

If at the end of any fiscal year, the accumulated balance in its Earned Surplus Maintenance Reserve exceeds forty per centum (40%) of its operating revenues for said year, the Mortgagor will promptly make prepayments on account of the principal of one or more of the notes in the amount of such excess, and such amount shall be transferred from the accumulated balance in its Earned Surplus Maintenance Reserve. The terms "maintenance" and "Unappropriated Earned Surplus Account" as used in this Mortgage shall have the meanings presently prescribed for these terms by the state regulatory body having jurisdiction over the Mortgagor, or in the absence of a definition of these terms by such state regulatory body, these terms shall have the meanings prescribed by such state regulatory body for terms corresponding most closely in substance to these terms as presently defined by the Federal Communications Commission, or in the absence of such state regulatory body or such prescription, these terms shall have the meanings presently prescribed for these terms by the Federal Communications Commission.

"(c) The Mortgagor will, within ninety (90) days after the end of each fiscal year, furnish each noteholder, as a part of the annual reports required to be furnished pursuant to section 11 of article II hereof, with a statement of the Mortgagor's expense for maintenance, and amounts transferred to or from, and balances remaining in, the Unappropriated Earned Surplus Account and the Earned Surplus Maintenance Reserve.

"SECTION 6. 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 7. (a) The Mortgagor will take out, as the respective risks are incurred, and maintain the following classes and amounts of insurance: (1) Fidelity bonds covering all officers, employees and collection agents of the Mortgagor, in a minimum amount of \$10,000 for each such officer, employee or collection agent if annual gross revenues received from the Mortgaged Property are less than \$100,000, with an increase in such minimum coverage of \$5,000 for each multiple of \$50,000 by which the annual gross revenues received from the Mortgaged Property exceed \$100,000; provided, however, that no more than \$50,000 coverage shall be required; (2) Fire, and either windstorm or extended coverage insurance, in amounts not less than 80% of the actual current cash value of the property insured, on the Mortgaged Property, including all buildings, equipment, supplies and materials, exclusive of telephone lines and materials stored in the open and not within 100 feet of any building, but including fire insurance on poles wherever stored; (3) Fire, theft, and windstorm insurance, in amounts not less than the actual cash value of the property insured, on all motor vehicles, trailers and semi-trailers owned by the Mortgagor and used in the conduct of the Mortgagor's business, whether or not such property is part of the Mortgaged Property; (4) Public liability and property damage liability insurance, covering ownership liability, and all operations of the Mortgagor, with limits for bodily injury or death of not less than \$50,000 for one person and \$100,000 for each accident, and with limits for property damage of not less than \$25,000 for each accident and \$50,000 aggregate for the policy period; (5) Liability insurance on all motor vehicles, trailers and semi-trailers used in the conduct of the Mortgagor's business, whether owned, non-owned or hired by the Mortgagor, with public liability limits of not less than \$50,000 for one person and \$100,000 for each accident, and with property damage limits of \$25,000 for each accident; and (6) Workmen's compensation insurance covering all employees of the Mortgagor, in such amounts as may be required by law, or if the Mortgagor or any of its employees are not subject to the workmen's compensation laws of the State or States in which the Mortgagor conducts its operations, then its workmen's compensation policy shall provide voluntary compensation coverage to the same extent as though the Mortgagor and such employees were subject to such laws; and including "extra legal" medical aid coverage, and, in all cases where occupational disease liability may exist, occupational disease liability coverage, in limits of not less than \$10,000 for any one employee and \$25,000 aggregate for the policy period.