

Form Supp. Ind. (2)
Rev. 10/31/56

TOGETHER with all rents, income, revenues, profits and benefits at any time derived, received or had from any and all of the above-described property of the Corporation, TO HAVE AND TO HOLD the same unto the Trustee and its successor or successors and its or their assigns forever, in trust nevertheless, for the uses and purposes and upon the trusts, terms, provisos and agreements expressed and declared in the Indenture, as amended and supplemented hereby.

2. The Outstanding Notes are hereby confirmed as notes of the Corporation entitled to the security of the Indenture, as amended and supplemented by this Supplemental Indenture, and of the property by the Indenture and this Supplemental Indenture mortgaged and pledged, or intended so to be, equally and ratably with one another and with other notes of the Corporation when and as executed and delivered under and pursuant to the Indenture, as amended and supplemented hereby, without preference, priority or distinction of any one of the Outstanding Notes or such other notes over any other thereof and irrespective of the dates of the execution, delivery or maturity thereof, or of the assignment or negotiation thereof.

3. Section 16 of article II of the Indenture is amended to read as follows:

SECTION 16. The Corporation will not declare or pay any dividends, patronage refunds, or make any retirement of patronage capital or other cash distribution to its members or stockholders or to consumers unless after such payment, retirement or distribution the liquid assets of the Corporation, after deducting therefrom the total of current liabilities of the Corporation, will equal at least forty per centum (40%) of the reserves for depreciation applicable to properties of the Corporation in accordance with good accounting practice, or equal the sum of interest and principal payments due in a twenty-four month period in which maximum interest and principal payments become due and payable according to the terms of notes then outstanding, whichever is larger; provided, however that in no event will the Corporation make any such payment, retirement or distribution if there remains unpaid any installment of principal or interest due on the notes, or if the Corporation is in default hereunder. Any general cancellation, or abatement of charges for electric energy or other services furnished by the Corporation shall be deemed a cash distribution to consumers. For the purpose of this Section: "liquid assets of the Corporation" shall be deemed to include only the following: (1) cash or bank deposits other than deposits or cash required to be deposited in special trust accounts pursuant to the Loan Contract, or by direction of the noteholders pursuant to this Indenture, (2) investments or deposits in building and loan associations, (3) investments in obligations of the United States of America, and (4) advance payments, which shall be deemed to be payments in respect of the notes in addition to the amounts due thereon or applied thereto; "current liabilities" shall not be deemed to include (i) liabilities which the Corporation is authorized, under the Loan Contract or this Indenture, to pay from moneys deposited in the above-mentioned trust accounts, nor (ii) principal payments due and payable on the notes within the next succeeding twelve months.