

to save the Mortgaged Property from sale or forfeiture for any unpaid tax or assessment, or otherwise, or to redeem the same from any tax or other sale, or to purchase any tax title thereon, or to remove or purchase any mechanics' liens or other encumbrance thereon, or to make repairs thereon or to comply with any other covenant herein contained or to prosecute or defend any suit in relation to the Mortgaged Property or in any manner to protect the Mortgaged Property and the title thereto, and all sums so advanced for any of the aforesaid purposes with interest thereon at the rate of five per centum (5%) per annum shall be deemed a charge upon the Mortgaged Property in the same manner as the notes at the time outstanding are secured and shall be forthwith paid to the noteholder or noteholders making such advance or advances upon demand. It shall not be obligatory for any noteholder in making any such advances or expenditures to inquire into the validity of any such tax title, or of any of such taxes or assessments or sales therefor, or of any such mechanics' liens or other encumbrance.

SECTION 10. The Mortgagor will not, without the approval in writing of the holder or holders of not less than a majority in principal amount of the notes at the time outstanding: (a) construct, make, lease, purchase or otherwise acquire any extensions or additions to its system or enter into any contract therefor, except such extensions or additions as may be financed with loans evidenced by additional notes; (b) construct any consumer services at its expense in excess of one pole and one span of wire in addition to a service drop not more than one hundred fifty (150) feet in length; (c) enter into any contract or contracts for the operation or maintenance of all or any part of its property, for the purchase of electric energy, or for the use by others of any of its property; (d) incur any expenses for legal, engineering, supervisory, accounting or other similar services, except such reasonable expenses as are incurred in the routine course of business; or (e) deposit any of its funds, regardless of the source thereof, in any bank or other depository which is not a member of the Federal Deposit Insurance Corporation, or the successor thereof, or of a Federal Reserve Bank.

SECTION 11. The Mortgagor will not pay its directors, as such, any salaries for their services, except such as shall have been approved by the holder or holders of not less than a majority in principal amount of the notes at the time outstanding, provided that nothing herein contained shall preclude any director from serving the Mortgagor in any other capacity and receiving compensation therefor. Salaries and wages paid officers and employees shall be reasonable and in conformity with the usual practice of corporations of the size and nature of the Mortgagor.

SECTION 12. The Mortgagor will at all times keep proper books, records, and accounts in which full and true entries will be made of all of the dealings, business and affairs of the Mortgagor, in accordance with good accounting practice. The Mortgagor will furnish each noteholder: (a) not later than the tenth day of each month a statement of operations for the preceding month, including, without limitation, an analysis of the Mortgagor's revenues, expenses and consumer accounts for the preceding month, and, if directed by the holder or holders of not less than a majority in principal amount of the notes at the time outstanding, such statement shall be in such form and include therein such information as may be specified in such direction; and (b) within thirty (30) 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 holder or holders of not less than a majority in principal amount of the notes at the time outstanding, such reports shall be audited and certified by independent public accountants satisfactory to such noteholder or noteholders. Any noteholder, through its agents, representatives, accountants or attorneys, 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 belonging to or in the possession of the Mortgagor or in anywise pertaining to its property or business.

- 8 -