

- (3) The term "adjustments" used in the foregoing definitions means the sum of the following: "Investments in Affiliated Companies," "Advances to Affiliated Companies," "Telephone Plant Acquisition Adjustment" debit amounts in excess of "Amortization Reserve," "Telephone Plant Adjustment" debit balances, "Company Securities Owned," unpaid "Subscriptions to Capital Stock," and "Discount on Capital Stock."
- (4) Titles of accounts or groups of accounts and other terms describing accounting transactions, used in the foregoing definitions or in this section 15, shall have the meanings prescribed for them by the Federal Communications Commission in its prevailing uniform system of accounts for Class A telephone companies. These terms shall also apply to accounts, or groups of accounts, of the Mortgagor, regardless of the account title or the system of accounts used, if such accounts have substantially the same meaning as terms referred to in such uniform system of accounts.

SECTION 16. In the event that the Mortgaged Property, or any part thereof, shall be taken under the power of eminent domain, all proceeds and avails therefrom, except to the extent that all noteholders shall consent to other use and application thereof by the Mortgagor, shall forthwith be applied by the Mortgagor: first, to the ratable payment of any indebtedness by this Mortgage secured other than principal of or interest on the notes; second, to the ratable payment of interest which shall have accrued on the notes and be unpaid; third, to the ratable payment of or on account of the unpaid principal of the notes; and fourth, the balance shall be paid to whosoever shall be entitled thereto.

SECTION 17. The Mortgagor will well and truly observe and perform all of the covenants, agreements, terms and conditions contained in the Loan Contract, on its part to be observed or performed, and will well and truly observe and perform all of the covenants, agreements, terms and conditions contained in the Underlying Mortgage, except to the extent that any of the same are inconsistent herewith.

SECTION 18. Notwithstanding anything contained in the Loan Contract, as from time to time amended, or in the notes, the Mortgagor shall, at any time or times when the amount of the Mortgagor's general funds exceeds twenty percent of its total telephone plant and to the extent required in writing by the holder or holders of not less than a majority in principal amount of the notes at the time outstanding, make payments of or on account of the principal of any one or more of the notes designated by such noteholder or noteholders, either prior to the time or in excess of the amount provided for in any one or more of the notes in respect of which the payments are to be made; provided, however, that payments required to be made pursuant to this section do not reduce the Mortgagor's general funds below fifteen percent of its total telephone plant. As used in this section: (a) the term "general funds" means the sum of the following accounts of the Mortgagor: "Investments in Affiliated Companies," "Advances to Affiliated Companies," "Other Investments," "Miscellaneous Physical Property," "Sinking Funds," "Cash" (except for cash in the "Cash - REA Construction Fund - Trustee Account"), "Special Cash Deposits," "Working Funds," and "Temporary Cash Investments;" and (b) the term "total telephone plant" means the sum of the following accounts: "Telephone Plant in Service," "Telephone Plant Under Construction," "Property Held for Future Telephone Use," "Telephone Plant Acquisition Adjustment," and "Telephone Plant Adjustment." Titles of accounts used in the foregoing definitions shall have the meanings prescribed for them by the Federal Communications Commission in its prevailing uniform system of accounts for Class A telephone companies. These titles and definitions shall also apply to accounts of the Mortgagor which have substantially the same meanings as those referred to in such uniform system of accounts regardless of the account title or the system of accounts actually used by the Mortgagor.