

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 Corporation 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 therein contained shall preclude any director from serving the Corporation 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 Corporation.

SECTION 12. The Corporation will at all times keep proper books, records, and accounts in which full and true entries will be made of all the dealings, business, and affairs of the Corporation, in accordance with good accounting practice. The Corporation 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 Corporation'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, pay rolls, canceled checks, statements, and other documents and papers of every kind belonging to or in the possession of the Corporation or in anywise pertaining to its property or business.

SECTION 13. The Corporation will from time to time upon written demand of the holder or holders of not less than a majority in principal amount of the notes at the time outstanding: (a) make, execute, acknowledge, and deliver or cause to be made, executed, acknowledged, and delivered all such further and supplemental deeds of trust, mortgages, instruments, and conveyances as may reasonably be requested by such noteholder or noteholders; and (b) take or cause to be taken all such further action as may reasonably be requested by such noteholder or noteholders to effectuate the intention of these presents and to provide for the