

Ref. Tol. Ind. Com. T-22, I-610

Rev. 6/54

Corporation 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 to 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 Trust Estate and on such terms and conditions as such holder or holders shall specify.

SECTION 5. The Corporation will at all times maintain and preserve the Trust Estate 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 Trust Estate with adequate telephone service.

SECTION 6. Except as specifically authorized in writing in advance by the majority noteholders, the Corporation will purchase all materials, equipment, supplies and replacements to be incorporated in or used in connection with the Trust Estate 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 Corporation will take out, as the respective risks are incurred, and maintain the following classes and amounts of insurance:

(1) Fidelity bonds covering each officer and employee of the Corporation in not less than the following amounts, based on the estimated annual gross revenues (including gross toll collected) of the Trust Estate:

Annual Gross Revenue		Amount of Coverage
From	Less than \$ 200,000	\$ 10,000
	200,001 to 400,000	20,000
	400,001 to 600,000	40,000
	600,001 to 800,000	60,000
	800,001 to 1,000,000	80,000
	Over 1,000,000	100,000

and each collection agent of the Corporation shall be included in such fidelity bonds for not less than \$2,500, or 10 percent of the highest amount collected annually by any one collection agent, whichever is greater; (2) Workmen's compensation insurance covering all employees of the Corporation, in such amounts as may be required by law, or if the Corporation or any of its employees are not subject to the workmen's compensation laws of the State or States in which the Corporation conducts its operations, then its workmen's compensation policy shall provide voluntary compensation coverage to the same extent as though the Corporation and such employees were subject to such laws; and including occupational disease liability coverage, and "additional medical" coverage of not less than \$10,000 in States where full medical coverage is not required by law; (3) Public liability and property damage liability insurance, covering ownership liability, and all operations of the Corporation, with limits for bodily injury or death of not less than \$100,000 for one person and \$300,000 for each accident, and with limits for property damage of not less than \$50,000 for each accident and \$100,000 aggregate for the policy period; (4) Liability insurance on all motor vehicles, trailers, semi-trailers, and aircraft used in the conduct of the Corporation's business, whether owned, non-owned or hired by the Corporation, with bodily injury limits of not less than \$100,000 for one person and