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Five per centum (5%) per annum shall be deemed a charge upon the Trust Estate in the case of any notes or bonds if the same outstanding are secured and shall be forthwith paid to the trustee or noteholder or noteholders making such advance or advances upon demand. It shall not be obligatory for the trustee or any noteholder in making any such advances or expenditures to inquire into the validity of any such tax title, or of any such taxes or assessments or sales therefor, or of any such mechanics' liens or other encumbrance.

The Corporation will not, without the approval in writing of the majority noteholders, (a) enter into any contract or contracts for the operation or maintenance of all or any part of its property, for the use by others of any of the Trust Estate, or for toll traffic, operator assistance, extended scope or switching services to be furnished by or for connecting or other companies; provided, however, that such approval shall not be required for any toll traffic or operator assistance contracts which in form and substance conform with contracts in general use in the telephone industry; or (b) deposit any of its funds, regardless of the source thereof, in any bank which is not insured by the Federal Deposit Insurance Corporation, or the successor thereof.

SECTION 10. Salaries, wages and other compensation paid by the Corporation for services, and directors' fees shall be reasonable and in conformity with the usual practice of corporations of the size and nature of the Corporation. Except as specifically authorized in writing in advance by the majority noteholders, the Corporation will make no advance payments or loans, or in any manner extend its credit, either directly or indirectly, with or without interest, to any of its directors, trustees, officers, employees, stockholders, members or affiliated companies. As used in this section, the term "affiliated companies" shall have the meaning prescribed for this term by the Federal Communications Commission in its prevailing uniform system of accounts for Class A telephone companies.

SECTION 11. The Corporation will at all times keep, and safely preserve, proper books, records and accounts in which full and true entries will be made of all of the dealings, business and affairs of the Corporation, in accordance with methods of accounting prescribed by the state regulatory body having jurisdiction over the Corporation, or in the absence of such regulatory body or such prescription, by the Federal Communications Commission. The Corporation will furnish each noteholder: (a) not later than the thirtieth day of January, April, July and October in each year, a statement of operations for the three calendar months preceding said months, including, without limitation, an analysis of the Corporation's revenues, expenses and subscriber accounts for such preceding three months and if requested by the majority noteholders, such statement shall be in such form and include therein such other information as may be specified in such request; and (b) within ninety (90) days after the close of each fiscal year, full and complete reports, certified by its Treasurer, of its financial condition as of the end of such fiscal year and of its operations for such period, and, if requested by the majority noteholders, such reports shall be audited and certified by independent public accountants satisfactory to such noteholder or noteholders. Any noteholder, through its representatives, shall at all times during reasonable business hours have access to, and the right to inspect and make copies of any or all books, records and accounts, and any or all invoices, contracts, leases, payrolls, canceled checks, statements and other documents and papers of every kind pertaining to the Corporation's property or business.

SECTION 12. (a) The Corporation will from time to time upon written demand of the majority noteholders make, execute, acknowledge and deliver or cause to be made, executed, acknowledged and delivered all such further and supplemental mortgages, deeds of trust, instruments and conveyances, and take or cause to be taken all such further action, as may reasonably be requested by such noteholders to effectuate the intention of these presents and to provide for the securing and payment of the principal of and interest on the notes and for the purpose of fully conveying, transferring and confirming unto the trustee the property hereby conveyed and transferred, or intended so to be, whether now owned by the Corporation or hereafter