

3. Section 20 of Article II of the Mortgage is amended to read as follows:

SECTION 20. Notwithstanding anything contained in the Loan Contract, as from time to time amended, or in the notes, the Mortgagor shall:

(a) 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;

(b) to the extent required in writing by such noteholder or noteholders from time to time, apply revenues arising from the operation of the Mortgaged Property to the payment of or on account of the principal of or interest on any one or more of the notes designated by such noteholder or noteholders, 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 Mortgagor shall not be obligated hereby to make payments on account of the principal of or 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 Mortgagor 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; and

(c) at any time or times when the amount of the Mortgagor's general funds exceeds twenty percent of its total plant and to the extent required in writing by such noteholder or noteholders, make payments of or on account of the principal of any one or more of the notes designated by such noteholder or noteholders, 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 payments are to be made; provided, however, that payments required to be made pursuant to this subsection (c) do not reduce the Mortgagor's general funds below fifteen percent of its total plant. As used in this subsection (c): (1) the term "general funds" means the sum of the following accounts of the Mortgagor: "Nonutility Property" less "Accumulated Provision for Depreciation and Amortization of Nonutility Property," "Other Investments in Associated Organizations," "Other Investments," "Restricted Funds," "Cash - General," "Working Funds" and "Temporary Cash Investments;" and (2) the term "total plant" means the sum of the following accounts of the Mortgagor: "Electric Plant in Service," "Electric Plant Purchased or Sold," "Electric Plant Leased to Others," "Electric Plant Held for Future Use," "Completed Construction not Classified," "Construction work in Progress," "Electric Plant Acquisition Adjustments" and "Other Utility Plant." Titles of accounts used in the foregoing definitions shall have the meanings set forth in the prevailing system of accounts prescribed for its electric borrowers by the Rural Electrification Administration.

The rights of the noteholder or noteholders under each of the foregoing subsections of this section 20 shall be cumulative and may be exercised independently of the exercise of rights, and free from the limitations set forth, under the other subsections.