidelity and other bonds) of such classes and in such amounts, and from time to time make such changes in respect thereof, as the majority noteholders shall have determined to be advisable to safeguard the interest of the noteholders. The Mortgagor will, upon request of the majority noteholders, submit to the noteholder designated in such request a schedule of its insurance in effect on the date specified in such request and also originals or duplicate original of such insurance policies or bonds as may be requested. If the Mortgagor shall at any time fail or refuse to take out or maintain insurance or to make changes in respect thereof, upon appropriate request by such noteholder or noteholders, such noteholder or noteholders may take out such insurance on behalf and in the name of the Mortgagor, and the Mortgagor will pay the cost thereof.