

- (1) the Corporation'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 Indenture; 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 Corporation of dividends on issues of preferred stock, if the terms of such issues have been approved by the majority note-holders in writing.

(b) During such time or times as the Corporation's adjusted net worth is less than ten percentum (10%) of its adjusted assets, the Corporation 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 Corporation 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 Trust Estate for the preceding calendar year resulted in a decrease in the Corporation's Earned Surplus accounts and if so requested in writing by the majority noteholder; and
- (4) when requested in writing by the majority noteholders, submit to them for written approval a plan or plans for obtaining any equity funds that may be required by the Loan Contract, as it may be amended, and take all required action to effectuate the approved plan or plans.

The restrictions, limitations and requirements specified in this subsection (b) shall be cumulative and shall be in addition to every other restriction, limitation and requirement imposed in this Indenture upon the Corporation.

(c) 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 reservations of Earned Surplus required by other sections of this Indenture, and less "adjustments".
- (2) The term "adjusted assets" means the sum of the Corporation's Investments, Current Assets, Other Assets, 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 and less Depreciation Reserve, Amortization Reserve, and "adjustments".
- (3) The term "adjustments" used in the foregoing definitions means the sum of the following: investments in affiliated companies which are borrowers from the Rural Electrification Administration; advances to affiliated companies which are borrowers from the Rural