

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 securing and payment of the principal of and interest on the notes and for the purpose of fully conveying, transferring, and confirming unto the Trustee the property hereby conveyed and transferred, or intended so to be, whether now owned by the Corporation or hereafter acquired by it. The Corporation will cause this Indenture and any and all supplemental mortgages and deeds of trust, and every additional instrument, which shall be executed pursuant to the foregoing provisions forthwith upon execution to be recorded and filed and rerecorded and refiled as conveyances and mortgages and deeds of trust of real and personal property in such manner and in such places as may be required by law in order fully to preserve the security for the notes and to perfect and maintain the superior of this Indenture and all supplemental mortgages and deeds of trust, and the rights and remedies of the Trustee and the noteholders.

SECTION 14. Any noteholder may at any time or times in succession without notice to, or the consent of, the Corporation and upon such terms as such noteholders may prescribe, grant an extension of the time for the payment of the principal of and interest on any note held by or indebtedness hereby secured owned to such noteholder or to any person, firm, or corporation who shall have become obligated to pay the same, or any part thereof, or who may be affected by the lien hereby created, and after any such extension of time the Corporation will remain liable for the payment of said indebtedness to the same extent as though it had at the time of such extension consented thereto in writing.

Section 15. The Corporation, subject to applicable laws and rules and orders of regulatory bodies, will charge for electric energy and other services furnished by it rates which shall be sufficient to pay and discharge all taxes, maintenance expenses, cost of electric energy and other operating expenses of its electric transmission and distribution system and electric generating facilities, if any, and also to make all payments in respect of principal of and interest on the notes when and as the same shall become due, and to provide and maintain a reasonable reserve for working capital of the Corporation.

Section 16. The Corporation will not declare or pay any dividends or make any distributions to its members or stockholders or to consumers except in the event and to the extent that there shall be surplus earnings of the Corporation remaining after payment of or provisions for the items enumerated in section 15 of this article II, and unless there shall remain after such payment or distribution reserves in an aggregate amount at least equal to the total of the interest and principal payments required to be made during the next following calendar year in respect of all notes which shall at the time be outstanding.

Section 17. In the event that the Trust Estate, 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 Corporation, shall forthwith be applied by the Corporation; first, to the ratable payment of any indebtedness by this Indenture 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 the balance shall be paid to whosoever shall be entitled thereto.

Section 18. The Corporation will not any any time employ or enter into any contract for the employment of any manager or superintendent of any electric transmission and distribution system or electric generating plant embraced in the Trust Estate unless such employment or such contract shall first have been approved by the holder or holders of not less than a majority in principal amount of the notes at the time outstanding. If 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 or generating plant is not being efficiently operated, and shall request the termination of the employment of the manager or superintendent thereof or of any operating contract in respect thereof, 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 managers or superintendents of