

holder or holders of not less than a majority in principal amount of the notes at the time outstanding. If, during the period prior to the date when the Corporation shall be obligated to make the first payment on account of the principal of the first of the Outstanding Notes, or any note issued to refund or in substitution for such note, and thereafter during such periods as the Corporation shall be in default in the making of a payment or payments of principal or of interest on one or more of the notes, the holder or holders of not less than a majority in principal amount of the notes at the time outstanding shall at any time give notice to the Corporation that in their opinion any such transmission and distribution system, transmission line or generating plant is not being efficiently operated and shall request the termination of the employment of any such manager or superintendent, or of any such chief operator, engineer, or employee, or shall request the termination of any operating contract in respect of any such transmission and distribution system, transmission line or generating plant, the Corporation will terminate such employment or operating contract within thirty (30) days after the date of such notice. All contracts in respect of the employment of any such manager or superintendent, or of any such chief operator, engineer or employee, or for the operation of any such transmission and distribution system, transmission line or generating plant, shall contain provisions to permit compliance with the foregoing covenants.

SECTION 19. The Corporation will well and truly observe and perform all of the covenants, agreements, terms, and conditions contained in the Loan Contract, as from time to time amended, on its part to be observed or performed.

SECTION 20. Notwithstanding anything contained in the Loan Contract, as from time to time amended, or in the notes, the Corporation will set up such records and accounts and maintain such reserve funds as the holder or holders of not less than a majority in principal amount of the notes at the time outstanding may from time to time require in writing and, if such holder or holders shall so require, the Corporation shall apply revenues arising from the operation of the Trust Estate to the payment of or on account of the principal or of interest on any one or more of the notes designated by such holder or holders, 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 payment is to be made; provided, however, that the Corporation shall not be obligated hereby to make payments on account of the principal or of interest on any of the notes during any one calendar year in excess of five per centum (5%) of the amount of the principal of such note or notes advanced and unpaid at the time such payment is required; and provided, further, that subject to the provisions of section 4 of article II hereof, the Corporation may at all times retain funds reasonably adequate for operating purposes for the current month, and in no event less than 1.5 times the amount of its cash expenditures for such purposes during the corresponding month of the preceding year.