

MORTGAGE OF REAL ESTATE

37276 PROVINCIAL-BANKING CO.-ORIENTAL

of recovery if less than said sum, and subject to the same limitation for each person, an amount not less than fifty thousand dollars (\$50,000) for injuries causing death to more than one person in one accident, and property damage insurance in an amount not less than ten thousand dollars (\$10,000).

Section 13. In the event of the failure of the Mortgagor in any respect to comply with the covenants and conditions contained in the Amended Mortgage with respect to the procuring of insurance, the payment of taxes, assessments, and other charges, the keeping of the Mortgaged Property in repair and free of liens and other claims or to comply with any other covenant contained in the Amended Mortgage any bondholder or bondholders shall have the right (without prejudice to any other rights arising by reason of such default) to advance or expend moneys for the purpose of procuring such insurance, or for the payment of insurance premiums, taxes, assessments, or other charges, or to save the Mortgaged Property from sale of forfeiture for any unpaid tax or assessment, or to redeem the same from any tax 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 contained in the Amended Mortgage 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 six per centum (6%) per annum shall be deemed a charge upon the Mortgaged Property in the same manner as the bonds then outstanding are secured and shall be forthwith paid to the bondholder or bondholders making such advance or advances upon demand. It shall not be obligatory for any bondholder in making any such advance 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 14. The Mortgagor will not take or suffer to be taken any steps for reorganization or to consolidate with or merge into any other corporation or to sell, lease, transfer, mortgage, or pledge (or make any agreement therefor) the Mortgaged Property, or any part thereof, without the written consent of the holders of not less than a majority in principal amount of the bonds at the time outstanding.

Section 15. 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 bonds at the time outstanding: construct, make, lease, purchase, or otherwise acquire any extensions or additions to its system or enter into any contracts therefor, except extensions or additions constructed with proceeds of loans made in consideration of additional bonds issued as hereinabove provided; construct any customer services at its expense in excess of one pole and one span or wire in addition to a service drop not more than one hundred fifty (150) feet in length; 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, to construct, make, lease, purchase, or otherwise acquire any extensions or additions to its systems, except extensions or additions constructed with proceeds of loans made in consideration of additional bonds issued as hereinabove provided, or for the use by other of any of its property; or incur any expenses for legal, engineering, supervisory, accounting, construction, or other similar services, except reasonable expenses as are incurred in the routine course of business.

Section 16. The Mortgagor will not, without the consent in writing of the holders of not less than a majority in principal amount of the bonds at the time outstanding, pay its directors as such, any salaries for their services, 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 public corporations of the size and nature of the Mortgagor.

Section 17. The Mortgagor will at all times keep proper books, records, and accounts in which full and true entries will be made of all dealings, business, and affairs of the Mortgagor, in accordance with good accounting practice. Any bondholder 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 all such books, records, and accounts, and all invoices, contracts, leases, payrolls, cancelled 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.

Section 18. The Mortgagor will furnish to each bondholder not later than the fifteenth day of each month a monthly statement of its operations for the preceding month, including without limitation an analysis of the Mortgagor's revenues, expenses, and customer accounts for the preceding month, and, if directed by the holders of not less than twenty-five per centum (25%) in principal amount of the bonds at the time outstanding, the Mortgagor will furnish such form and include therein such information as may be specified in such direction.

Section 19. The Mortgagor will furnish to each bondholder 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 of its operations for such period, and if