
MUNICIPAL ENERGY AGENCY OF NEBRASKA

Power Supply System Revenue Bonds

2003 POWER SUPPLY SYSTEM REVENUE BOND RESOLUTION

Adopted August 21, 2003

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2003 POWER SUPPLY SYSTEM REVENUE BOND RESOLUTION

Adopted August 21, 2003

BE IT RESOLVED by Municipal Energy Agency of Nebraska as follows:

ARTICLE I

DEFINITIONS AND STATUTORY AUTHORITY

Section 1.01. Definitions. The following terms shall, for all purposes of the Resolution, have the following meanings:

“Accountant’s Certificate” shall mean a certificate signed by an independent certified public accountant or a firm of independent certified public accountants of national reputation, who may be the accountant or firm of accountants who regularly audit the books of MEAN.

“Accreted Value” shall mean with respect to any Capital Appreciation Bonds and to any Convertible Capital Appreciation Bonds prior to the related Current Interest Commencement Date, (i) as of any Valuation Date, the amount set forth for such date in the Supplemental Resolution authorizing such Capital Appreciation Bonds or Convertible Capital Appreciation Bond, and (ii) as of any date other than a Valuation Date, the sum of (a) the Accreted Value on the preceding Valuation Date and (b) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date and (2) the difference between the Accreted Values for such Valuation Dates.

“Accrued Aggregate Debt Service” shall mean, as of any date of calculation, an amount equal to the sum of the amounts of accrued Debt Service with respect to all Series, calculating the accrued Debt Service with respect to each Series at an amount equal to the sum of (i) interest on the Bonds of such Series accrued and unpaid and to accrue to the end of the then current calendar month, and (ii) Principal Installments due and unpaid and that portion of the Principal Installment for such Series next due which would have accrued (if deemed to accrue in the manner set forth in the definition of Debt Service) to the end of such calendar month; provided, however, that there shall be excluded from the calculation of Accrued Aggregate Debt Service (A) any Principal Installments which are to be refunded pursuant to a formal refunding plan approved by resolution of MEAN from sources other than Revenues but only through the last day of the month preceding the month in which such Principal Installments come due and (B) any amounts of principal and interest due or to become due with respect to the Operating Credit Obligation. For purposes of this definition, the principal and interest portions of the Accreted Value of Capital Appreciation Bonds and Convertible Capital Appreciation Bonds becoming due at maturity or by virtue of a Sinking Fund Installment shall be included in the calculations of accrued and unpaid and accruing interest and Principal Installments in such manner and during such period of time as is specified in the Supplemental Resolution authorizing such Capital Appreciation Bonds or Convertible Capital Appreciation Bonds.

“*Act*” shall mean the Municipal Cooperative Financing Act of Nebraska, and all acts supplemental thereto or amendatory thereof.

“*Aggregate Debt Service*” for any period shall mean, as of any date of calculation, the sum of the amounts of Debt Service for such period with respect to all Series of Bonds; provided, however, that for purposes of estimating Aggregate Debt Service for any future period, any Option Bonds Outstanding during such period shall be assumed to mature on the stated maturity date thereof. For purposes of this definition, the principal and interest portions of the Accreted Value of Capital Appreciation Bonds and Convertible Capital Appreciation Bonds becoming due at maturity or by virtue of a Sinking Fund Installment shall be included in the calculations of accrued and unpaid and accruing interest and Principal Installments in such manner and during such period of time as is specified in the Supplemental Resolution authorizing such Capital Appreciation Bonds or Convertible Capital Appreciation Bonds.

“*Annual Budget*” shall mean the annual budget, as amended or supplemented, adopted or in effect for a particular Fiscal Year as provided in Section 7.09.

“*Authorized Newspapers*” shall mean two newspapers customarily published at least once a day for at least five days (other than legal holidays) in each calendar week, printed in the English language and of general circulation, respectively, in the City of Lincoln, Nebraska, and in the Borough of Manhattan, City and State of New York.

“*Authorized Officer of MEAN*” shall mean the Chairperson, Vice Chairperson, Secretary-Treasurer, Executive Director or any officer or employee of MEAN authorized by resolution to perform the act or sign the document in question.

“*BMA Index*” means the Bond Market Association Municipal Swap Index as of the most recent date for which such Index was published or such other weekly high grade index comprised of seven day, tax exempt variable rate demand notes as may be produced by Municipal Market Data, or its successor, or as otherwise designated by the Bond Market Association.

“*Bond*” or “*Bonds*” shall mean any bond or bonds, as the case may be, authenticated and delivered under and outstanding pursuant to the Resolution, and, except as used in Articles III and IV and Sections 2.01 and 2.02 hereof or unless otherwise provided herein, shall include the Operating Credit Obligation.

“*Bondholder*” or “*Holder of Bonds*” shall mean any person who shall be the registered owner of any Bond or Bonds, and shall include the holder of the Operating Credit Obligation.

“*Bond Registrar*” shall mean the Trustee and any other bank or trust company organized under the laws of any state or national banking association appointed by MEAN to perform the duties of Bond Registrar enumerated in Section 7.03.

“*Capital Appreciation Bonds*” shall mean any Bonds hereafter issued as to which interest is payable only at the maturity or prior redemption of such Bonds. For the purposes of (i) receiving payment of the Redemption Price if a Capital Appreciation Bond is redeemed prior to maturity, or (ii) receiving payment of a Capital Appreciation Bond if the principal of all Bonds

is declared immediately due and payable following an Event of Default as provided in Section 8.01 of this Resolution or (iii) computing the principal amount of Bonds held by the registered owner of a Capital Appreciation Bond in giving to MEAN or the Trustee any notice, consent, request or demand pursuant to the Resolution for any purpose whatsoever, the principal amount of a Capital Appreciation Bond shall be deemed to be its Accreted Value.

“*Construction Fund*” shall mean the Construction Fund established in Section 5.03.

“*Consulting Engineer*” shall mean the engineer or engineering firm or corporation at the time retained by MEAN pursuant to Section 7.08 to perform the acts and carry out the duties assigned to such Consulting Engineer by the Board of Directors of MEAN.

“*Convertible Capital Appreciation Bonds*” shall mean any Bonds hereafter issued as to which interest is payable only following the Current Interest Commencement Date for such Bonds, as set forth in the Supplemental Resolution under which such Bonds are issued, and at the maturity or prior redemption of such Bonds. For the purposes of (i) receiving payment of the Redemption Price if a Convertible Capital Appreciation Bond is redeemed prior to maturity, or (ii) receiving payment of a Convertible Capital Appreciation Bond if the principal of all Bonds is declared immediately due and payable following an Event of Default as provided in Section 8.01 of this Resolution or (iii) computing the principal amount of Bonds held by the registered owner of a Convertible Capital Appreciation Bond in giving to MEAN or the Trustee any notice, consent, request or demand pursuant to the Resolution for any purpose whatsoever, the principal amount of a Convertible Capital Appreciation Bond shall be deemed to be its Accreted Value.

“*Cost of Acquisition and Construction,*” with respect to any part of the System, shall mean MEAN’s costs, expenses and liabilities paid or incurred or to be paid or incurred by MEAN in connection with the planning, engineering, designing, acquiring, constructing, installing, financing, operating, maintaining, retiring, decommissioning and disposing of any part thereof and the obtaining of all governmental approvals, certificates, permits and licenses with respect thereto, including, but not limited to, any good faith or other similar payments or deposits in connection with the purchase of such part of the System or any part thereof, the cost of acquisition by or for MEAN of real and personal property or any interests therein, costs of physical construction and costs of MEAN incidental to such construction or acquisition, the cost of acquisition of initial fuel or fuel inventory and working capital and reserves therefor and working capital and reserves for reload fuel and for additional fuel inventories (and if financed by the issuance of Bonds, the cost of reload fuel or additional fuel inventories for any generation facility of the System to the extent that sufficient funds are not available in reserves therefor), all costs relating to injury and damage claims relating to such part of the System, the costs of the retiring from service, the decommissioning or the disposal of generation facilities, the cost of any indemnity or surety bonds and premiums on insurance during construction, preliminary investigation and development costs, engineering fees and expenses, contractors’ fees and expenses, the costs of labor, materials, equipment and utility services and supplies, legal and financial advisory fees and expenses, financing costs, fees and expenses of the Fiduciaries, administration and general overhead expense and costs of keeping accounts and making reports required by the Resolution prior to or in connection with the completion of construction, amounts, if any, required by the Resolution to be paid into the Debt Service Fund to provide, among other things, for interest on the Bonds during construction or for such longer period of

time as the Resolution or a Supplemental Resolution shall establish and to provide for the Debt Service Reserve Requirement or to be paid into the Operating Fund or the Reserve and Contingency Fund or the General Reserve Fund for any of the respective purposes thereof upon the issuance of any Series, payments when due (whether at the maturity of principal or the due date of interest or upon redemption) on any indebtedness of MEAN, including notes and Subordinated Indebtedness, incurred in respect of any of the foregoing, and initial working capital and reserves therefor, and shall include reimbursements to MEAN for any of the above items theretofore paid by or on behalf of MEAN. It is intended that this definition of Cost of Acquisition and Construction be broadly construed to encompass all costs, expenses and liabilities of MEAN related to the System which on the date of this Resolution or in the future shall be permitted to be funded with the proceeds of Bonds pursuant to the provisions of Nebraska law.

“Current Interest Commencement Date” means the date specified in a Supplemental Resolution as the date on and from which interest on the Accreted Value of Convertible Capital Appreciation Bonds issued under such Supplemental Resolution will thereafter accrue and be payable on the dates specified in such Supplemental Resolution and otherwise as if such Bonds were Interest Bearing Bonds.

“Debt Service” for any period shall mean, as of any date of calculation and with respect to any Series, an amount equal to the sum of (i) interest accruing during such period on Bonds of such Series, except to the extent that such interest is to be paid from deposits in the Debt Service Account in the Debt Service Fund made from the proceeds of Bonds or Subordinated Indebtedness and (ii) that portion of each Principal Installment for such Series which would accrue during such period if such Principal Installment were deemed to accrue daily in equal amounts from the next preceding Principal Installment due date for such Series (or, if there shall be no such preceding Principal Installment due date, from a date one year preceding the due date of such Principal Installment or from the date of issuance of the Bonds of such Series, whichever date is later). Such interest and Principal Installments for such Series shall be calculated on the assumption that no Bonds of such Series Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of each Principal Installment on the due date thereof. For purposes of the foregoing calculation, interest during any period on Variable Interest Rate Bonds will be computed by assuming (a) that the rate of interest borne by such Series of Bonds during such period is equal to the rate established (the “Assumed Rate”) for such computation in writing by an Authorized Officer of MEAN, provided that such Assumed Rate shall not be less than the average rate borne by such Series of Bonds during the twelve full calendar months immediately preceding the date on which such computation is made and provided further that, to the extent such Series of Variable Interest Rate Bonds have not been outstanding during the entirety of such twelve month period, the Assumed Rate shall not be less than the average rate on the BMA Index during such twelve month period, or (b) to the extent MEAN has entered into an interest rate swap agreement with respect to all or a portion of a Series of Bonds, such Series of Bonds or portion thereof will bear interest during such period at a rate equal to the rate payable by MEAN in accordance with such interest rate swap agreement. In addition, for purposes of this definition, the principal and interest portions of the Accreted Value of Capital Appreciation Bonds and Convertible Capital Appreciation Bonds becoming due at maturity or by virtue of a Sinking Fund Installment shall be included in the calculations of accrued and unpaid and accruing interest and Principal Installments in such manner and during

such period of time as is specified in the Supplemental Resolution authorizing such Capital Appreciation Bonds or Convertible Capital Appreciation Bonds.

"Debt Service Fund" shall mean the Debt Service Fund established in Section 5.02.

"Debt Service Reserve Account" shall mean the Debt Service Reserve Account established in the Debt Service Fund pursuant to Section 5.02.

"Debt Service Reserve Requirement" shall mean, as of any date of calculation, an amount equal to the lesser of (i) 10% of the aggregate original principal proceeds of all Series of Bonds then Outstanding, (ii) the maximum aggregate Debt Service due in any Fiscal Year on all Series of Bonds then Outstanding, or (iii) 125% of the aggregate average Debt Service due during any Fiscal Year on all Series of Bonds then Outstanding. For purposes of the foregoing calculation, interest during any period on a Series of Variable Interest Rate Bonds will be computed by assuming (a) that the rate of interest borne by such Series of Bonds during such period is equal to the rate established (the "Assumed Rate") for such computation in writing by an Authorized Officer of MEAN, provided that such Assumed Rate shall not be less than the average rate borne by such Series of Bonds during the twelve full calendar months immediately preceding the date on which such computation is made and provided further that, to the extent such Series of Variable Interest Rate Bonds have not been outstanding during the entirety of such twelve month period, the Assumed Rate shall not be less than the average rate on the BMA Index during such twelve month period, or (b) to the extent MEAN has entered into an interest rate swap agreement with respect to all or a portion of a Series of Bonds, such Series of Bonds or portion thereof will bear interest during such period at a rate equal to the rate payable by MEAN in accordance with such interest rate swap agreement. Amounts Outstanding and to be Outstanding under the Operating Credit Obligation shall be excluded from the calculation of the Debt Service Reserve Requirement. The amount of the Debt Service Reserve Requirement to be on deposit in the Debt Service Reserve Account of the Debt Service Fund shall be satisfied by a deposit of either moneys and/or Investment Securities or a Reserve Policy in accordance with the requirements of Section 5.09(d) hereof.

"Defaulted Interest" with respect to a Series of Bonds shall have the meaning given to such term in the Supplemental Resolution authorizing the issuance of such Series of Bonds.

"Defeasance Securities" means:

(i) any bonds or other obligations which as to principal and interest constitute direct obligations of, or are unconditionally guaranteed by, the United States of America, including obligations of any of the federal agencies set forth in clause (ii) below to the extent unconditionally guaranteed by the United States of America; and

(ii) obligations of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Financing Bank, the Federal Intermediate Credit Banks, Federal Banks for Cooperatives, Federal Land Banks, Federal Home Loan Banks, Farmers Home Administration, Federal Home Loan Mortgage Association, Export Import Bank of the United States, United States Postal Service, or

any other agency or instrumentality of the United States of America or any corporation wholly owned by the United States of America.

“Depository” shall mean any bank or trust company organized under the laws of any state of the United States or any national banking association selected by MEAN and approved in writing by the Trustee (which approval shall not be unreasonably withheld) as a depository of moneys and securities held under the provisions of the Resolution, and may include the Trustee, provided that if the Trustee shall fail to provide such approval, it shall deliver to MEAN a statement of its reasons for such failure.

“DTC” shall mean The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, in its capacity as securities depository for the Bonds, or any successor thereto.

“Event of Default” shall have the meaning given to such term in Section 8.01.

“Fiduciary” or *“Fiduciaries”* shall mean the Trustee, the Bond Registrar, the Paying Agents and the Depositories, or any or all of them, as may be appropriate.

“Fiscal Year” shall mean the then current annual accounting period of MEAN for its general accounting purposes.

“Funds” or *“Accounts”* means Funds or Accounts, including subaccounts, established pursuant to this Resolution.

“Generally Accepted Accounting Principles” shall mean accounting principles, methods and terminology followed and construed, as nearly as practicable, in conformity with the pronouncements of the Financial Accounting Standards Board and the Federal Energy Regulatory Commission Uniform System of Accounts for Class A and Class B public utilities.

“General Reserve Fund” shall mean the General Reserve Fund established in Section 5.02.

“Government Obligations” means (a) direct obligations of the United States of America for the full and timely payment of which the full faith and credit of the United States of America is pledged and (b) obligations issued by a Person controlled or supervised by and acting as an instrumentality of the United States of America, the full and timely payment of the principal of, premium, if any, and interest on which is fully guaranteed as a full faith and credit obligation of the United States of America (including any securities described in (a) or (b) issued or held in book-entry form on the books of the Department of Treasury of the United States of America), which obligations, in either case, are not subject to redemption prior to maturity at the option of anyone other than the holder thereof.

“Interest Bearing Bonds” means Bonds as to which interest is payable on each Interest Payment Date.

“Interest Payment Date” means for a Series of Bonds, except as otherwise provided herein or in the Supplemental Resolution under which such Bonds were issued, each April 1 and October 1, commencing on the date specified in such Supplemental Resolution.

“Investment Securities” shall mean and include any investments that are at the time legal for investment of MEAN funds and are allowed pursuant to MEAN’s investment policy as in effect on the date of such investment and by the terms of the Supplemental Resolution under which a Series of Bonds is issued.

“Maximum Interest Rate” shall mean, with respect to any particular Variable Interest Rate Bonds, a numerical rate of interest, which shall be set forth in the Supplemental Resolution authorizing such Bonds, that shall be the maximum rate of interest such Bonds may at any particular time bear.

“MEAN” shall mean Municipal Energy Agency of Nebraska, a political subdivision of the State of Nebraska created pursuant to the Act, its successors and their assigns.

“Minimum Interest Rate” shall mean, with respect to any particular Variable Interest Rate Bonds, a numerical rate of interest which may (but need not) be set forth in the Supplemental Resolution authorizing such Bonds, that shall be the minimum rate of interest such Bonds may at any particular time bear.

“Moody’s” means Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns and, if such corporation shall be dissolved or liquidated or shall no longer issue ratings on obligations of a type similar to the Bonds, *“Moody’s”* shall be deemed to refer to any other nationally recognized securities rating agency (other than S&P or Fitch) designated by MEAN, by written notice to the Trustee.

“Net Revenues” for any period shall mean the Revenues during such period, determined on an accrual basis, plus (x) the amounts, if any, paid from the Rate Stabilization Account in the General Reserve Fund into the Revenue Fund during such period (excluding from (x) amounts included in the Revenues for such period representing interest earnings transferred from the Rate Stabilization Account in the General Reserve Fund to the Revenue Fund pursuant to Section 6.03) and minus (y) the sum of (a) Operating Expenses during such period, determined on an accrual basis, to the extent paid or to be paid from Revenues and (b) the amounts, if any, paid from the Revenue Account in the Revenue Fund into the Rate Stabilization Account in the General Reserve Fund during such period.

“Operating Credit Account” shall mean the Operating Credit Account established in the Debt Service Fund pursuant to Section 5.02.

“Operating Credit Obligation” shall mean an obligation of MEAN, as authorized by Section 2.05 hereof, on a parity with the Bonds with respect to the pledge and assignment of, and security interest in, the Revenues and payments therefrom granted by Section 5.01 hereof, to evidence the line of credit made available to MEAN (to effect the timely disbursement by MEAN of its Operating Expenses) by a financial institution.

“Operating Expenses” shall mean all actual maintenance and operation costs of the System incurred by MEAN in any particular Fiscal Year or period to which said term is applicable or charges made therefor during such Fiscal Year or period, but only if such charges are made in conformity with Generally Accepted Accounting Principles, including amounts reasonably required to be set aside in reserves for items of Operating Expenses the payment of which is not then immediately required.

Such Operating Expenses include, but are not limited to, expenses for ordinary repairs, renewals and replacements of the System, salaries and wages, employees’ health, hospitalization, pension and retirement expenses, fees for services, materials and supplies, rents, administrative and general expenses, insurance expenses, legal, engineering, accounting and financial advisory fees and expenses and costs of other consulting and technical services, taxes (except as set forth in the following paragraph), payments in lieu of taxes and other governmental charges, fuel costs, including the leasing of nuclear fuel, costs of purchased power and transmission service, payments with regard to price hedging arrangements entered into by MEAN with regard to such fuel costs, and any other current expenses or obligations required to be paid by MEAN under the provisions of the Resolution or by law, all to the extent properly allocable to the System, and the fees and expenses of the Fiduciaries.

Such Operating Expenses do not include depreciation or obsolescence charges or reserves therefor, amortization of intangibles or other bookkeeping entries of a similar nature, interest charges and charges for the payment of principal, or amortization, of bonded or other indebtedness of MEAN, costs, or charges made therefor, for capital additions, replacements, betterments, extensions or improvements to or retirements from the System which under Generally Accepted Accounting Principles are properly chargeable to the capital account or the reserve for depreciation, and do not include losses from the sale, abandonment, reclassification, revaluation or other disposition of any properties of the System nor such property items, including taxes and fuel, which are capitalized pursuant to the then existing accounting practice of MEAN.

“Operating Fund” shall mean the Operating Fund established in Section 5.02.

“Opinion of Counsel” shall mean an opinion in writing signed by an attorney or firm of attorneys (who may be counsel to MEAN) selected by MEAN.

“Option Bonds” shall mean Bonds which by their terms may be tendered by and at the option of the Holder thereof for payment prior to the stated maturity thereof, or the maturities of which may be extended by and at the option of the Holder thereof.

“Outstanding,” when used with reference to Bonds, shall mean, as of any date of calculation, Bonds theretofore or thereupon being authenticated and delivered under the Resolution (the principal amount of the Operating Credit Obligation being equal on the date of calculation to the then outstanding aggregate principal amount of advances to MEAN under the Operating Credit Obligation) except:

- (i) Bonds cancelled by the Trustee at or prior to such date;

(ii) Bonds (or portions of Bonds) for the payment or redemption of which moneys, equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption date, shall be held in trust under the Resolution and set aside for such payment or redemption (whether at or prior to the maturity or redemption date), provided that if such Bonds (or portions of Bonds) are to be redeemed, notice of such redemption shall have been given as in Article IV provided or provision satisfactory to the Trustee shall have been made for the giving of such notice;

(iii) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to Article III or Section 4.06 or 11.05 unless proof satisfactory to the Trustee is presented that any such Bonds are held by a bona fide purchaser in due course; and

(iv) Bonds deemed to have been paid as provided in Section 12.01(b).

“*Paying Agent*” shall mean any bank or trust company organized under the laws of any state of the United States or any national banking association designated as paying agent for the Bonds of any Series, and its successor or successors hereafter appointed in the manner provided in the Resolution.

“*Pooling Agreement*” shall mean the Electrical Resources Pooling Agreement between MEAN and the various cities and villages and public power districts that are parties thereto.

“*Power Purchaser*” shall mean (i) any parties (other than MEAN) to the Power Supply Contracts and (ii) any Nebraska municipality which operates an electric system and (iii) any other entity, whether public or private, which either charges rates for electric system services or which is authorized by law to assess ad valorem taxes or charge rates for its services, in each case which shall have entered into a Power Supply Contract and with whom MEAN is authorized by law to enter into such Power Supply Contracts.

“*Power Supply Contracts*” shall mean contracts entered into by MEAN, in whatever form, to enable a Power Purchaser to commit to the purchase of power, energy or related services from MEAN.

“*Principal Installment*” shall mean, as of any date of calculation and with respect to any Series, so long as any Bonds thereof are Outstanding, (i) the principal amount of Bonds of such Series due whether by their terms or at the option of the holder on a certain future date for which no Sinking Fund Installments have been established, or (ii) the unsatisfied balance (determined as provided in Section 5.12(c)) of any Sinking Fund Installments due on a certain future date for Bonds of such Series, plus the amount of the sinking fund redemption premiums, if any, which would be applicable upon redemption of such Bonds on such future date in a principal amount equal to said unsatisfied balance of such Sinking Fund Installments, or (iii) if such future dates coincide as to different Bonds of such Series, the sum of such principal amount of Bonds and of such unsatisfied balance of Sinking Fund Installments due on such future date plus such applicable redemption premiums, if any.

"Prior Resolution" shall mean the Power Supply System Revenue Bond Resolution adopted by MEAN on March 16, 1983, as amended or supplemented in accordance with the terms thereof on or prior to the date of the original adoption of this Resolution.

"Prior Resolution Retirement Date" shall have the meaning ascribed thereto in Section 13.05 of this Resolution.

"Prior Trustee" shall mean the Trustee under the Prior Resolution.

"Prudent Utility Practice" shall mean at a particular time any of the practices, methods and acts, which, in the exercise of reasonable judgment in the light of the facts (including, but not limited to, the practices, methods and acts engaged in or approved by a significant portion of the electrical utility industry prior thereto) known at the time the decision was made, would have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety and expedition. Prudent Utility Practice is not intended to be limited to the optimum practice, method or act, to the exclusion of all others, but rather to be a spectrum of possible practices, methods or acts. In evaluating whether any manner conforms to Prudent Utility Practice, the parties shall take into account (i) the nature of the parties hereto under the laws of the State of Nebraska and the statutory duties and responsibilities thereof, (ii) the applicable provisions of the Pooling Agreement, if any, and (iii) in the case of any facility jointly owned, the applicable ownership agreement among the owners of the facility.

"Qualified Hedge Agreement" means, to the extent from time to time permitted by law, with respect to any Series of Bonds, any financial arrangement (i) which is entered into by MEAN with an entity that is a Qualified Hedge Provider at the time the arrangement is entered into, (ii) which is a cap, floor or collar, forward rate, future rate, swap (such swap may be used in an amount equal either to the principal amount of such Series of Bonds as may be designated or a notional principal amount relating to all or a portion of the principal amount of such Series of Bonds), asset, index, price or market linked transaction or agreement, or other exchange or rate protection transaction agreement, or similar transaction (however designated), or any combination thereof, or any option with respect to any of the foregoing, executed by MEAN, (iii) which has been designated as a Qualified Hedge Agreement with respect to such Series of Bonds in a written determination signed by a Authorized Officer of MEAN and delivered to the Trustee and the provider of any credit facility and liquidity facility for such Series of Bonds, and (iv) which contains such terms addressing the posting and holding of collateral and such other terms as may be imposed by the Supplemental Resolution under which a Series of Bonds is issued.

"Qualified Hedge Provider" means, subject to any higher ratings requirement imposed by the Supplemental Resolution under which a Series of Bonds is issued, an entity whose ratings with respect to its senior, long term, unsecured debt obligations or deposits, or whose financial program, counterparty, or claims paying ability ratings, at the time of the execution of a Qualified Hedge Agreement, are at least "A," without regard to any qualifier, by S&P, Moody's or Fitch (or whose payment obligations under such Qualified Hedge Agreement are guaranteed or insured by such an entity); provided, however, that in the event such entity (or guarantor or insurer, as applicable) shall fail to maintain the foregoing rating, the Qualified Hedge Agreement shall provide for such entity (or guarantor or insurer, as applicable) to post collateral in the form

of Investment Securities in respect of any Settlement Amount that may become due to MEAN under the terms of the Qualified Hedge Agreement, such Settlement Amount and the value of any posted collateral to be determined with such frequency as MEAN may reasonably determine.

“Qualified Reserve Policy Provider” means an insurer whose municipal bond insurance policies insuring the payment, when due, of the principal of and interest on municipal bond issues results in such issues being rated in the highest rating category by a nationally recognized bond rating agency. A letter of credit issuer shall be a bank or trust company which on the date of issuance of the letter of credit has an outstanding unsecured, uninsured and unguaranteed debt issue which is rated not lower than the second highest rating category by a nationally recognized bond rating agency. The issuer of any other similar obligation shall have the qualifications set forth in a Supplemental Resolution authorizing the issuance of a Series of Bonds.

“Rate Stabilization Account” shall mean the Rate Stabilization Account established in the General Reserve Fund pursuant to Section 5.02.

“Record Date” shall mean the record date established for a Series of Bonds pursuant to the Supplemental Resolution under which such Series of Bonds is issued.

“Redemption Price” shall mean, with respect to any Bond, the principal amount thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to such Bond or the Resolution.

“Refunding Bonds” shall mean all Bonds, whether issued in one or more Series, authenticated and delivered on original issuance pursuant to Section 2.04, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III or Section 4.06 or Section 11.05.

“Reserve and Contingency Fund” shall mean the Reserve and Contingency Fund established in Section 5.02.

“Reserve and Contingency Fund Requirement” shall mean, as of any date of calculation, an amount as shall from time to time be directed by the Board of Directors of MEAN.

“Reserve Policy” shall mean any credit facility, insurance policy, surety bond, letter of credit or other credit support agreement or mechanism obtained by MEAN from a Qualified Reserve Policy Provider to satisfy its obligation to fund the Debt Service Reserve Requirement for a Series of Bonds. The Reserve Policy shall provide that amounts may be drawn thereunder by the Trustee (upon the giving of notice as required thereunder) on any due date on which moneys will be required to be withdrawn from the Debt Service Reserve Account of the Debt Service Fund and applied to the payment of a Principal Installment of or interest on any Bonds and such withdrawal cannot be met by amounts on deposit in the Debt Service Reserve Account.

“Resolution” shall mean this 2003 Power Supply System Revenue Bond Resolution, as from time to time amended or supplemented by Supplemental Resolutions in accordance with the terms hereof.

“Revenue Fund” shall mean the Revenue Fund established in Section 5.02.

“*Revenues*” shall mean (a) prior to the Prior Resolution Retirement Date, (i) all moneys transferred from the General Reserve Fund established under the Prior Resolution to the Revenue Fund established by Section 5.02 of this Resolution in accordance with Section 13.06 hereof, and (ii) all receipts of MEAN under any Qualified Hedge Agreement entered into with respect to a Series of Bonds issued pursuant to this Resolution, and (b) on and after the Prior Resolution Retirement Date, (i) all payments received by MEAN pursuant to the Power Supply Contracts, (ii) all revenues, income, rents and receipts derived by MEAN from or attributable to the ownership and operation of the System, including all revenues attributable to the System or to the payment of the costs thereof received by MEAN under any contract for the sale of power, energy, transmission or other service from the System or any part thereof or any contractual arrangement with respect to the use of the System or any portion thereof or the services, output or capacity thereof, (iii) the proceeds of any insurance covering business interruption loss relating to the System, (iv) interest received on any moneys or securities (other than in the Construction Fund) held pursuant to the Resolution and required to be paid into the Revenue Fund, all as determined in accordance with Generally Accepted Accounting Principles, and (v) receipts of MEAN under any Qualified Hedge Agreement entered into in connection with the ownership and operation of the System or with respect to a Series of Bonds issued pursuant to this Resolution.

“*S&P*” means Standard & Poor’s Ratings Service, a division of The McGraw Hill Companies Inc., a corporation organized and existing under the laws of the State of New York, its successors and assigns and, if such corporation shall be dissolved or liquidated or shall no longer issue ratings on obligations of a type similar to the Bonds, “*S&P*” shall be deemed to refer to any other nationally recognized securities rating agency (other than Moody’s or Fitch) designated by MEAN, by written notice to the Trustee.

“*Series*” shall mean all of the Bonds authenticated and delivered on original issuance and identified pursuant to this Resolution or the Supplemental Resolution authorizing such Bonds as a separate Series of Bonds, or any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III or Section 4.06 or Section 11.05, regardless of variations in maturity, interest rate, Sinking Fund Installments or other provisions, and shall include the Operating Credit Obligation as set forth in Section 2.05.

“*Settlement Amount*” means the amount, if any, that may become due from a party under a Qualified Hedge Agreement or any price hedging arrangement entered into by MEAN with respect to its fuel costs, including nuclear fuel, costs of purchased power and transmission services. Where a Settlement Amount is to be amortized pursuant to the terms of a Qualified Hedge Agreement, the term “*Settlement Amount*” shall refer to any amortizing payments of such Settlement Amount that are then due and payable. Any Settlement Amount due from MEAN shall, unless otherwise stated in the Supplemental Resolution relating to a Series of Bonds, be payable as Subordinated Indebtedness hereunder and under such Supplemental Resolution.

“*Sinking Fund Installment*” shall mean with respect to a Series of Bonds issued pursuant to Section 2.03 or 2.04, an amount so designated which is established pursuant to Section 2.02(a)(iv)(J).

“Subordinated Indebtedness” shall mean (i) any evidence of debt referred to in, and complying with, the provisions of Section 5.13, and (ii) any Settlement Amount due to a Qualified Hedge Provider under a Qualified Hedge Agreement relating to a Series of Bonds.

“Subordinated Indebtedness Account” shall mean the Subordinated Indebtedness Account in the Debt Service Fund established in Section 5.02.

“Supplemental Resolution” shall mean any resolution supplemental to or amendatory of the Resolution, adopted by MEAN in accordance with Article X.

“System” shall mean all property, including contracts, franchises, agreements and systems of MEAN, now existing and hereafter acquired for the purpose of providing power supply, transmission and ancillary services to power purchasers under the Power Supply Contracts, and any other facilities financed with bonds, notes or other obligations payable or paid from Revenues. Notwithstanding the foregoing definition of the term System, such term shall not include any properties or interests in properties of MEAN which MEAN determines shall not constitute a part of the System for the purpose of the Resolution.

“System Agreements” shall mean any operating or participation agreements entered into by MEAN and such other agreements as MEAN may from time to time determine to be System Agreements for the purpose of the Resolution.

“Total Power Requirements Power Purchase Agreement” shall mean the form of the contract between MEAN and a Power Purchaser set forth as Schedule M to the Pooling Agreement.

“Trustee” shall mean the trustee appointed pursuant to Article IX, and its successor or successors and any other corporation which may at any time be substituted in its place pursuant to the Resolution.

“Valuation Date” shall mean with respect to any Capital Appreciation Bonds, and to any Convertible Capital Appreciation Bonds prior to the related Current Interest Commencement Date, the date or dates set forth in the Supplemental Resolution authorizing such Bonds on which specific Accreted Values are assigned to such Capital Appreciation Bonds or Convertible Capital Appreciation Bonds.

“Variable Interest Rate” shall mean an interest rate to be borne by a Series of Bonds or a maturity or maturities within a Series which may vary or change in accordance with the provisions therefor established in the Supplemental Resolution authorizing such Series.

“Variable Interest Rate Bond” shall mean a Bond not bearing interest throughout its term at a specified rate or specified rates determined at the time of issuance of the Series of Bonds of which such Bond is one, but shall not include the Operating Credit Obligation.

“Year” shall mean any period of 12 consecutive months.

Except where the context otherwise requires, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations, corporations, districts, agencies and bodies.

All references in the Resolution to Articles, Sections and other subdivisions are to be corresponding Articles, Sections or subdivisions of the Resolution, and the words "herein," "hereof," "hereunder" and other words of similar import refer to the Resolution as a whole and not to any particular Article, Section or subdivision of the Resolution. The headings or titles of the several articles and sections of the Resolution, and any table of contents appended to copies of the Resolution, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of the Resolution.

Section 1.02. Authority for This Resolution. This 2003 Power Supply System Revenue Bond Resolution is adopted pursuant to the provisions of the Act.

Section 1.03. Resolution To Constitute Contract. In consideration of the purchase and acceptance of any and all of the Bonds authorized to be issued hereunder by those who shall hold the same from time to time, the Resolution shall be deemed to be and shall constitute a contract between MEAN and the Holders from time to time of the Bonds; and the pledge and assignment made in the Resolution and the covenants and agreements therein set forth to be performed on behalf of MEAN shall be for the equal benefit, protection and security of the Holders of any and all of the Bonds, all of which, regardless of the time or times of their authentication and delivery or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof except as expressly provided in or permitted by this Resolution.

ARTICLE II

AUTHORIZATION AND ISSUANCE OF BONDS

Section 2.01. Authorization of Bonds.

(a) This Resolution authorizes Bonds of MEAN to be designated as "Power Supply System Revenue Bonds." The aggregate principal amount of the Bonds which may be executed, authenticated and delivered under the Resolution is not limited except as may hereafter be provided in the Resolution or as may be limited by law.

(b) The Bonds may, if and when authorized by MEAN pursuant to this Resolution and one or more Supplemental Resolutions, be issued in one or more Series, and the designation thereof, in addition to the name "Power Supply System Revenue Bonds," shall include such further appropriate particular designation added to or incorporated in such title for the Bonds of any particular Series as MEAN may determine. Each Bond shall bear upon its face the designation so determined for the Series to which it belongs.

(c) Nothing contained in the Resolution shall be deemed to preclude or restrict the consolidation into a single series for purposes of issuance and sale of Bonds otherwise permitted by the Resolution to be issued at the same time in two or more separate Series, provided that solely for the purpose of satisfying the requirements of

Sections 2.02, 2.03 and 2.04, as applicable to each such separate Series, the Bonds otherwise permitted by the Resolution to be issued as a separate Series shall be considered separately as if such Bonds were to be issued as a separate Series. In the event that separate Series are combined for purposes of issuance and sale, they may be issued under a single Supplemental Resolution notwithstanding any other provision of the Resolution.

Section 2.02. General Provisions for Issuance of Bonds.

(a) All (but not less than all) the Bonds of each Series shall be executed by MEAN for issuance under the Resolution and delivered to the Trustee and thereupon shall be authenticated by the Trustee and by it delivered to MEAN or upon its order, but only upon the receipt by the Trustee of the following documents, all dated as of the date of such delivery (unless the Trustee shall accept any of such documents bearing a prior date):

(i) A Certificate of an Authorized Officer of MEAN setting forth for any period of 12 consecutive calendar months within the 24 calendar months next preceding the date of the authentication and delivery of such Series of Bonds (A) Net Revenues for such period and (B) the Aggregate Debt Service during the period so selected with respect to all Series of Bonds which were then Outstanding (provided that the amount of Debt Service for such period shall include the aggregate amounts actually paid with respect to the Operating Credit Obligation during such period); and showing that the Net Revenues for such period plus amounts available for transfer to the Revenue Fund from the General Reserve Fund in each month during such period are at least equal to 1.0 times the Aggregate Debt Service for such period with respect to such Bonds which were then Outstanding;

(ii) An Opinion of Counsel of recognized standing in the field of law relating to municipal bonds to the effect that (A) MEAN has the right and power under the Act as amended to the date of such Opinion to adopt the Resolution, and the Resolution has been duly and lawfully adopted by MEAN, is in full force and effect and is valid and binding upon MEAN and enforceable in accordance with its terms, and no other authorization for the Resolution is required; (B) the Resolution creates the valid pledge and assignment which it purports to create of the Revenues, Power Supply Contracts, moneys, securities and funds held or set aside under the Resolution subject to the application thereof to the purposes and on the conditions permitted by the Resolution; and (C) the Bonds of such Series are valid and binding obligations of MEAN as provided in the Resolution and enforceable in accordance with their terms, and entitled to the benefits of the Resolution and of the Act as amended to the date of such Opinion, and such Bonds have been duly and validly authorized and issued in accordance with law, including the Act as amended to the date of such Opinion, and in accordance with the Resolution, provided that such Opinion may take exception for limitations imposed by or resulting from bankruptcy, insolvency, moratorium, reorganization

or other laws affecting creditors' rights generally and may state that no opinion is being rendered as to the availability of any particular remedy;

(iii) A written order as to the delivery of such Bonds, signed by an Authorized Officer of MEAN;

(iv) A copy of the Supplemental Resolution authorizing such Bonds, certified by an Authorized Officer of MEAN, which, together with any certificate of determination accompanying such Supplemental Resolution, shall, among other provisions, specify: (A) the authorized principal amount, designation and Series of such Bonds; (B) the purposes for which such Series of Bonds is being issued, which shall be (1) one or more of the purposes specified in Section 2.03 or (2) the refunding of Bonds as provided in Section 2.04; (C) the date, and the maturity date or dates, of the Bonds of such Series, provided that each maturity date shall be an April 1; (D) the interest rate or rates or the manner of determining the interest rate or rates on the Bonds of such Series and the Interest Payment Dates therefor, or in the case of Capital Appreciation Bonds or Convertible Capital Appreciation Bonds, the Valuation Dates and the Accreted Value on such dates; (E) if any Bonds of such Series are Variable Interest Rate Bonds, the methods of determining the Variable Interest Rate, a Maximum Interest Rate and, if MEAN so determines, a Minimum Interest Rate applicable thereto; (F) if any of the Bonds of such Series are Option Bonds, the terms and conditions of the exercise by the Holders of such Bonds of the payment and/or redemption options granted thereby; (G) the minimum denomination of, and the manner of dating, numbering and lettering, the Bonds of such Series, provided that such Bonds shall be in denominations equal to the minimum denomination or any multiple thereof as authorized by such Supplemental Resolution; (H) the Paying Agent or Paying Agents and the place or places of payment of the principal and Redemption Price, if any, of, and interest on, the Bonds of such Series; (I) the Redemption Price or Prices, if any, and, subject to Article IV, the redemption terms for the Bonds of such Series; (J) the amount and due date of each Sinking Fund Installment, if any, for Bonds of like maturity of such Series, provided that each Sinking Fund Installment due date shall fall upon an Interest Payment Date for such Bonds; (K) if so determined by MEAN, provisions for the sale of the Bonds of such Series; (L) the amount (or the method of determining the amount), if any, to be deposited from the proceeds of such Series of Bonds in the Debt Service Account in the Debt Service Fund and provisions for the application thereof to the payment of all or a portion of the interest on such Series of Bonds or any other Series of Bonds; (M) the amount (or the method of determining the amount), if any, to be deposited from the proceeds of such Series of Bonds in the Debt Service Reserve Account in the Debt Service Fund and the identification of any separate account in the Debt Service Reserve Account to be established specifically for such Series of Bonds, in which such amounts shall be held; (N) the amount, if any, to be deposited from the proceeds of such Series of Bonds in the Reserve and Contingency Fund; (O) the amount, if any, to be deposited in the Operating Fund, from the proceeds of such Series of Bonds for reserves for working capital and the acquisition of fuel; (P) the amount, if any, to be deposited from the proceeds of

such Series of Bonds in the General Reserve Fund; (Q) the extent to which and the period of time for which investment earnings on obligations held as part of a Fund or Account established under the Resolution shall be transferred to the Debt Service Account in the Debt Service Fund to pay interest on such Series of Bonds; (R) if any Bonds of such Series are Variable Interest Rate Bonds, the pledge under the Resolution, if any, by MEAN, on a subordinate basis, to secure the payment of amounts due to the provider of any credit facility, the provider of any liquidity facility and the Qualified Hedge Provider, if any, with respect to the related Series of Bonds; and (S) the forms of the Bonds of such Series and of the Trustee's certificate of authentication, which forms shall contain such variations, omissions and insertions as are required or permitted by the Resolution;

(v) The amount, if any, necessary for deposit in the Debt Service Reserve Account in the Debt Service Fund so that such Account shall equal the Debt Service Reserve Requirement calculated immediately after the authentication and delivery of such Series of Bonds and the terms of any Reserve Policy used in lieu of a deposit of moneys to the Debt Service Reserve Account;

(vi) The amount, if any, necessary for deposit in the Reserve and Contingency Fund so that such Fund shall equal the Reserve and Contingency Fund Requirement immediately after the authentication and delivery of such Series of Bonds;

(vii) The amount, if any, to be deposited in the Operating Fund;

(viii) Except in the case of Refunding Bonds, a certificate of an Authorized Officer of MEAN stating that either (A) no Event of Default has occurred and is continuing under the Resolution or (B) the application of the proceeds of sale of such Series of Bonds as required by the Supplemental Resolution will cure any such Event of Default;

(ix) An Opinion or Opinions of Counsel to the effect that all the Total Power Requirements Power Purchase Agreements then in force have been duly authorized, executed and delivered by the parties thereto and constitute valid and binding obligations of such parties in accordance with their respective terms, provided that (A) such Opinion or Opinions of Counsel may take exception for limitations imposed by or resulting from bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights generally and state that no opinion is being rendered as to the availability of any particular remedy; (B) such Opinion or Opinions may be rendered in reliance on certificates of the Power Purchasers with respect to factual matters regarding the authorization, execution and delivery of the Total Power Requirements Power Purchase Agreements; and (C) once an Opinion or Opinions of Counsel covering any of the matters referred to above have been received by the Trustee, no new Opinion or Opinions of Counsel covering such matter need be furnished to the Trustee unless the contract or agreement to which the matter relates has been amended, modified or

supplemented subsequent to the date of the prior Opinion or Opinions of Counsel furnished with respect thereto; and

(x) Such further documents, moneys and securities as are required by the provisions of Section 2.04 or 2.05 or Article X or any Supplemental Resolution adopted pursuant to Article X.

(b) Except as otherwise provided in the Supplemental Resolution under which a Series of Bonds is issued, all the Bonds of a Series of like maturity shall be identical in all respects. After the original issuance of Bonds of any Series, no Bonds of such Series shall be issued except in lieu of or in substitution for other Bonds of such Series pursuant to Article III or Section 4.06 or Section 11.05. The Bonds shall be issuable as fully registered bonds without coupons in Authorized Denominations. Unless MEAN shall otherwise direct, the Bonds of a Series shall be numbered as determined by the Trustee.

(c) The principal of, premium, if any, and interest on the Bonds shall be payable in lawful money of the United States of America with principal and any premium being payable at the designated corporate trust office of the Trustee, or of its successor in trust, or at the duly designated office of any Paying Agents. Payment of interest on any Bond on any Interest Payment Date shall be made by check or draft mailed to the Bondholder as of the close of business on the Record Date at its address as it appears on the registration books of MEAN kept by the Trustee, in its capacity as Bond Registrar, on the Interest Payment Date or at such other address as shall have been furnished to the Trustee in writing by such Bondholder not later than the close of business on the Record Date.

(d) Except as provided in paragraph (f) below, or as otherwise provided in the Supplemental Resolution under which such Series of Bonds is issued, the Holder of all Bonds shall be Cede & Co., as nominee of DTC. Payment of semiannual interest for any Bond registered as of each Record Date in the name of Cede & Co. shall be made by wire transfer to the account of Cede & Co. on the Interest Payment Date for the Bonds at the address indicated on the Record Date for Cede & Co. in the registration books of MEAN kept by the Trustee, as the Bond Register.

(e) Except as otherwise provided in the Supplemental Resolution under which such Series of Bonds is issued, the Bonds of a Series shall initially be issued in the form of a single authenticated fully registered Bond for, and in the principal amount of, each maturity of the Bonds of such Series. Upon initial issuance, the ownership of each Bond shall be registered in the registration books of MEAN kept by the Trustee in the name of Cede & Co., as nominee of DTC. The Trustee and MEAN may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal of, premium, if any, or interest on the Bonds, giving any notice permitted or required to be given to Bondholders under this Resolution, registering the transfer of Bonds, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever, and neither the Trustee nor MEAN shall be affected by any notice to the contrary. Neither the Trustee nor MEAN shall have any responsibility or obligation to any DTC participant, any person claiming a beneficial

ownership interest in the Bonds under or through DTC or any DTC participant or any other person which is not shown on the registration books of MEAN kept by the Trustee as being a Bondholder with respect to the accuracy of any records maintained by DTC, Cede & Co. or any DTC participant; the payment by DTC or any DTC participant to any beneficial owner of any amount in respect of the principal of, premium, if any, or interest on the Bonds; the delivery to any DTC participant or any beneficial owner of any notice which is permitted or required to be given to Bondholders under this Resolution; the selection by DTC or any DTC participant of any person to receive payment in the event of a partial payment of the Bonds; or any consent given or other action taken by DTC as Bondholder. The Paying Agent shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of Cede & Co., as nominee of DTC, and all such payments shall be valid and effective to fully satisfy and discharge MEAN's obligations with respect to the principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. Upon delivery by DTC to the Trustee of written notice to the effect that DTC had determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to record dates, the words "Cede & Co." in this Resolution shall refer to such new nominee of DTC.

(f) In the event that (i) DTC determines not to act as securities depository for a Series of Bonds; (ii) MEAN advises DTC of its determination that DTC is incapable of discharging its duties with respect to a Series of Bonds; or (iii) MEAN determines that it is in the best interest of the beneficial owners of the Bonds of a Series that they be able to obtain Bond certificates, MEAN shall, if the event is triggered by either (i) or (ii) above, attempt to locate another qualified securities depository for such Series of Bonds. If MEAN fails to locate such a replacement, then it shall notify DTC and the Trustee, requesting DTC to notify its participants, of the availability through DTC of Bond certificates. In any such event, the Trustee shall issue, transfer and exchange Bond certificates as requested by DTC and any other Bondholders in appropriate amounts. MEAN and the Trustee shall be obligated to deliver Bond certificates as described in this Resolution. In the event Bond certificates are issued to Bondholders other than DTC, the provisions of this Resolution shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal of, premium, if any, and interest on such Bond certificates. Whenever DTC requests MEAN and Trustee to do so, Trustee and MEAN will cooperate with DTC in taking appropriate action after reasonable notice (A) to make available one or more separate certificates evidencing the Bonds to any DTC participant having Bonds credited to its DTC account or (B) to arrange for another securities depository to maintain custody of certificates evidencing the Bonds.

(g) So long as any Bond is registered in the name Cede & Co., as nominee of DTC, all payments with respect to the principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given to DTC as provided in the representation letters entered into by MEAN, the Trustee and DTC on or prior to the delivery date of the Bonds.

(h) In connection with any notice or other communication to be provided to Bondholders pursuant to this Resolution by MEAN or the Trustee with respect to any

consent or other action to be taken by Bondholders, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, MEAN or the Trustee, as the case may be, shall establish a record date for such consent to other action and give DTC notice of such record date not less than 15 calendar days in advance of such record date to the extent possible.

Section 2.03. Bonds Other Than Refunding Bonds.

(a) One or more Series of Bonds may be issued at any time for the purpose of paying all or a portion of the Cost of Acquisition and Construction of the System. Bonds of each such Series shall be issued and delivered by the Trustee only upon compliance with the terms and conditions set forth in Section 2.02.

(b) The proceeds, including accrued interest, of each Series of Bonds authorized under this Section 2.03, and capitalized interest, if any, thereon, shall be applied simultaneously with the delivery of such Bonds, as provided in the Supplemental Resolution authorizing such Series.

Section 2.04. Refunding Bonds.

(a) One or more Series of Refunding Bonds may be authenticated and delivered upon original issuance to refund all Outstanding Bonds of one or more Series or one or more maturities within a Series. Refunding Bonds shall be issued in a principal amount sufficient, together with other moneys available therefor, to accomplish such refunding and to make the deposits in the Funds and Accounts under the Resolution required by the provisions of the Supplemental Resolution authorizing such Bonds.

(b) Refunding Bonds of each Series shall be authenticated and delivered by the Trustee only upon receipt by the Trustee (in addition to the documents required by Section 2.02) of the following documents, all dated as of the date of such delivery (unless the Trustee shall accept any of such documents bearing a prior date):

(i) Irrevocable instructions to the Trustee, satisfactory to it, to give due notice of redemption of all the Bonds to be refunded on a redemption date specified in such instructions;

(ii) If the Bonds to be refunded are not by their terms subject to redemption within the next succeeding 60 days, irrevocable instructions to the Trustee, satisfactory to it, to make due publication of the notice provided for in Section 12.01 to the Holders of the Bonds being refunded; and

(iii) Either (A) moneys in an amount sufficient to effect payment at the applicable Redemption Price of the Bonds to be refunded together with accrued interest on such Bonds to the redemption date, which moneys shall be held by the Trustee or any one or more of the Paying Agents in a separate account irrevocably in trust for and assigned to the respective Holders of the Bonds to be refunded, or (B) Defeasance Securities in such principal amounts, of such maturities, bearing such interest, and otherwise having such terms and qualifications and any

moneys, as shall be necessary to comply with the provisions of Section 12.01(b), which Defeasance Securities and moneys shall be held in trust and used only as provided in said subsection (b).

(c) The proceeds, including accrued interest, of the Refunding Bonds of each Series shall be applied simultaneously with the delivery of such Bonds for the purposes of making deposits in such Funds and Accounts under the Resolution as shall be provided by the Supplemental Resolution authorizing such Series of Refunding Bonds and shall be applied to the refunding purposes thereof in the manner provided in said Supplemental Resolution.

Section 2.05. Operating Credit Obligation. Notwithstanding any other provision of this Resolution, MEAN may, from time to time upon the adoption of the appropriate resolution (which need not be a Supplemental Resolution), enter into an agreement with a financial institution for a line of credit to be evidenced by the Operating Credit Obligation. The terms and conditions of the Operating Credit Obligation shall be in substantially the form set forth in Section 13.01 hereof with such changes as may be required by the particular loan agreement with respect to the line of credit and the authorizing resolution of MEAN with respect thereto, provided that (a) advances under the Operating Credit Obligation shall be applied by MEAN solely to the timely payment of Operating Expenses and (b) the aggregate principal amount of such advances outstanding on any date shall not exceed 15% of the Revenues for the 12 calendar months next preceding such date.

ARTICLE III

GENERAL TERMS AND PROVISIONS OF BONDS

Section 3.01. Medium of Payment; Form and Date; Letters and Numbers.

(a) The Bonds shall be payable, with respect to interest, principal and Redemption Price, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

(b) The Bonds of each Series may be issued only in the form of fully registered Bonds without coupons unless otherwise authorized by a Supplemental Resolution.

(c) Each Bond shall be lettered and numbered as provided in the Supplemental Resolution authorizing the Series of which such Bond is a part and so as to be distinguished from every other Bond.

(d) Bonds of each Series shall be dated the date of authentication, except as may be otherwise provided in the Supplemental Resolution authorizing the Bonds of such Series, and shall bear interest as provided in the Supplemental Resolution authorizing the Bonds of such Series.

Section 3.02. Legends. The Bonds of each Series may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of the

Resolution as may be necessary or desirable to comply with custom, the rules of any securities exchange or commission or brokerage board, or otherwise, as may be determined by MEAN prior to the authentication and delivery thereof.

Section 3.03. Execution and Authentication.

(a) The Bonds shall be executed in the name of MEAN by the manual or facsimile signature of its Chairperson or its Vice Chairperson, and its corporate seal (or a facsimile thereof) shall be impressed, imprinted, engraved or otherwise reproduced thereon and attested by the manual or facsimile signature of the Secretary-Treasurer of MEAN, or in such other manner as may be required or permitted by law. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer before the Bonds so signed and sealed shall have been authenticated and delivered by the Trustee, such Bonds may, nevertheless, be authenticated and delivered as herein provided, and may be issued as if the persons who signed or sealed such Bonds had not ceased to hold such offices. Any Bond of a Series may be signed and sealed on behalf of MEAN by such persons as at the time of the execution of such Bonds shall be duly authorized or hold the proper office in MEAN although at the date borne by the Bonds of such Series such persons may not have been so authorized or have held such office.

(b) Except as otherwise provided in a Supplemental Resolution authorizing the issuance of a Series of Bonds, the Bonds of each Series shall bear thereon a certificate of authentication, in such form as provided in the Supplemental Resolution authorizing such Series of Bonds, executed manually by the Trustee. Only such Bonds as shall bear thereon such certificate of authentication shall be entitled to any right or benefit under the Resolution and no Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee. Such certificate of the Trustee upon any Bond executed on behalf of MEAN shall be conclusive evidence that the Bond so authenticated has been duly authenticated and delivered, under the Resolution and that the Holder thereof is entitled to the benefits of the Resolution.

Section 3.04. Negotiability, Transfer and Registry.

(a) The Bonds shall be transferable only upon the books of MEAN, which shall be kept for such purposes at the corporate trust office of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney. Upon the transfer of any such registered Bond, MEAN shall issue in the name of the transferee a new Bond or Bonds of the same aggregate principal amount and Series, maturity and interest rate as the surrendered Bond.

(b) The registered owner of any Bond or Bonds of one or more denominations shall have the right to exchange such Bond or Bonds for a new Bond or Bonds of any denomination of the same aggregate principal amount and Series and maturity of the surrendered Bond or Bonds. Such Bond or Bonds shall be exchanged by MEAN for a

new Bond or Bonds upon the request of the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender of such Bond or Bonds together with a written instrument requesting such exchange satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

(c) MEAN and each Fiduciary may deem and treat the person in whose name any Bond shall be registered upon the books of MEAN as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and Redemption Price, if any, of and interest on such Bond and for all other purposes, and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither MEAN nor any Fiduciary shall be affected by any notice to the contrary. MEAN agrees to indemnify and save each Fiduciary harmless from and against any and all loss, cost, charge, expense, judgment or liability incurred by it, acting in good faith and without negligence under the Resolution, in so treating such registered owner.

Section 3.05. Regulations With Respect to Exchanges and Transfers. In all cases in which the privilege of exchanging or transferring Bonds is exercised, MEAN shall execute and the Trustee shall authenticate and deliver Bonds in accordance with the provisions of the Resolution. All Bonds surrendered in any such exchanges or transfers shall forthwith be delivered to the Trustee and cancelled or retained by the Trustee. For every such exchange or transfer of Bonds, whether temporary or definitive, MEAN or the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. Neither MEAN nor the Bond Registrar shall be required (a) to transfer or exchange Bonds of any Series for a period of 20 days next preceding an Interest Payment Date on the Bonds of such Series or next preceding any selection of Bonds to be redeemed or thereafter until after the first publication or mailing of any notice of redemption; or (b) to transfer or exchange any Bonds called for redemption.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. If any Bond becomes mutilated or is lost, stolen or destroyed, MEAN shall execute and the Trustee shall authenticate and deliver a new Bond of like date of issue, maturity date, principal amount and interest rate per annum as the Bond so mutilated, lost, stolen or destroyed, provided that (i) in the case of such mutilated Bond, such Bond is first surrendered to the Trustee, (ii) in the case of any such lost, stolen or destroyed Bond, there is first furnished evidence of such loss, theft or destruction satisfactory to the Trustee and MEAN together with indemnity satisfactory to the Trustee and MEAN, (iii) all other reasonable requirements of the Trustee and MEAN are complied with, and (iv) expenses in connection with such transaction are paid by the Holder. Any Bond surrendered for exchange shall be cancelled. Any such new Bonds issued pursuant to this Section in substitution for Bonds alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of MEAN, whether or not the Bonds so alleged to be destroyed, stolen or lost be at any time enforceable by anyone, and shall be equally secured by and entitled to equal and proportionate benefits with all other Bonds issued under the Resolution, in any moneys or securities held by MEAN or any Fiduciary for the benefit of the Holders of the Bonds.

Section 3.07. Temporary Bonds.

(a) Until the definitive Bonds of any Series are prepared, MEAN may execute, in the same manner as is provided in Section 3.03, and upon the request of MEAN the Trustee shall authenticate and deliver, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds except as to the denominations thereof and as to exchangeability for registered Bonds, one or more temporary Bonds substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, in denominations equal to the minimum denomination of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued or any multiples thereof authorized by MEAN and with such omissions, insertions and variations as may be appropriate to temporary Bonds. MEAN at its own expense shall prepare and execute and, upon the surrender of such temporary Bonds, for exchange and the cancellation of such surrendered temporary Bonds, the Trustee shall authenticate and, without charge to the Holder thereof, deliver in exchange therefor, definitive Bonds of the same aggregate principal amount, Series, maturity and interest rate as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds authenticated and issued pursuant to the Resolution.

(b) If MEAN shall authorize the issuance of temporary Bonds in more than one denomination, the Holder of any temporary Bond or Bonds may, at his option, surrender the same to the Trustee in exchange for another temporary Bond or Bonds of like aggregate principal amount, Series, maturity and interest rate of any other authorized denomination or denominations, and thereupon MEAN shall execute and the Trustee shall authenticate and, in exchange for the temporary Bond or Bonds so surrendered and upon payment of the taxes, fees and charges provided for in Section 3.05, shall deliver a temporary Bond or Bonds of like aggregate principal amount, Series, maturity and interest rate in such other authorized denomination or denominations as shall be requested by such Holder.

(c) All temporary Bonds surrendered in exchange either for another temporary Bond or Bonds or for a definitive Bond or Bonds shall be forthwith cancelled by the Trustee.

Section 3.08. Payment of Interest on Bonds; Interest Rights Preserved. Provisions relating to the payment of interest and Defaulted Interest on any Series of Bonds shall be as provided in the Supplemental Resolution providing for the issuance of such Series of Bonds.

ARTICLE IV

REDEMPTION OF BONDS

Section 4.01. Privilege of Redemption and Redemption Price. Bonds of a Series subject to redemption prior to maturity pursuant to this Resolution or a Supplemental Resolution shall be redeemable, upon published notice as provided in this Article IV, at such times, at such

Redemption Prices and upon such terms in addition to the terms contained in this Article IV as may be specified in the Resolution or in the Supplemental Resolution authorizing such Series.

Section 4.02. Redemption at the Election or Direction of MEAN. Except as otherwise provided in a Supplemental Resolution authorizing the issuance of a Series of Bonds, in the case of any redemption of Bonds at the election or direction of MEAN, MEAN shall give written notice to the Trustee of its election or direction so to redeem, of the redemption date, of the Series and of the principal amounts of the Bonds of each maturity of such Series and of the Bonds of each interest rate within a maturity to be redeemed (which Series, maturities and principal amounts thereof to be redeemed shall be determined by MEAN in its sole discretion, subject to any limitations with respect thereto contained in the Resolution). Except as otherwise provided in a Supplemental Resolution authorizing the issuance of a Series of Bonds, such notice shall be given at least 60 days prior to the redemption date or such shorter period as shall be acceptable to the Trustee. In the event notice of redemption shall have been given as in Section 4.05 provided, there shall be paid prior to the redemption date to the appropriate Paying Agents an amount in cash which, in addition to other moneys, if any, available therefor held by such Paying Agents, will be sufficient to redeem on the redemption date at the Redemption Price thereof, plus interest accrued and unpaid to the redemption date, all of the Bonds to be redeemed. MEAN shall promptly notify the Trustee in writing of all such payments by it to a Paying Agent.

Section 4.03. Redemption Otherwise Than at MEAN's Election or Direction. Whenever by the terms of the Resolution the Trustee is required or authorized to redeem Bonds otherwise than at the election or direction of MEAN, the Trustee shall (i) select the Bonds to be redeemed, (ii) give the notice of redemption for and on behalf of and at the expense of MEAN, and (iii) pay out of moneys available therefor the Redemption Price thereof, plus interest accrued and unpaid to the redemption date, to the appropriate Paying Agents in accordance with the terms of this Article IV and, to the extent applicable, Section 5.07.

Section 4.04. Selection of Bonds To Be Redeemed. Except as otherwise provided in a Supplemental Resolution authorizing the issuance of a Series of Bonds, if fewer than all of the Bonds of like maturity of any Series shall be called for prior redemption, the particular Bonds or portions of Bonds to be redeemed shall be selected by the Trustee in such manner as the Trustee in its discretion may deem fair and appropriate; provided, however, that for any Bond (other than a Capital Appreciation Bond or a Convertible Capital Appreciation Bonds) of a denomination of more than the minimum denomination specified in the Supplemental Resolution relating to such Series, the portion of such Bond to be redeemed shall be in a principal amount equal to such minimum denomination or a multiple thereof, and that, in selecting portions of such Bonds for redemption, the Trustee shall treat each such Bond as representing that number of Bonds of such minimum denomination which is obtained by dividing the principal amount of such Bond to be redeemed in part by the amount of such minimum denomination. For purposes of this Section 4.04, if less than all of the Capital Appreciation Bonds or Convertible Capital Appreciation Bonds shall be called for prior redemption, the portion of any Capital Appreciation Bond or Convertible Capital Appreciation Bond of a denomination of more than the minimum maturity amount specified in the Supplemental Resolution relating to such Series, the portion of such Bond to be redeemed shall be in a maturity amount equal to such minimum maturity amount or a multiple thereof, and in selecting portions of such Capital Appreciation Bond or Convertible Capital Appreciation Bond for redemption, the Trustee shall treat each such Capital Appreciation

Bond or Convertible Capital Appreciation Bonds as representing that number of Capital Appreciation Bonds or Convertible Capital Appreciation Bonds of such minimum maturity amount which is obtained by dividing the maturity amount of such Capital Appreciation Bond or Convertible Capital Appreciation Bonds to be redeemed in part by the minimum maturity amount specified in such Supplemental Resolution.

Section 4.05. Notice of Redemption. When the Trustee shall receive notice from MEAN of its election or direction to redeem Bonds pursuant to Section 4.02, and when redemption of Bonds is authorized or required pursuant to Section 4.03, the Trustee shall give notice, in the name of, on behalf of and at the expense of MEAN, of the redemption of such Bonds, which notice shall specify the Series, maturities and interest rates within maturities, if any, of the Bonds to be redeemed, the redemption date and the place or places where amounts due upon such redemption will be payable and, if fewer than all of the Bonds of any like Series, maturity and interest rate within maturities are to be redeemed, the letters and numbers or other distinguishing marks of such Bonds so to be redeemed, and, in the case of Bonds to be redeemed in part only, such notice shall also specify the respective portions of the principal amount thereof to be redeemed. Such notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof in the case of Bonds to be redeemed in part only, together with interest accrued to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable. Such notice shall be mailed by the Trustee, postage prepaid, not less than 30 days before the redemption date, to the registered owners of any Bonds or portions of Bonds which are to be redeemed, at their last addresses, if any, appearing upon the registry books. Failure of the registered owner of any Bond which is to be redeemed to receive any such notice shall not affect the sufficiency or validity of the proceedings for the redemption of Bonds.

Any notice of optional redemption (other than redemptions to satisfy mandatory sinking fund requirements) of Bonds may state that it is conditional upon receipt by the Trustee of moneys sufficient to pay the Redemption Price together with accrued interest to the redemption date, or upon the satisfaction of any other condition, or that it may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded if any such other event occurs. Notice of such rescission shall be given by the Trustee to affected Holders of such Bonds as is promptly as practicable upon the failure of such condition or the occurrence of such other event.

Section 4.06. Payment of Redeemed Bonds. Notice having been given in the manner provided in Section 4.05 or in the manner provided in the Supplemental Resolution authorizing a Series of Bonds, the Bonds or portions thereof so called for redemption shall become due and payable on the redemption date so designated at the Redemption Price, plus interest accrued and unpaid to the redemption date, and, if presentation and surrender thereof are required hereby, upon presentation and surrender thereof at the office specified in such notice, such Bonds or portions thereof shall be paid at the Redemption Price plus interest accrued and unpaid to the redemption date, all subject to the second paragraph of Section 4.05 hereof. If there shall be drawn for redemption less than all of a Bond, if presentation and surrender thereof are required hereby, MEAN shall execute and the Trustee shall authenticate and the Paying Agent shall deliver, upon the surrender of such Bond, without charge to the owner thereof, for the

unredeemed balance of the principal amount of the Bonds so surrendered, at the option of the owner thereof, Bonds of like Series, maturity and interest rate in any of the authorized denominations. If, on the redemption date, moneys for the redemption of all the Bonds or portions thereof of any like Series, maturity, or of like interest rate within a maturity, to be redeemed, together with interest to the redemption date, shall be held by the Paying Agents so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the redemption date interest on the Bonds or portions thereof of such Series, maturity and interest rate so called for redemption shall cease to accrue and become payable. If said moneys shall not be so available on the redemption date, such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

Section 4.07. Cancellation and Destruction of Bonds. Except as may be otherwise provided with respect to Option Bonds in the Supplemental Resolution providing for the issuance thereof, all Bonds paid or redeemed, either at or before maturity, shall be delivered to the Trustee when such payment or reduction is made, and such Bonds, together with all Bonds purchased which have been delivered to the Trustee for application as a credit against Sinking Fund Installments and all Bonds purchased by the Trustee, shall thereupon be promptly cancelled. Bonds so cancelled may at any time be destroyed by the Trustee, who shall execute a certificate of destruction in duplicate by the signature of one of its authorized officers describing the Bonds so destroyed, and one executed certificate shall be filed with MEAN and the other executed certificate shall be retained by the Trustee.

ARTICLE V

ESTABLISHMENT OF FUNDS AND APPLICATION THEREOF

Section 5.01. The Pledge Effected by the Resolution; Subordinate to Prior Resolution.

(a) The Bonds (exclusive of the Operating Credit Obligation) shall be special obligations of MEAN payable solely from and secured as to the payment of the principal and Redemption Price thereof, and interest thereon, in accordance with their terms and provisions of the Resolution solely by (i) the proceeds of sale of the Bonds, (ii) the Revenues, (iii) on and after the Prior Resolution Retirement Date, all right, title and interest of MEAN under the Power Supply Contracts and (iv) all Funds (excluding the Operating Credit Account) established by the Resolution, including the investment income, if any, thereof, and the same hereby are pledged and assigned to, and a security interest in the same is hereby granted to, the Trustee for the benefit of the Holders of the Bonds subject only to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution.

The Operating Credit Obligation also shall be a special obligation of MEAN payable solely from and secured as to payment of the principal of and interest on amounts drawn by MEAN thereunder in accordance with its terms and the provisions of the Resolution solely by (i) the Revenues and (ii) the moneys held from time to time in the Operating Credit Account, and the same are hereby pledged and assigned to, and a

security interest in the Revenues, on a parity with the pledge, assignment and grant of the Revenues set forth in the preceding sentence, and in the moneys held in the Operating Credit Account is hereby granted to, the Trustee for the benefit of the holder of the Operating Credit Obligation, subject only to the provisions of the Resolution permitting the application of the Revenues for the purposes and on the terms and conditions set forth in the Resolution.

The pledge of the Revenues and of MEAN's right, title and interest under the Power Supply Contracts created hereby is, and is hereby expressly declared to be, subject and subordinate in all respects to the pledge and lien created by the Prior Resolution.

(b) The Bonds shall not constitute a debt of any municipality, any member of MEAN, any Power Purchaser or the State of Nebraska, and neither the State of Nebraska, any member of MEAN, any Power Purchaser nor any municipality shall be liable thereon.

(c) Nothing contained in the Resolution shall be construed to prevent MEAN from acquiring, constructing or financing through the issuance of its bonds, notes or other evidences of indebtedness any facilities which do not constitute a part of the System for the purposes of the Resolution or from securing such bonds, notes or other evidences of indebtedness by a mortgage of the facilities so financed or by a pledge of the revenues therefrom or any lease or other agreement with respect thereto or any revenues derived from such lease or other agreement, provided that such bonds, notes or other evidences of indebtedness shall not be payable out of or secured by the Revenues, the Power Supply Contracts or any Fund held under the Resolution and neither the cost of such facilities nor any expenditure in connection therewith or with the financing thereof shall be payable from the Revenues or from any such Fund.

(d) MEAN expressly reserves the right to adopt one or more resolutions separate and apart from the Resolution and reserves the right to issue bonds or other obligations of MEAN under such resolutions for any of its authorized purposes, including the financing of the cost of additional generating units, provided that such bonds or other obligations shall not, in whole or in part, be secured by a lien on or pledge of, or be otherwise payable from, any Revenues, the Power Supply Contracts or any Funds established by the Resolution.

Section 5.02. Establishment of Funds. The following Funds are hereby established:

- (a) Construction Fund, to be held by the Trustee;
- (b) Revenue Fund, to be held by MEAN;
- (c) Operating Fund, to be held by MEAN;
- (d) Debt Service Fund, to be held by the Trustee, consisting of a Debt Service Account, an Operating Credit Account, a Debt Service Reserve Account and a Subordinated Indebtedness Account;

(e) Reserve and Contingency Fund, to be held by MEAN; and

(f) General Reserve Fund, to be held by MEAN, consisting of a General Reserve Account and a Rate Stabilization Account.

In addition to the above, MEAN may from time to time establish or cause the Trustee to establish one or more accounts and/or subaccounts in the above-described Funds and Accounts.

Section 5.03. Construction Fund.

(a) There shall be paid into the Construction Fund the amounts required to be so paid by the provisions of this Resolution and any Supplemental Resolutions thereto, and there may be paid into the Construction Fund, at the option of MEAN, any moneys received for or in connection with the System by MEAN from any other source, unless required to be otherwise applied as provided by the Resolution. Amounts in the Construction Fund shall be applied to the Cost of Acquisition and Construction of the System in the manner provided in this Section.

(b) The proceeds of insurance maintained pursuant to the Resolution against physical loss of or damage to the System, or of contractors' performance bonds with respect thereto, pertaining to the period of construction thereof, shall be paid into the appropriate separate account in the Construction Fund.

(c) The Trustee shall make payments from the Construction Fund, except payments and withdrawals pursuant to Sections 5.03(d) and (f), in the amounts, at the times, in the manner and on the other terms and conditions set forth in this subsection. Before any such payment shall be made, MEAN shall file with the Trustee its requisition therefor, signed by an Authorized Officer of MEAN, stating in respect of each payment to be made (i) the particular account established within the Construction Fund from which such payment is to be made, (ii) the name and address of the person, firm or corporation to whom payment is due and (iii) the amount to be paid and that the cost or the obligation in the stated amount is a proper charge against the Construction Fund which has not been previously paid. The Trustee shall issue its check for each payment required by such requisition or shall by interbank transfer or other method arrange to make the payment required by such requisition and promptly provide MEAN with written evidence thereof.

(d) The Trustee shall pay from the Construction Fund to MEAN upon its requisitions therefor signed by an Authorized Officer of MEAN, at one time or from time to time, a sum or sums aggregating not more than \$2,000,000 (or such larger amount as MEAN shall certify to the Trustee as necessary to allow for the expeditious payment of Costs of Acquisition and Construction), such sums to be used by MEAN as a revolving fund for the purpose of paying such items of the Cost of Acquisition and Construction thereof as cannot conveniently be paid as in this Section otherwise provided. MEAN agrees that, to the extent it submits requisitions to the Trustee pursuant to this Section 5.03(d), it shall establish a separate account in its own books and records and

shall deposit the requisitioned funds in a separate account established with its primary financial services provider for the purpose of properly and accurately recording the timing and amount of funds requisitioned from the Construction Fund and the application thereof. So long as the amount in such revolving fund shall at any time be less than \$2,000,000 (or such larger amount as shall be certified as aforesaid), such revolving fund shall be reimbursed by the Trustee from time to time for such expenses so paid, by payments from the Construction Fund upon requisitions signed by an Authorized Officer of MEAN specifying the payee and the amount and particular purpose of each payment from such revolving fund for which such reimbursement is requested and certifying that each such amount so paid was necessary for the payment of an item of the Cost of Acquisition and Construction of the System and that such expense could not conveniently be paid except from such revolving fund. In making such reimbursement the Trustee may rely upon such requisitions and accompanying certificates.

(e) Notwithstanding any of the other provisions of this Section, to the extent that other moneys are not available therefor, amounts in the Construction Fund shall be applied to the payment of Principal Installments of and interest on Bonds (exclusive of the Operating Credit Obligation) when due.

(f) The completion of acquisition or construction of any addition to the System shall be evidenced by a certificate or certificates of an Authorized Officer of MEAN which shall be filed with the Trustee, stating (i) that such addition has been acquired or completed, (ii) the date of such acquisition or completion and (iii) the amount, if any, required in the opinion of the signer or signers for the payment of any remaining part of the Cost of Acquisition and Construction thereof. Upon the filing of such certificate, the balance in the separate account in the Construction Fund established therefor in excess of the amount, if any, stated in such certificate shall be paid over or transferred to the Trustee for deposit in the Debt Service Reserve Account in the Debt Service Fund, if and to the extent necessary to make the amount in such account equal to the then current requirement for such account pursuant to Section 5.06(a)(ii), and any balance shall be deposited (A) in the General Reserve Fund for the purchase or retirement of Bonds or (B) transferred to a separate account or accounts established in the Construction Fund for application to the Cost of Acquisition and Construction of one or more additions to the System.

(g) Nothing in this Section 5.03 shall be construed to prevent MEAN from permanently discontinuing the acquisition or construction of any portion of the System the Cost of Acquisition and Construction of which is at the time being paid out of the Construction Fund, if the Board of Directors of MEAN determines by resolution that such discontinuance is necessary or desirable in the conduct of the business of MEAN and not disadvantageous to the Holders of the Bonds.

Section 5.04. Revenues and Revenue Fund.

(a) All Revenues shall be promptly deposited by MEAN upon receipt thereof to the credit of the Revenue Fund.

(b) Each month MEAN may transfer from the Revenue Fund to the Rate Stabilization Account in the General Reserve Fund, an amount determined by MEAN's Board of Directors to be credited to such Account for the month. Except for amounts transferred from the Revenue Fund to the Rate Stabilization Account pursuant to this Section 5.04(b), no amounts shall be transferred from any other Fund or Account to the Rate Stabilization Account.

Section 5.05. Operating Fund.

(a) As soon as practicable in each month after the deposit of Revenues in the Revenue Fund and in any case no later than the last business day of such month, MEAN shall withdraw from time to time from the Revenue Fund and transfer to the Operating Fund a sum or sums which, together with any amount therein not set aside as a general reserve for Operating Expenses, is equal to the Operating Expenses for such calendar month. MEAN may also from time to time transfer additional amounts from the Revenue Fund to the Operating Fund to be set aside as a general reserve for Operating Expenses, provided that the total amount of such general reserve accumulated from Revenues held at any time shall not exceed 20% of the amount appropriated by the Annual Budget for Operating Expenses for the then current Fiscal Year.

(b) Amounts in the Operating Fund shall be paid out from time to time by MEAN for Operating Expenses.

(c) Any amounts advanced to MEAN pursuant to the Operating Credit Obligation shall be deposited in the Operating Fund.

(d) Amounts in the Operating Fund which MEAN at any time determines to be in excess of the requirements of such Fund shall be applied to make up any deficiencies in the following Funds and Accounts in the order stated: (i) pro rata on the basis of the amount required for each of the Debt Service Account and Operating Credit Account in the Debt Service Fund; (ii) Debt Service Reserve Account in the Debt Service Fund; (iii) Subordinated Indebtedness Account in the Debt Service Fund; and (iv) Reserve and Contingency Fund. Any balance of such excess not so applied shall be deposited in the General Reserve Fund.

Section 5.06. Payments Into Certain Funds. MEAN shall transfer from the Revenue Fund, to the extent available, to the Trustee or MEAN, as the case may be, for deposit in the following Funds and Accounts in the following order the amounts set forth below, such application to be made in such a manner so as to assure good funds in such Funds and Accounts when needed for the purposes thereof:

(a) To the Debt Service Fund (i) pro rata on the basis of the amount required (A) for credit to the Debt Service Account, the amount, if any, required so that the balance in said Account shall equal the Accrued Aggregate Debt Service as of the end of the last day of the then current month, provided that for the purposes of computing the amount on deposit in said Account, there shall be excluded the amount, if any, set aside in said Account from the proceeds of Bonds (including amounts, if any, transferred

thereto from the Construction Fund) less that amount of such proceeds to be applied, in accordance with any Supplemental Resolution authorizing a Series of Bonds, to interest accrued and unpaid and to accrue on Bonds to the last day of the then current calendar month; provided further, however, that MEAN may defer any such monthly transfers and make one or more transfers in an amount equal to the aggregate of those not made, by no later than the time the next payment is required to be made from the Debt Service Account pursuant to Section 5.07, (B) for credit to the Debt Service Account, any net payment required to be made by MEAN (other than any Settlement Amount) under any Qualified Hedge Agreement, and (C) for credit to the Operating Credit Account, the amount, if any, equal to the sum of amounts required to pay principal of and accrued interest on the Operating Credit Obligation for such month; (ii) for credit to the Debt Service Reserve Account, the amount, if any, required for such account to equal the Debt Service Reserve Requirement; and (iii) for credit to the Subordinated Indebtedness Account, an amount, if any, equal to the sum of amounts required to pay principal or sinking fund installments and premiums, if any, of and interest on each issue of Subordinated Indebtedness, whether as a result of maturity or prior call for redemption, as required by the resolution, indenture or other instrument authorizing such issue of Subordinated Indebtedness, and any Settlement Amount then due and payable;

(b) To the Reserve and Contingency Fund the amount, if any, which when added to the amount on deposit in said Fund will equal the Reserve and Contingency Fund Requirement; and

(c) To the General Reserve Fund, the remaining balance, if any, of moneys in the Revenue Fund after making the above deposits.

At such time as the total amount held in the Debt Service Account and the Debt Service Reserve Account and, with respect to the Operating Credit Obligation, the total amount held in the Operating Credit Account, shall be sufficient to fully pay all Outstanding Bonds in accordance with their terms (including Principal Installments of, and interest thereon), no further deposits shall be required to be made into such Accounts and the Bonds shall no longer be deemed Outstanding pursuant to the Resolution.

Section 5.07. Debt Service Fund—Debt Service Account.

(a) With respect to the Bonds (exclusive of the Operating Credit Obligation), the Trustee shall pay out of the Debt Service Account to the respective Paying Agents (i) on or before each Interest Payment Date for any of the Bonds the amount required for the interest payable on such date; (ii) on or before each Principal Installment due date, the amount required for the Principal Installment payable on such due date; and (iii) on or before any redemption date for the Bonds, the amount required for the payment of interest on the Bonds then to be redeemed. Such amounts shall be applied by the Paying Agents on and after the due dates thereof. The Trustee shall also pay out of the Debt Service Account the accrued interest included in the purchase price of Bonds purchased for retirement.

(b) On or prior to the 60th day preceding the due date of any Sinking Fund Installment, MEAN may direct the Trustee to apply amounts accumulated in the Debt Service Account with respect to such Sinking Fund Installment (together with amounts accumulated therein with respect to interest on the Bonds for which such Sinking Fund Installment was established) to (i) the purchase of Bonds of the Series, maturity and interest rate within such maturity for which such Sinking Fund Installment was established, or (ii) the redemption at the applicable sinking fund Redemption Price, pursuant to Article IV, of such Bonds, if then redeemable by their terms. After the 60th day but on or prior to the 40th day preceding the due date of such Sinking Fund Installment, MEAN may direct the Trustee to apply any amounts then on deposit in the Debt Service Account (exclusive of amounts, if any, set aside in said Account which were deposited therein from the proceeds of Bonds) to the purchase of Bonds of the Series, maturity and interest rate within such maturity for which such Sinking Fund Installment was established in an amount not exceeding that necessary to complete the retirement of the unsatisfied balance of such Sinking Fund Installment. All purchases of any Bonds pursuant to this subsection (b) shall be made at prices not exceeding the applicable sinking fund Redemption Price of such Bonds plus accrued interest, and such purchases shall be made by the Trustee as directed by MEAN. The applicable sinking fund Redemption Price (or principal amount of maturing Bonds) of any Bonds so purchased or redeemed shall be deemed to constitute part of the Debt Service Account until such Sinking Fund Installment date, for the purpose of calculating the amount of such Account. As soon as practicable after the 40th day preceding the due date of any such Sinking Fund Installment, the Trustee shall proceed to call for redemption, by giving notice as provided in Section 4.05, on such due date Bonds of the Series, maturity and interest rate within a maturity for which such Sinking Fund Installment was established (except in the case of Bonds maturing on a Sinking Fund Installment date) in such amount as shall be necessary to complete the retirement of the unsatisfied balance of such Sinking Fund Installment. The Trustee shall pay out of the Debt Service Account to the appropriate Paying Agents, on or before such redemption date (or maturity date), the amount required for the redemption of the Bonds so called for redemption (or for the payment of such Bonds then maturing), and such amount shall be applied by such Paying Agents to such redemption (or payment). All expenses in connection with the purchase or redemption of Bonds shall be paid by MEAN from the Operating Fund pursuant to a schedule provided by the Trustee and by the Paying Agents and approved by MEAN.

(c) The amount, if any, deposited in the Debt Service Account from the proceeds of each Series of Bonds shall be set aside in such Fund and applied to the payment of interest on the Bonds of such Series (or Refunding Bonds issued to refund such Bonds) as the same becomes due and payable.

(d) In the event of the refunding of one or more Series of Bonds, the Trustee shall, upon the direction of MEAN, withdraw from the Debt Service Account amounts accumulated therein with respect to Debt Service on the Bonds being refunded and deposit such amounts with itself as Trustee to be held for the payment of the principal or Redemption Price, if applicable, and interest on the Series of Bonds or the maturities of the Series of Bonds being refunded, provided that such withdrawal shall not be made unless (i) immediately thereafter the Series of Bonds being refunded shall be deemed to

have been paid pursuant to Section 12.01(b) and (ii) the amount remaining in the Debt Service Account in the Debt Service Fund after such withdrawal shall not be less than the requirement of such Account pursuant to Section 5.06(a).

(e) The Trustee shall pay out of the Debt Service Account, on or before the date when due, any net payment required to be paid by MEAN (other than any Settlement Amount) under any Qualified Hedge Agreement to the provider thereof.

Section 5.08. Debt Service Fund—Operating Credit Account. The Trustee shall pay out of the Operating Credit Account to the holder of the Operating Credit Obligation (i) on or before each Interest Payment Date for the Operating Credit Obligation the amount required for interest on amounts of principal advanced under the Operating Credit Obligation payable on such date and (ii) on or before the due date of amounts of principal advanced under the Operating Credit Obligation the amount required for principal payable on such date.

Section 5.09. Debt Service Fund—Debt Service Reserve Account.

(a) If on the final day of any month the amount in the Debt Service Account shall be less than the amount required to be in such account pursuant to Section 5.06(a) and there shall not be on deposit in the Subordinated Indebtedness Account or in the General Reserve Fund or in the Reserve and Contingency Fund available moneys to cure such deficiency, the Trustee shall apply amounts from the Debt Service Reserve Account to the extent necessary to cure the deficiency.

(b) Whenever the moneys on deposit in the Debt Service Reserve Account shall exceed the Debt Service Reserve Requirement, such excess shall be deposited in the Revenue Fund.

(c) Whenever the amount in the Debt Service Reserve Account, together with the amount in the Debt Service Account, is sufficient to pay in full all Outstanding Bonds in accordance with their terms (including principal or applicable sinking fund Redemption Price and interest thereon), the funds on deposit in the Debt Service Reserve Account shall be transferred to the Debt Service Account.

(d) In lieu of the required transfers of moneys to the Debt Service Reserve Account, MEAN may cause to be deposited into the Debt Service Reserve Account for the benefit of the Holders of the Bonds a Reserve Policy in an amount equal to the difference between the Debt Service Reserve Requirement and the sums of moneys or value of Investment Securities then on deposit in the Debt Service Reserve Account, if any. If a disbursement is made pursuant to a Reserve Policy, MEAN shall within twelve months either (i) reinstate the maximum limits of such Reserve Policy or (ii) deposit into the Debt Service Reserve Account, funds in the amount of the disbursement made under such Reserve Policy, or a combination of such alternatives, as shall provide that the amount in the Debt Service Reserve Account equals the Debt Service Reserve Requirement. In the event that the rating attributable to any Qualified Reserve Policy Provider providing a Reserve Policy held as above provided in the Debt Service Reserve Account shall fall below that required for such entity to qualify as a Qualified Reserve

Policy Provider, MEAN shall within twelve months either (i) replace such Reserve Policy with a Reserve Policy from an entity that then qualifies as a Qualified Reserve Policy Provider or (ii) deposit into the Debt Service Reserve Account sufficient funds, or a combination of such alternatives, as shall provide that the amount in the Debt Service Reserve Account equals the Debt Service Reserve Requirement.

Section 5.10. Debt Service Fund—Subordinated Indebtedness Account.

(a) Subject to Section 5.10(b) the Trustee shall apply amounts in the Subordinated Indebtedness Account (subject to the provisions of, and to the priorities and limitations and restrictions provided in, the resolution, indenture or other instrument securing each issue of Subordinated Indebtedness) to the payment of the amounts required to pay principal or sinking fund installments of and interest on each issue of Subordinated Indebtedness and reserves therefor (including the payment of any Settlement Amount then due and payable under any Qualified Hedge Agreement), in accordance with the provisions of, and subject to the priorities and limitations and restrictions provided in, the resolution, indenture or other instrument authorizing or securing each issue of the Subordinated Indebtedness.

(b) If at any time the amounts in the Debt Service Account or the Debt Service Reserve Account, after giving effect to any surety bond, insurance policy, letter of credit or other similar obligation deposited in such Account pursuant to Section 5.09(d) hereof, shall be less than the current requirements of such accounts, respectively, pursuant to Section 5.06 and there shall not be on deposit in the General Reserve Fund or the Reserve and Contingency Fund available moneys sufficient to cure such deficiency, then the Trustee shall withdraw from the Subordinated Indebtedness Account and deposit in the Debt Service Account or the Debt Service Reserve Account in that priority, as the case may be, the amount necessary (or all the moneys in said Fund, if less than the amount necessary) to make up such deficiency; provided, however, that amounts on deposit in any debt service reserve established for such Subordinated Indebtedness shall not be subject to such withdrawal.

(c) Subject to the provisions of, and to the priorities and limitations and restrictions provided in, the resolution, indenture or other instrument securing each issue of Subordinated Indebtedness, amounts in the Subordinated Indebtedness Account which MEAN at any time determines to be in excess of the requirements of such Fund, may, at the discretion of MEAN, be transferred to the General Reserve Fund.

Section 5.11. Reserve and Contingency Fund.

(a) Subject to Section 5.11(c), amounts in the Reserve and Contingency Fund shall be applied to the costs of major renewals, replacements, repairs, additions, betterments, enlargements and improvements to the System and the payment of extraordinary operation and maintenance costs and contingencies, including the costs of scheduled, emergency or other interchange service, payments with respect to the prevention or correction of any unusual loss or damage in connection with the System or to prevent a loss of revenue therefrom, all to the extent not provided for in the then

current Annual Budget or by reserves in the Operating Fund or from the proceeds of Bonds or from amounts on deposit in the General Reserve Fund.

(b) No payment shall be made from the Reserve and Contingency Fund if and to the extent that the proceeds of insurance or other moneys recoverable as the result of damage, if any, are available to pay such Cost of Acquisition and Construction.

(c) If at any time the amounts in the Debt Service Account or the Debt Service Reserve Account in the Debt Service Fund shall be less than the current requirements of such Accounts, respectively, pursuant to Section 5.06, and there shall not be on deposit in the General Reserve Fund available moneys sufficient to cure such deficiency, then MEAN, upon requisition by the Trustee, shall transfer from the Reserve and Contingency Fund to the Trustee for deposit in the Debt Service Account or Debt Service Reserve Account (in that priority) the amount necessary (or all the moneys in said Fund if less than the amount necessary) to make up such deficiency.

(d) To the extent not required to meet a deficiency as required in Section 5.11(c), if at any time the amount deposited in the Subordinated Indebtedness Account shall be less than the amount required by Section 5.06(a)(iii), and if there shall not be on deposit in the General Reserve Fund available moneys sufficient to cure any such deficiency, then the Trustee shall transfer from the Reserve and Contingency Fund to the Subordinated Indebtedness Account an amount (or all the moneys in the Reserve and Contingency Fund if less than the amount required) which, together with the amounts available in the General Reserve Fund, will be sufficient to make up such deficiency.

(e) Any balance of moneys and securities in the Reserve and Contingency Fund not required to meet any such deficiencies in the Debt Service Fund which are above the Reserve and Contingency Fund Requirement and which are not needed for any of the purposes for which the Reserve and Contingency Fund was established shall be transferred to the Operating Fund, if and to the extent deemed necessary by MEAN to make up any deficiencies in such Fund, and thereafter any remaining balance shall be deposited in the General Reserve Fund, provided that for the period, if any, set forth in a Supplemental Resolution, investment earnings on obligations held as part of the Reserve and Contingency Fund shall be transferred to the Debt Service Account to pay interest on the Series of Bonds authorized thereby.

Section 5.12. General Reserve Fund.

(a) MEAN shall transfer from the General Reserve Fund moneys in the following amounts and in the following order of priority: (i) to the Operating Fund to make any deficiency in amounts available for Operating Expenses, (ii) to the Debt Service Account and the Debt Service Reserve Account in the Debt Service Fund the amount necessary (or all the moneys in the General Reserve Fund if less than the amount necessary) to make up any deficiencies in payments to said Accounts required by clauses (i) and (ii) of Section 5.06(a), (iii) in the event of any transfer of moneys from the Debt Service Reserve Account to the Debt Service Account, to the Debt Service Reserve Account the amount of the deficiency in such Account resulting from such transfer,

(iv) to the Subordinated Indebtedness Account the amount necessary (or all the moneys in the General Reserve Fund if less than the amount necessary) to make up any deficiencies of payments in said Account required by clause (iii) of Section 5.06(a) and (v) to the Reserve and Contingency Fund the amount necessary (or all the moneys in the General Reserve Fund if less than the amount necessary) to make up any deficiencies of payment in said Account required by Section 5.06(b). Such transfer shall be made notwithstanding any other provision of the Resolution requiring deposits in the General Reserve Fund to be applied to the purchase or redemption of Bonds. Any amount on deposit in the General Reserve Fund on the first day of any month and not required to meet a deficiency as required in clauses (i) through (v) of this Section 5.12(a) and not required to be applied to any other purpose may be transferred to the Revenue Fund.

(b) Amounts in the General Reserve Fund not required to meet a deficiency as required in Section 5.12(a) or for transfer to the Revenue Fund shall upon determination of MEAN be applied to or set aside for any one or more of the following:

(i) the purchase or redemption of any Bonds, or the payment or prepayment of the Operating Credit Obligation, and expenses in connection with the purchase or redemption of any Bonds, or the payment or prepayment of the Operating Credit Obligation, or any reserves which MEAN determines shall be required for such purposes;

(ii) payments of principal or redemption price of and interest on any Subordinated Indebtedness or any reserves which MEAN determines shall be required for such purposes;

(iii) payments into any separate account or accounts established in the Construction Fund for application to the purposes of such account;

(iv) payments of the Cost of Acquisition and Construction of any major renewals, replacements, repairs, additions, betterments, enlargements and improvements to the System;

(v) increases in working capital requirements pursuant to a System Agreement;

(vi) in connection with the planning, development and determination of feasibility of electric generation or transmission facilities which can be beneficially used to meet the power and energy requirements of Power Purchasers, the acquisition of land or water supplies or rights with respect thereto and preliminary and developmental work, including engineering, legal and financial studies and applications for permits, licenses and approvals;

(vii) deposit in a special account in the General Reserve Fund which may be created by MEAN for a decommissioning reserve; and

(viii) any other lawful purpose;

provided, further, that, subject to the provisions of Section 5.12(a), amounts deposited in the General Reserve Fund and required by the Resolution to be applied to the purchase or redemption of Bonds shall be applied to such purpose.

(c) Upon any purchase or redemption pursuant to this Section 5.12 of Bonds of any Series and maturity for which Sinking Fund Installments shall have been established, there shall be credited toward each such Sinking Fund Installment thereafter to become due (other than the next such date) an amount bearing the same ratio to such Sinking Fund Installment as the total principal amount of such Bonds so purchased or redeemed bears to the total amount of all such Sinking Fund Installments to be so credited. The portion of any such Sinking Fund Installment remaining after the deduction of any such amounts credited toward the same (or the original amount of any such Sinking Fund Installment if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such Sinking Fund Installment for the purpose of calculation of Sinking Fund Installments due on a future date.

(d) Each month MEAN shall transfer from the Rate Stabilization Account of the General Reserve Fund to the Revenue Fund the amount budgeted for credit to such Fund for the then current month as set forth in the current Annual Budget, or the amount otherwise determined by MEAN to be credited to such Fund for the month. MEAN may also apply amounts on deposit in the Rate Stabilization Account to pay operating expenses or debt service on the Bonds, or for other purposes that enable MEAN to, or facilitate MEAN's ability to, provide services to the Power Purchasers at stable and economic rates.

Section 5.13. Subordinated Indebtedness. MEAN may, at any time, or from time to time, issue Subordinated Indebtedness payable out of, and which may be secured by pledge and assignment of, such amounts in the Subordinated Indebtedness Account of the Debt Service Fund or the General Reserve Fund as may from time to time be available for the purpose of payment thereof; provided, however, that (i) such Subordinated Indebtedness shall be issued for one or more of the purposes set forth in paragraphs (ii) through (vii), inclusive, of Section 5.12(b) and the proceeds of such Subordinated indebtedness shall be applied only for such purpose or purposes and (ii) any pledge and assignment shall be, and shall be expressed to be, subordinate in all respects to the pledge and assignment of the Revenues, moneys, securities and Funds created by the Resolution as security for the Bonds; provided, however, that any debt service reserve established for such Subordinated Indebtedness shall not be subject to the pledge and assignment of the Revenues, moneys, securities and Funds created by the Resolution as security for the Bonds.

ARTICLE VI

DEPOSITARIES OF MONEYS, SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

Section 6.01. Depositaries.

(a) All moneys held by the Trustee under the provisions of the Resolution shall be deposited with the Trustee and the Trustee may deposit such moneys with one or more Depositaries appointed by MEAN and approved by the Trustee (which approval may not be unreasonably withheld) in trust for the Trustee. All moneys held by MEAN under the Resolution shall be deposited in one or more Depositaries in trust for MEAN. All moneys deposited under the provisions of the Resolution with the Trustee or any Depository shall be held in trust and applied only in accordance with the provisions of the Resolution, and each of the Funds established by the Resolution shall be a trust fund for the purposes thereof.

(b) Each Depository shall be a bank or trust company organized under the laws of any state of the United States or a national banking association which is willing and able to accept the office on reasonable and customary terms and authorized by law to act in accordance with the provisions of the Resolution.

Section 6.02. Deposits.

(a) The provisions of this Section 6.02 deal with moneys not invested pursuant to Section 6.03. No moneys shall be deposited with any Depository in any amount exceeding 10% of the amount which an officer of such Depository shall certify to MEAN and the Trustee as the capital stock, surplus and undivided earnings of such Depository.

(b) All Revenues and other moneys held by any Depository under the Resolution may be placed on demand or time deposit, if and as directed by MEAN, provided that such deposits shall permit the moneys so held to be available for use at the time when needed. The Depository shall not be liable for any loss or depreciation in value resulting from any investment made pursuant to the Resolution. All such moneys deposited with a Fiduciary, acting as a Depository, may be made in the commercial banking department of any Fiduciary which may honor checks and drafts on such deposit with the same force and effect as if it were not such Fiduciary. All moneys held by any Fiduciary, as such, may be deposited by such Fiduciary in its banking department on demand or, if and to the extent directed by MEAN and acceptable to such Fiduciary, on time deposit, provided that such moneys on deposit be available for use at the time when needed. Such Fiduciary shall allow and credit on such moneys such interest, if any, as it customarily allows upon similar funds of similar size and under similar conditions or as required by law.

(c) All moneys held under the Resolution by the Trustee or any Depository shall be (i) either (A) continuously and fully insured by the Federal Deposit Insurance

Corporation, or (B) continuously and fully secured by lodging with the Trustee, as custodian, as collateral security, "Defeasance Securities" having a market value (exclusive of accrued interest) not less than the amount of such moneys and (ii) in such other manner as may then be required by applicable federal or State of Nebraska laws and regulations and applicable state laws and regulations of the state in which the Trustee or such Depository (as the case may be) is located, regarding security for, or granting a preference in the case of, the deposit of trust funds; provided, however, that it shall not be necessary for the Fiduciaries to give security under this subsection (c) for the deposit of any moneys with them held in trust and set aside by them for the payment of the principal or Redemption Price of or interest on any Bonds, or for the Trustee or any Depository to give security for any moneys which shall be represented by obligations or certificates of deposit purchased as an investment of such moneys.

(d) All moneys deposited with the Trustee and each Depository shall be credited to the particular Fund or Account to which such moneys belong.

Section 6.03. Investment of Certain Funds. Moneys held in the Debt Service Account in the Debt Service Fund, the Debt Service Reserve Account in the Debt Service Fund and the Operating Credit Account in the Debt Service Fund shall be invested and reinvested by the Trustee to the fullest extent practicable in Investment Securities which mature not later than at such times as shall be necessary to provide moneys when needed for payments to be made from such Accounts, and in the case of the Debt Service Reserve Account not later than 10 years from the date of such investment. Subject to the terms of any resolutions, indentures or other instruments securing any issue of Subordinated Indebtedness, moneys in the Subordinated Indebtedness Account shall be invested and reinvested to the fullest extent practicable in Investment Securities which mature not later than such times as shall be necessary to provide moneys when needed for payments to be made from said Fund. Moneys held in the Revenue Fund, the Operating Fund and the Construction Fund may be invested and reinvested in Investment Securities which mature not later than such times as shall be necessary to provide moneys when needed for payments to be made from such Funds. Moneys in the Reserve and Contingency Fund and the General Reserve Fund may be invested in Investment Securities which mature within five years from the date of such investment, and in any case the Investment Securities in such Funds shall mature not later than such times as shall be necessary to provide moneys when needed to provide payments from such Funds. The Trustee shall make all such investments of moneys held by it in accordance with written instructions received from any Authorized Officer of MEAN, except if an Event of Default has occurred and is continuing, in which event the Trustee shall make such investments as are proper. MEAN may instruct the Trustee, in making any investment in any Investment Securities with moneys in any Fund or Account established under the Resolution, to combine such moneys with moneys in any other Fund or Account, but solely for purposes of making such investment in such Investment Securities.

Nothing in the Resolution shall prevent any Investment Securities acquired as investments of funds held under the Resolution from being issued or held in book-entry form on the books of the Department of the Treasury of the United States.

Section 6.04. Valuation and Sale of Investments. Obligations purchased as an investment of moneys in any Fund or Account created under the provisions of the Resolution, together with investment earnings thereon, shall be deemed at all times to be a part of such Fund or Account and any profit realized from the liquidation of such investment shall be credited to such Fund or Account and any loss resulting from the liquidation of such investment shall be charged to the respective Fund or Account. To the extent that the Resolution or a Supplemental Resolution authorizing the issuance of a Series of Bonds so provides, investment earnings on obligations held as part of a Fund or Account (other than the Operating Credit Account) created under the provisions of the Resolution shall be transferred, for such period of time as the Resolution or such Supplemental Resolution shall specify, to the Debt Service Account in the Debt Service Fund to pay interest on the Series of Bonds authorized thereby.

In computing the amount in any Fund created under the provisions of the Resolution for any purpose provided in the Resolution, obligations purchased as an investment of moneys therein shall be valued at the amortized cost of such obligations, exclusive of accrued interest, unless such obligations do not mature or are not redeemable at the option of the holder thereof in less than seven years from the date of valuation, in which case such obligations shall be valued at the amortized cost of such obligations or at the market price thereof, whichever is lower, exclusive of accrued interest. The accrued interest paid from such moneys in connection with the purchase of any obligation shall be included in the value thereof until the interest on such obligation is paid. Such computation shall be determined as of the end of MEAN's Fiscal Year in each year.

Except as otherwise provided in the Resolution, the Trustee shall sell at the best price obtainable, or present for redemption, any obligation so purchased as an investment whenever it shall be requested in writing by an Authorized Officer of MEAN so to do or whenever it shall be necessary in order to provide moneys to meet any payment or transfer from any Fund held by it. The Trustee shall not be liable or responsible for making any such investment in the manner provided above or for any loss resulting from any such investment.

ARTICLE VII

PARTICULAR COVENANTS OF MEAN

MEAN covenants and agrees with the Trustee and the Bondholders as follows:

Section 7.01. Payment of Bonds. MEAN shall duly and punctually pay or cause to be paid, but solely from the Revenues and the proceeds of the Bonds pledged therefor by the Resolution, the principal or Redemption Price of every Bond and the interest thereon, at the dates and places and in the manner mentioned in the Bonds, according to the true intent and meaning thereof.

Section 7.02. Extension of Payment of Bonds. MEAN shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the funding of such Bonds, claims for interest or by any other arrangement, and in case the maturity of any of the Bonds or the time for payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in

case of any default under the Resolution, to the benefit of the Resolution or to any payment out of Revenues or Funds established by the Resolution, including the investments, if any, thereof, pledged under the Resolution or the moneys (except moneys held in trust for the payment of particular Bonds or claims for interest pursuant to the Resolution) held by the Fiduciaries, except subject to the prior payment of the principal of all Bonds Outstanding the maturity of which has not been extended and of such portion of the accrued interest on the Bonds as shall not be represented by such extended claims for interest. Nothing herein shall be deemed to limit the right of MEAN to issue Refunding Bonds and such issuance shall not be deemed to constitute an extension of maturity of Bonds.

Section 7.03. Offices for Servicing Bonds. MEAN shall at all times maintain one or more agencies where Bonds may be presented for registration, transfer or exchange, and for the service upon MEAN of notices, demands and other documents as provided with respect to each Series of Bonds, in the Supplemental Resolution authorizing the issuance of such Series of Bonds.

Section 7.04. Further Assurance. At any and all times MEAN shall, as far as it may be authorized by law, comply with any reasonable request of the Trustee to pass, make, do, execute, acknowledge and deliver all such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, pledging, assigning and confirming all and singular the rights, Revenues and other moneys, securities and funds hereby pledged or assigned, or intended so to be, or which MEAN may become bound to pledge or assign.

Section 7.05. Power To Issue Bonds and Pledge Revenues and Other Funds. MEAN is duly authorized under all applicable laws to create and issue the Bonds and to adopt the Resolution and to pledge, assign and grant a security interest in the Revenues, the Power Supply Contracts and other moneys, securities and funds purported to be pledged by the Resolution in the manner and to the extent provided in the Resolution. Except to the extent otherwise provided in the Resolution, the Revenues, the Power Supply Contracts and other moneys, securities and funds so pledged and assigned are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge and assignment created by the Resolution, and all corporate or other action on the part of MEAN to that end has been and will be duly and validly taken. The Bonds and the provisions of the Resolution are and will be the valid and legally enforceable obligations of MEAN in accordance with their terms and the terms of the Resolution. MEAN shall at all times, to the extent permitted by law, defend, preserve and protect the pledge and assignment of the Revenues, the Power Supply Contracts and other moneys, securities and funds pledged under the Resolution and all the rights of the Bondholders under the Resolution against all claims and demands of all persons whomsoever.

Section 7.06. Power To Fix and Collect Rates, Fees and Charges. MEAN has, and will have as long as any Bonds are Outstanding, good right and lawful power to establish and collect rates, fees and charges with respect to the use and the sale of the capacity, output or service of the System subject to the terms of System Agreements or other contracts relating thereto.

Section 7.07. Creation of Liens; Sale and Lease of Property.

(a) MEAN shall not issue any bonds, notes, debentures or other evidences of indebtedness of similar nature, other than the Bonds, payable out of or secured by a pledge or assignment of the Power Supply Contracts, the Revenues or other moneys, securities or funds held or set aside by MEAN or by the Fiduciaries under the Resolution and shall not create or cause to be created any lien or charge on the Revenues, the Power Supply Contracts or such moneys, securities or funds; provided, however, that nothing contained in the Resolution shall prevent MEAN from issuing, if and to the extent permitted by law, (i) evidences of indebtedness (A) payable out of moneys in the Construction Fund as part of the Cost of Acquisition and Construction of the System, or (B) payable out of, or secured by a pledge and assignment of, Revenues to be received on and after such date as the pledge of the Revenues provided in the Resolution shall be discharged and satisfied as provided in Section 12.01, or (ii) Subordinated Indebtedness as provided in Section 5.13.

(b) No part of the System shall be sold, leased, mortgaged or otherwise disposed of, except as follows:

(i) MEAN may sell or exchange at any time and from time to time any property or facilities constituting part of the System only (A) if it shall determine that such property or facilities are not useful in the operation of the System, (B) the book value of property or facilities sold or exchanged is not more than the greater of \$500,000 or 1% of the book value of the assets of the System at such time or (C) MEAN shall file with the Trustee a certificate of an Authorized Officer of MEAN setting forth a determination of MEAN's Board of Directors that the sale or exchange of such property will not impair the ability of MEAN to comply during the current or any future Fiscal Year with the provisions of Section 7.11. The proceeds of any such sale or exchange not used to acquire other property necessary or desirable for the safe or efficient operation of the System shall forthwith be deposited in the General Reserve Fund and applied to the purposes listed in paragraphs (i), (iii), (iv), (v) or (vi) of Section 5.12(b);

(ii) In addition to the System Agreements, MEAN may lease or make contracts or grant licenses for operation of, or make arrangements for the use of, or grant easements or other rights with respect to, any part of the System, provided that any such lease, contract, license, arrangement, easement or right does not impede the operation by MEAN or its agents of the System and provided, further, that if the depreciated cost of the property to be covered by any such lease, contract, license, arrangement, easement or other right is in excess of the greater of \$500,000 or 1% of the book value of the assets of MEAN at such time, MEAN shall first file with the Trustee a certificate of an Authorized Officer of MEAN setting forth a determination of MEAN's Board of Directors that the action of MEAN with respect thereto does not result in a breach of the conditions under this paragraph (ii). Any payments received by MEAN under or in connection with any such lease, contract, license, arrangement, easement or right in respect of the System or any part thereof shall constitute Revenues; and

(iii) MEAN may permanently discontinue the acquisition or construction of any portion of the System as provided in Section 5.03(g).

(c) MEAN shall not make any determination, pursuant to the last sentence of the definition of the term "System" in this Resolution, that any properties or interests in properties do not constitute a part of the System for the purposes of the Resolution unless either (i) such determination is made prior to the acquisition of such properties or interests in properties or (ii) such determination is made in accordance with Section 7.07(b).

Section 7.08. Consulting Engineer. MEAN may from time to time, for the purpose of performing and carrying out any work assigned thereto by the Board of Directors of MEAN, employ or cause to employ as a Consulting Engineer an independent engineer or engineering firm or corporation of recognized standing for skill and experience in such work. In rendering any report, certificate or opinion, the Consulting Engineer may rely upon information, certificates, opinions or reports required to be provided by others pursuant to the Resolution, and upon other sources which the Consulting Engineer considers reliable, and other considerations and assumptions as deemed appropriate by the Consulting Engineer.

Section 7.09. Annual Budget. MEAN shall prepare and file with the Trustee an Annual Budget for the ensuing Fiscal Year which shall set forth in reasonable detail the estimated Revenues and Operating Expenses and other expenditures of the System for such Fiscal Year and which shall include appropriations for the estimated Operating Expenses for such Fiscal Year, including provision for any general reserve for Operating Expenses, the estimated amount to be deposited during such Fiscal Year in the Reserve and Contingency Fund and the requirements, if any, for the amounts estimated to be expended for each Fund and Account established under the Resolution. Such Annual Budget also shall set forth such detail with respect to such Revenues, Operating Expenses and other expenditures and such deposits as shall be necessary or appropriate so as to comply with the System Agreements and may set forth such additional material as MEAN may determine. Following the end of each quarter of each Fiscal Year MEAN shall review its estimates set forth in the Annual Budget for such Fiscal Year, and in the event such estimates do not substantially correspond with actual Revenues, Operating Expenses or other requirements, or if there are at any time during any such Fiscal Year extraordinary receipts or payments of unusual costs, MEAN shall prepare an amended Annual Budget for the remainder of such Fiscal Year. MEAN also may at any time adopt an amended Annual Budget for the remainder of the then current Fiscal Year.

Section 7.10. Operation and Maintenance of System. MEAN shall at all times use its best efforts to operate or cause to be operated the System properly and in an efficient and economical manner, consistent with the System Agreements and Prudent Utility Practice, and shall use its best efforts to maintain, preserve, reconstruct and keep the same or cause the same to be so maintained, preserved, reconstructed and kept, with the appurtenances and every part and parcel thereof, in good repair, working order and condition, and shall from time to time make, or use its best efforts to cause to be made, all necessary and proper repairs, replacements and renewals so that at all times the operation of the System may be properly and advantageously conducted.

Section 7.11. Rates, Fees and Charges.

(a) MEAN shall at all times establish and collect rates and charges under the Power Supply Contracts and shall otherwise charge and collect rates and charges for the use or the sale of the output, capacity or service of the System in each Fiscal Year which are reasonably expected to yield Net Revenues which, together with other available moneys, shall be equal to at least the Aggregate Debt Service for such Fiscal Year and in any event, as shall be required together with all other available funds, to pay or discharge all other indebtedness, obligations, including, without limitation, any amounts payable under a Qualified Hedge Agreement and any Settlement Amount with respect thereto, charges and liens whatsoever payable out of Revenues under the Resolution for such Fiscal Year. Promptly upon any material change in the circumstances which were not contemplated at the time such rates and charges were most recently reviewed but not less frequently than once each Fiscal Year, MEAN shall review the rates and charges so established and shall promptly revise such rates and charges as necessary to comply with the foregoing requirements, provided that such rates and charges shall in any event produce money sufficient to enable MEAN to comply with all of its covenants under the Resolution.

(b) MEAN will not furnish or supply or cause to be furnished or supplied any use, output, capacity or service of the System, free of charge to any person, firm or corporation, public or private, and MEAN will enforce the payment of any and all accounts owing to MEAN by reason of the ownership and operation of the System by discontinuing such use, output, capacity or service, or by filing suit therefor within 120 days after any such accounts are due, or by both such discontinuance and by filing suit.

(c) In estimating Aggregate Debt Service on any Variable Interest Rate Bonds or the Operating Credit Obligation for purposes of Section 7.11(b), MEAN shall be entitled to assume that such Variable Interest Rate Bonds or such Operating Credit Obligation will bear such interest rate or rates, respectively, as MEAN shall determine; provided, however, that the interest rate or rates assumed shall not be less than the interest rate borne by such Variable Interest Rate Bonds or such Operating Credit Obligation, as the case may be, at the time of determination of Aggregate Debt Service.

Section 7.12. Power Supply Contracts, Pooling Agreements and System Agreements; Amendment.

(a) MEAN shall collect and forthwith deposit in the Revenue Fund all amounts payable to it pursuant to the Power Supply Contracts or payable to it pursuant to any other contract for the sale or use of output, capacity or other service from the System or any part thereof. MEAN shall enforce the provisions of the Power Supply Contracts and the Pooling Agreements and duly perform its covenants and agreements thereunder. MEAN will not consent or agree to or permit any rescission of or amendment to or otherwise take any action under or in connection with any Power Supply Contracts or Pooling Agreements which will reduce or which will in any manner impair or adversely affect the rights of MEAN thereunder or materially impair or adversely affect the rights or security of the Bondholders under Resolution; provided that (i) extension of the term of any Power Supply Contract or Pooling Agreement shall not constitute such a revision or amendment and (ii) in connection with any addition to the System, MEAN may supplement or amend a Power Supply Contract or a Pooling Agreement to provide for the sale or use by MEAN or others of the output, capacity or service of the System in any manner which does not reduce or in any manner impair or adversely affect the rights of MEAN thereunder or materially impair or adversely affect the rights or security of the Bondholders under the Resolution. Any action taken by MEAN in violation of the covenants contained in this Section 7.12(a) shall be null and void as to MEAN and any other party to a Power Supply Contract or a Pooling Agreement.

(b) MEAN shall enforce the provisions of the System Agreements and duly perform its covenants and agreements thereunder. MEAN will not consent or agree to or permit any rescission of or amendment to or otherwise take any action under or in connection with any such System Agreement which will in any manner materially impair or adversely affect the rights of MEAN thereunder or the rights or security of the Bondholders under the Resolution.

Section 7.13. Maintenance of Insurance.

(a) MEAN shall at all times use its best efforts to keep or cause to be kept the properties of the System which are of an insurable nature and of the character usually insured by those operating properties similar to the System insured against loss or damage by fire and from other causes customarily insured against and in such relative amounts as are usually obtained. MEAN shall at all times use its best efforts to maintain or cause to be maintained insurance or reserves against loss or damage from such hazards and risks to the person and property of others as are usually insured or reserved against by those operating properties similar to the properties of the System. Insurance maintained pursuant to the System Agreements shall be deemed in compliance with this subsection (a) if such insurance otherwise complies with the requirements of this Section. To the extent that such insurance is not maintained pursuant to any System Agreement, MEAN shall only be required to obtain such insurance if the same is available at reasonable rates and upon reasonable terms and conditions.

(b) MEAN shall also use its best efforts to maintain or cause to be maintained any additional or other insurance which it shall deem necessary or advisable to protect its interests and those of the Bondholders.

(c) Any such insurance shall be in the form of policies or contracts for insurance with insurers of good standing and shall be payable to MEAN unless otherwise required by the System Agreements.

Section 7.14. Reconstruction; Application of Insurance Proceeds.

(a) If any useful portion of the System shall be damaged or destroyed, MEAN shall, as expeditiously as possible, continuously and diligently pursue or cause to be pursued the reconstruction or replacement thereof, unless it is determined under the provisions of the System Agreements that such reconstruction and replacements are not to be undertaken. The proceeds of any insurance paid on account of such damage or destruction (other than any business interruption loss insurance or insurance proceeds deposited in the Construction Fund pursuant to Section 5.03(b) unless held and applied under the System Agreements, shall be held by MEAN in a special account and made available for, and to the extent necessary be applied to, the cost of such reconstruction or replacement. Pending such application, such proceeds may be invested by MEAN in Investment Securities which mature not later than such times as shall be necessary to provide moneys when needed to pay such costs of reconstruction or replacement or may be invested as otherwise provided for under the System Agreements. Interest earned on such investments shall be deposited in the General Reserve Fund. The proceeds of any insurance not applied within 36 months after receipt thereof by MEAN to repairing or replacing damaged or destroyed property, or in respect of which notice in writing of intention to apply the same to the work of repairing or replacing the property damaged or destroyed shall not have been given to the Trustee by MEAN within such 36 months, or which MEAN shall at any time notify the Trustee are not to be so applied, shall be deposited in the General Reserve Fund unless otherwise applied or to be applied in accordance with the System Agreements.

(b) If the proceeds of insurance authorized by this Section to be applied to the reconstruction or replacement of any portion of the System are insufficient for such purpose, the deficiency may be supplied out of moneys in the General Reserve Fund to the extent, as shown by a certificate with Authorized Officer of MEAN filed with the Trustee, not needed to be reserved for the purposes provided therefor.

(c) The proceeds of business interruption loss insurance, if any, shall be paid into the Revenue Fund.

Section 7.15. Accounts and Reports.

(a) MEAN shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the System and each Fund and Account established under the Resolution and relating to its costs and charges under the Power Supply

Contracts and the System Agreements, and which, together with all Power Supply Contracts and System Agreements and all other books and papers of MEAN, including insurance policies, relating to the System, shall at all times be subject to the inspection of the Trustee and the Holders of an aggregate of not less than 5% in principal amount of the Bonds then Outstanding or their representatives duly authorized in writing.

(b) The Trustee shall advise MEAN after the end of each calendar month of the transactions during such monthly period relating to each Fund and Account held by it under the Resolution.

(c) MEAN shall annually, within 120 days after the close of each Fiscal Year (the first such report to be filed with respect to the Fiscal Year ending March 31, 2004) file with the Trustee, and otherwise as provided by law, a financial statement in reasonable detail for the preceding Fiscal Year showing the Revenues, all expenditures from the Revenues for operation and maintenance of the System and other expenditures from the Revenues applicable to the System, together with a balance sheet in reasonable detail reflecting the financial condition of MEAN, including the balances of all funds relating to the System as of the end of such Fiscal Year, which financial statement and balance sheet shall be accompanied by an Accountant's Certificate. Such Accountant's Certificate or a separate certificate shall also state whether or not, to the knowledge of the signer, MEAN is in default with respect to any of the covenants, agreements or conditions on its part contained in the Resolution, and if so, the nature of such default.

(d) The reports, statements and other documents required to be furnished to the Trustee pursuant to any provisions of the Resolution shall be available for the inspection of Bondholders at the office of the Trustee and shall be mailed to each Bondholder who shall file a written request therefor with MEAN. MEAN may charge for such reports, statements and other documents, a reasonable fee to cover reproduction, handling and postage.

(e) MEAN shall file with the Trustee (i) forthwith upon becoming aware of any Event of Default or default in the performance by MEAN of any covenant, agreement or condition contained in the Resolution, a certificate signed by an appropriate Authorized Officer of MEAN and specifying such Event of Default or default and (ii) within 120 days after the end of each year, commencing with the year ending March 31, 2004 a certificate signed by an appropriate Authorized Officer of MEAN stating that, to the best of his knowledge and belief, MEAN has kept, observed, performed and fulfilled each and every one of its covenants and obligations contained in the Resolution and there does not exist at the date of such certificate any default by MEAN under the Resolution or any Event of Default or other event which, with the lapse of time specified in Section 8.01 would become an Event of Default, or, if any such default or Event of Default or other event shall so exist, specifying the same and the nature and status thereof.

Section 7.16. Payment of Taxes and Charges. MEAN will from time to time duly pay and discharge, or cause to be paid and discharged, all taxes, assessments and other governmental charges, or required payments in lieu thereof, lawfully imposed upon the properties of MEAN or

upon the rights, revenues, income, receipts and other moneys, securities and funds of MEAN when the same shall become due (including all rights, moneys and other property transferred, assigned or pledged under the Resolution), and all lawful claims for labor and material and supplies, except those taxes, assessments, charges or claims which MEAN shall in good faith contest by proper legal proceedings if MEAN shall in all such cases have set aside on its books reserves deemed adequate with respect thereto.

Section 7.17. Tax Covenants.

(a) MEAN covenants that it shall not use or permit the use of any proceeds of the Bonds or any other funds of MEAN from whatever source derived, directly or indirectly, to acquire any securities or obligations, and shall not take or permit to be taken any other action or actions, which would cause any Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, or which would otherwise cause interest on the Bonds to become included in gross income for purposes of federal income taxation. MEAN covenants that it shall at all times do and perform all acts and things permitted by law and which are necessary or desirable in order to assure that interest paid by MEAN on the Bonds shall not be included in gross income for purposes of federal income taxation and be exempt from all income taxation, other than any applicable minimum tax, under the Code or any other valid provision of law.

(b) MEAN covenants that it will not take any action or fail to take any action with respect to the proceeds of the Bonds or ownership or use of any useful portion of the System that would result in loss of the exemption from state income taxation or federal income taxation pursuant to section 103(a) of the Code of interest paid on Outstanding Bonds which, when initially issued and sold, were the subject of an Opinion of Counsel to the effect that interest thereon (including, for this purpose, earned discount on discount Bonds) was so exempt.

Section 7.18. General.

(a) MEAN shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of MEAN under the provisions of the Act and the Resolution.

(b) Upon the date of authentication and delivery of any of the Bonds, all conditions, acts and things required by law and the Resolution to exist, to have happened and to have been performed precedent to and in the issuance of such Bonds shall exist, have happened and have been performed and the issue of such Bonds, together with all other indebtedness of MEAN, shall comply in all respects with the applicable laws of the State of Nebraska.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES OF BONDHOLDERS

Section 8.01. Events of Default. Each of the following events is hereby defined as and declared to be and shall constitute an Event of Default:

(a) if default shall be made in the due and punctual payment of the principal or Redemption Price of any Bond when and as the same shall become due and payable, whether at maturity or by call or proceedings for redemption, or otherwise;

(b) if default shall be made in the due and punctual payment of any installment of interest on any Bond or the unsatisfied balance of any Sinking Fund Installment, when and as such interest installment or Sinking Fund Installment shall become due and payable;

(c) if default shall be made by MEAN in the performance or observance of any other of the covenants, agreements or conditions on its part in the Resolution or in the Bonds contained, and such default shall have continued for a period of 60 days after written notice specifying such default and requiring that it shall have been remedied is given to MEAN by the Trustee or to MEAN and to the Trustee by the Holders of not less than 25% in principal amount of the Bonds Outstanding;

(d) if MEAN shall become insolvent or fail generally to pay its debts as they become due, or make any general assignment for the benefit of creditors or apply for, consent to or acquiescence in, the appointment of a trustee or receiver for itself or any part of its property, or shall take any action to authorize or effect any of the foregoing; or in the absence of any such application, consent or acquiescence, a trustee or receiver shall be appointed for it or for a substantial part of its property and shall not be discharged within a period of 30 days;

(e) all, or any substantial part, of the property of the System shall be condemned, seized or otherwise appropriated, or any bankruptcy, reorganization, debt arrangement or other proceeding under any bankruptcy or insolvency law or any dissolution or liquidation proceeding shall be instituted by or against MEAN (or any action shall be taken to authorize or effect the institution by it of any of the foregoing) and, if instituted against it, shall be consented to or acquiesced in by it, or shall not be dismissed within a period of 90 days; or

(f) if an "Event of Default" shall have occurred under Section 8.01(i) or (ii) of the Prior Resolution;

then, and in each and every such case, so long as such Event of Default shall not have been remedied, unless the principal of all the Bonds shall have already become due and payable, either the Trustee (by notice in writing to MEAN), or the Holders of not less than 25% in principal amount of the Bonds Outstanding (by notice in writing to MEAN and the Trustee), may declare the principal of all the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and be immediately due and payable, anything in the Resolution or in any of the Bonds contained to the contrary notwithstanding. The right of the Trustee or of the Holders of not less than 25% in principal amount of the Bonds to make any such declaration as aforesaid, however, is subject to the condition that if, at any time after such declaration, but before the Bonds shall have matured by their terms, all overdue installments of interest upon the Bonds, together with interest on such overdue installments of interest to the extent permitted by law and the reasonable and proper

charges, expenses and liabilities of the Trustee, and all other sums then payable by MEAN under the Resolution (except the principal of, and interest accrued since the next preceding interest date on, the Bonds due and payable solely by virtue of such declaration) shall either be paid by or for the account of MEAN or provision satisfactory to the Trustee shall be made for such payment, and all defaults under the Bonds or under the Resolution (other than the payment of principal and interest due and payable solely by reason of such declaration) shall be made good or be secured to the satisfaction of the Trustee or provisions deemed by the Trustee to be adequate shall be made therefor, then and in every such case the Holders of a majority in principal amount of the Bonds Outstanding, by written notice to MEAN and to the Trustee, may rescind such declaration and annul such default in its entirety, or, if the Trustee shall have acted itself, and if there shall not have been theretofore delivered to the Trustee written direction to the contrary by the Holders of a majority in principal amount of the Bonds then Outstanding, then any such declaration shall *ipso facto* be deemed to be rescinded and any such default and its consequences shall *ipso facto* be deemed to be annulled, but no such rescission and annulment shall extend to or affect any subsequent default or impair or exhaust any right or power consequent thereon.

Section 8.02. Accounting and Examination of Records After Default.

(a) MEAN covenants that if an Event of Default shall have happened and shall not have been remedied, the books of records and accounts of MEAN and all other records relating to the System shall at all times be subject to the inspection and use of the Trustee and of its agents and attorneys.

(b) MEAN covenants that if an Event of Default shall happen and shall not have been remedied, MEAN, upon demand of the Trustee, will account, as if it were the trustee of an express trust, for all Revenues and other moneys, securities and funds pledged or held under the Resolution for such period as shall be stated in such demand.

Section 8.03. Application of Revenues and Other Moneys After Default.

(a) MEAN covenants that if an Event of Default shall happen and shall not have been remedied, MEAN, upon the demand of the Trustee, shall pay over or cause to be paid over to the Trustee (i) forthwith, all moneys, securities and funds then held by MEAN in any Fund under the Resolution, and (ii) all Revenues as promptly as practicable after receipt thereof. In addition to the above, if an Event of Default shall happen and shall not have been remedied as of the Prior Resolution Retirement Date, the Trustee may take possession and control of the business and property of MEAN and proceed to operate the same and to collect and receive the income thereof.

(b) During the continuance of an Event of Default, the Trustee shall apply all moneys, securities, funds and Revenues received by the Trustee pursuant to any right given or action taken under the provisions of this Article as follows and in the following order:

(i) ***Expenses of Fiduciaries***—to the payment of the reasonable and proper charges, expenses and liabilities of the Fiduciaries;

(ii) **Operating Expenses**—to the payment of the amounts required for reasonable and necessary Operating Expenses and for the reasonable renewals, repairs and replacements of the System necessary in the judgment of the Trustee to prevent a loss of Revenues. For this purpose the books of records and accounts of MEAN relating to the System shall at all times be subject to the inspection of the Trustee and its representatives and agents during the continuance of such Event of Default;

(iii) **Principal or Redemption Price and Interest**—to the payment of the interest and principal or Redemption Price then due on the Bonds, as follows:

(A) **Interest.** To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, together with accrued and unpaid interest on the Bonds theretofore called for redemption, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

(B) **Principal or Redemption Price.** To the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption or acceleration, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference;

provided that in determining amounts to be paid, the holder of the Operating Credit Obligation shall only be entitled to funds in the Operating Credit Account and moneys that are derived from Revenues.

(c) If and whenever all overdue installments of interest on all Bonds, together with the reasonable and proper charges, expenses and liabilities of the Trustee, and all other sums payable by MEAN under the Resolution, including the principal and Redemption Price of and accrued unpaid interest on all Bonds which shall then be payable, shall either be paid by or for the account of MEAN, or provision satisfactory to the Trustee shall be made for such payment, and all defaults under the Resolution or the Bonds shall be made good or secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made thereof, the Trustee shall pay over to MEAN all moneys, securities and funds then remaining unexpended in the hands of the Trustee (except moneys, securities and funds deposited or pledged, or required by the terms of the Resolution to be deposited or pledged, with the Trustee), and thereupon MEAN and the Trustee shall be restored, respectively, to their former positions and rights under the Resolution. No such payment over to MEAN by the Trustee nor such restoration of MEAN and the Trustee to their former positions and rights shall extend to

or affect any subsequent default under the Resolution or impair any right consequent thereon.

Section 8.04. Appointment of Receiver. If an Event of Default shall happen and shall not have been remedied as of the Prior Resolution Retirement Date, the Trustee shall have the right to apply in an appropriate proceeding for the appointment of a receiver of the System with power to operate and maintain the System, collect, receive and apply all Revenues and prescribe rates, tolls and charges, in the same way and manner that MEAN might do. Whenever all defaults in the payment of principal of, and interest on the Bonds and all defaults under the Resolution or the Bonds shall be made good, such receiver shall be discharged by the court and shall surrender control of the System to MEAN.

Section 8.05. Proceedings Brought by Trustee.

(a) If an Event of Default shall happen and shall not have been remedied, then and in every such case, the Trustee, by its agents and attorneys, may proceed, and upon written request of the Holders of not less than 25% in principal amount of the Bonds Outstanding shall proceed, to protect and enforce its rights and the rights of the Holders of the Bonds under the Resolution forthwith by a suit or suits in equity or at law, whether for the specific performance of any covenant herein contained, or in aid of the execution of any power herein granted or any remedy granted under the Act, or for an accounting against MEAN as if MEAN were the trustee of an express trust, or in the enforcement of any other legal or equitable right as the Trustee, being advised by counsel, shall deem most effectual to enforce any of its rights or to perform any of its duties under the Resolution.

(b) All rights of action under the Resolution may be enforced by the Trustee without the possession of any of the Bonds or the production thereof on the trial or other proceedings, and any such suit or proceedings instituted by the Trustee shall be brought in its name.

(c) The Holders of not less than a majority in principal amount of the Bonds at the time Outstanding may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, provided that the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by counsel that the action or proceeding so directed may not lawfully be taken, or if the Trustee in good faith shall determine that the action or proceeding so directed would involve the Trustee in personal liability or be unjustly prejudicial to the Bondholders not parties to such direction.

(d) Upon commencing a suit in equity or upon other commencement of judicial proceedings by the Trustee to enforce any right under the Resolution, the Trustee shall be entitled to exercise any and all rights and powers conferred in the Resolution and provided to be exercised by the Trustee upon the occurrence of any Event of Default.

(e) Regardless of the happening of an Event of Default, the Trustee shall have power to, but unless requested in writing by the Holders of a majority in principal amount

of the Bonds then Outstanding, and furnished with reasonable security and indemnity, shall be under no obligation to, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient to prevent any impairment of the security under the Resolution by any acts which may be unlawful or in violation of the Resolution, and such suits and proceedings as the Trustee may be advised shall be necessary or expedient to preserve or protect its interests and the interests of the Bondholders.

Section 8.06. Restriction on Bondholder's Action.

(a) No Holder of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any provision of the Resolution or the execution of any trust under the Resolution or for any remedy under the Resolution, unless such Holder shall have previously given to the Trustee written notice of the happening of an Event of Default, as provided in this Article, and the Holders of at least 25% in principal amount of the Bonds then Outstanding shall have filed a written request with the Trustee, and shall have offered it reasonable opportunity, either to exercise the powers granted in the Resolution or by the Act or by the laws of Nebraska or to institute such action, suit or proceeding in its own name, and unless such Holders shall have offered to the Trustee adequate security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused to comply with such request for a period of 60 days after receipt by it of such notice, request and offer of indemnity, it being understood and intended that no one or more Holders of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the pledge created by the Resolution, or to enforce any right under the Resolution, except in the manner therein provided; and that all proceedings at law or in equity to enforce any provision of the Resolution shall be instituted, had and maintained in the manner provided in the Resolution and for the equal benefit of all Holders of the Outstanding Bonds, subject only to the provisions of Section 7.02.

(b) Nothing in the Resolution or in the Bonds contained shall affect or impair the obligation of MEAN, which is absolute and unconditional, to pay at the respective dates of maturity and places therein expressed the principal of and premium, if any, and interest on the Bonds to the respective Holders thereof, or affect or impair the right of action, which is also absolute and unconditional, of any Holder to enforce such payment of his Bond.

Section 8.07. Remedies Not Exclusive. The remedies described in the preceding sections of this Article VII shall be the sole and exclusive remedies available to the Trustee and the Bondholders under this Resolution at all times prior to the Prior Resolution Retirement Date. From and after the Prior Resolution Retirement Date, no remedy by the terms of the Resolution conferred upon or reserved to the Trustee or the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Resolution or existing at law, including under the Act, or in equity or by statute on or after the date of adoption of the Resolution.

Section 8.08. Effect of Waiver and Other Circumstances.

(a) No delay or omission of the Trustee or any Bondholder to exercise any right or power arising upon the happening of an Event of Default shall impair any right or power or shall be construed to be a waiver of any such Event of Default or be an acquiescence therein; and every power and remedy given by this Article to the Trustee or to the Bondholders may be exercised from time to time and as often as may be deemed expedient by the Trustee or by the Bondholders.

(b) The Holders of not less than 66-2/3% in aggregate principal amount of the Bonds at the time Outstanding, or their attorneys-in-fact duly authorized, may on behalf of the Holders of all of the Bonds waive any past default under the Resolution and its consequences, except a default in the payment of interest on or principal of or premium, if any, on any of the Bonds. No such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

Section 8.09. Notice of Default. The Trustee shall mail to registered Holders of Bonds, and to all Bondholders who have filed their names and addresses with the Trustee, written notice of the occurrence of any Event of Default, provided that, except in the case of an Event of Default described in subsections (a) and (b) of Section 8.01, the Trustee shall be protected in withholding such notice if it in good faith determines that the withholding of such notice is in the best interests of the Bondholders.

ARTICLE IX

CONCERNING THE FIDUCIARIES

Section 9.01. Trustee; Appointment and Acceptance of Duties. Wells Fargo Bank Nebraska, National Association, Lincoln, Nebraska, is hereby appointed as Trustee under the Resolution. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by the Resolution and all other agreements with MEAN by executing and delivering to MEAN a written acceptance thereof, and by executing such acceptance, the Trustee shall be deemed to have accepted such duties and obligations with respect to all the Bonds thereafter to be validly issued, but only, however, upon the terms and conditions set forth in the Resolution.

Section 9.02. Paying Agents; Appointment and Acceptance of Duties.

(a) MEAN shall appoint one or more Paying Agents for the Bonds of each Series, and may at any time or from time to time appoint one or more other Paying Agents having the qualifications set forth in Section 9.13 for a successor Paying Agent. The Trustee may be appointed a Paying Agent.

(b) Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by the Resolution by executing and delivering to MEAN and to the Trustee a written acceptance thereof.

(c) Unless otherwise provided, the principal corporate trust offices of the Paying Agents are designated as the respective offices or agencies of MEAN for the payment of the interest on and principal or Redemption Price of the Bonds.

Section 9.03. Responsibilities of Fiduciaries.

(a) The recitals herein and in the Bonds contained shall be taken as the statements of MEAN, and no Fiduciary assumes any responsibility for the correctness of the same. No Fiduciary makes any representation as to the validity or sufficiency of the Resolution or of any Bonds issued thereunder or as to the security afforded by the Resolution, and no Fiduciary shall incur any liability in respect thereof. The Trustee shall, however, be responsible for its representation contained in its certificate on the Bonds. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid by such Fiduciary in accordance with the provisions of the Resolution to or upon the order of MEAN or to any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect thereof, or to advance any of its own moneys, unless properly indemnified. Subject to the provisions of Section 9.03(b), no Fiduciary shall be liable in connection with the performance of its duties hereunder except for its own negligence or misconduct.

(b) The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in the Resolution. In case an Event of Default has occurred (which has not been cured) the Trustee shall exercise such of the rights and powers vested in it by the Resolution, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his own affairs. Any provision of the Resolution relating to action taken or to be taken by the Trustee or to evidence upon which the Trustee may rely shall be subject to the provisions of this Section 9.03.

Section 9.04. Evidence on Which Fiduciaries May Act.

(a) Each Fiduciary, upon receipt of any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document furnished to it pursuant to any provision of the Resolution, shall examine such instrument to determine whether it conforms to the requirements of the Resolution and shall be protected in acting upon any such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties. Each Fiduciary may reasonably consult with counsel, who may or may not be of counsel to MEAN, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under the Resolution in good faith and in accordance therewith.

(b) Whenever any Fiduciary shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under the Resolution, such matter (unless other evidence in respect thereof be therein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of an Authorized

Officer of MEAN, and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of the Resolution upon the faith thereof; but in its discretion, the Fiduciary may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as may seem reasonable to it.

(c) Except as otherwise expressly provided in the Resolution, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision thereof by MEAN to any Fiduciary shall be sufficiently executed in the name of MEAN by an Authorized Officer of MEAN.

Section 9.05. Compensation. Prior to its appointment, each Fiduciary shall file with MEAN a negotiated schedule of anticipated fees and charges for services to be performed pursuant to the Resolution. MEAN shall pay to each Fiduciary from time to time pursuant to such schedule reasonable compensation for all services rendered under the Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents and other persons not regularly in its employ, incurred in and about the performance of their powers and duties under the Resolution, and each Fiduciary shall have a lien therefor on any and all funds at any time held by it under the Resolution. Subject to the provisions of Section 9.03, MEAN further agrees to indemnify and save each Fiduciary harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder, and which are not due to its negligence, misconduct or default.

Section 9.06. Certain Permitted Acts. Any Fiduciary may become the owner of any Bonds, with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as depositary for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or to effect or aid in any reorganization growing out of the enforcement of the Bonds or the Resolution, whether or not any such committee shall represent the Holders of a majority in principal amount of the Bonds then Outstanding.

Section 9.07. Resignation of Trustee. The Trustee may at any time resign and be discharged from the duties and obligations created by the Resolution by giving not less than 60 days' written notice to MEAN, and publishing notice thereof, specifying the date when such resignation shall take effect, once in each week for two successive calendar weeks in the Authorized Newspapers, and such resignation shall take effect upon the date specified in such notice unless previously a successor shall have been appointed by MEAN or the Bondholders as provided in Section 9.09, in which event such resignation shall take effect immediately on the appointment of such successor.

Section 9.08. Removal of Trustee. The Trustee may be removed at any time with or without cause by an instrument or concurrent instruments in writing, filed with the Trustee, and signed by the Holders of a majority in principal amount of the Bonds then Outstanding or their attorneys-in-fact duly authorized, excluding any Bonds held by or for the account of MEAN. MEAN may remove the Trustee at any time, except during the existence of an Event of Default, with or without cause in the sole discretion of MEAN, by filing with the Trustee an instrument signed by an Authorized Officer of MEAN. The Trustee's rights to indemnity and amounts then due and payable shall survive any such removal.

Section 9.09. Appointment of Successor Trustee.

(a) In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, a successor may be appointed by the Holders of a majority in principal amount of the Bonds then Outstanding, excluding any Bonds held by or for the account of MEAN, by an instrument or concurrent instruments in writing signed and acknowledged by such Bondholders or by their attorneys-in-fact duly authorized and delivered to such successor Trustee, notification thereof being given to MEAN and the predecessor Trustee; provided, nevertheless, that unless a successor Trustee shall have been appointed by the Bondholders as aforesaid, MEAN by a duly executed written instrument signed by an Authorized Officer of MEAN shall forthwith appoint a Trustee to fill such vacancy until a successor Trustee shall be appointed by the Bondholders as authorized in this Section 9.09. After such appointment of a successor Trustee, MEAN shall mail notice of any such appointment by it or the Bondholders to the registered owners of the Bonds then Outstanding. Any successor Trustee appointed by MEAN shall, immediately and without further act, be superseded by a Trustee appointed by the Bondholders.

(b) If in a proper case no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section within 45 days after the Trustee shall have given to MEAN written notice as provided in Section 9.07 or after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act, the Trustee or the Holder of any Bond may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee.

(c) Any Trustee appointed under the provisions of this Section 9.09 in succession to the Trustee shall be a bank or trust company or national banking association having capital stock, surplus and undivided earnings aggregating at least \$50,000,000, if there be such a bank or trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Resolution.

Section 9.10. Transfer of Rights and Property to Successor Trustee. Any successor Trustee appointed under the Resolution shall execute, acknowledge and deliver to its predecessor Trustee, and also to MEAN, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if originally named as Trustee; but the Trustee ceasing to act shall, nevertheless, on the written request of MEAN, or of the successor Trustee, execute, acknowledge and deliver such instrument of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any property held by it under the Resolution, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth should any deed,

conveyance or instrument in writing from MEAN be reasonably required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, power and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by MEAN. MEAN shall promptly notify the Paying Agents of the appointment of any such successor Trustee.

Section 9.11. Merger or Consolidation. Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which any Fiduciary may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a bank or trust company organized under the laws of any state of the United States or a national banking association and shall be authorized by law to perform all duties imposed upon it by the Resolution, shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act.

Section 9.12. Adoption of Authentication. In case any of the Bonds contemplated to be issued under the Resolution shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of any predecessor Trustee so authenticating such Bonds and deliver such Bonds so authenticated; and in case any of the said Bonds shall not have been authenticated, any successor Trustee may authenticate such Bonds in the name of the predecessor Trustee, or in the name of the successor Trustee, and in all such cases such certificate shall have the full force which it is anywhere in said Bonds or in the Resolution provided that the certificate of the Trustee shall have.

Section 9.13. Resignation or Removal of Paying Agent and Appointment of Successor.

(a) Any Paying Agent may at any time resign and be discharged of the duties and obligations created by the Resolution by giving at least 60 days' written notice to MEAN, the Trustee and the other Paying Agents. Any Paying Agent may be removed at any time by an instrument filed with such Paying Agent and the Trustee and signed by an Authorized Officer of MEAN. Any successor Paying Agent shall be appointed by MEAN and shall be a bank or trust company organized under the laws of any state of the United States or national banking association, having capital stock, surplus and undivided earnings aggregating at least \$50,000,000, and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Resolution.

(b) In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor, or if there be no successor, to the Trustee. In the event that for any reason there shall be a vacancy in the office of any Paying Agent, the Trustee shall act as such Paying Agent.

ARTICLE X

SUPPLEMENTAL RESOLUTIONS

Section 10.01. Supplemental Resolutions Effective Upon Filing With the Trustee.

For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution of MEAN may be adopted, which, upon the filing with the Trustee of a copy thereof certified by an Authorized Officer of MEAN, shall be fully effective in accordance with its terms:

(a) To close the Resolution against, or provide limitations and restrictions in addition to the limitations and restrictions contained in the Resolution on, the authentication and delivery of Bonds or the issuance of other evidences of indebtedness;

(b) To add to the covenants and agreements of MEAN in the Resolution, other covenants and agreements to be observed by MEAN which are not contrary to or inconsistent with the Resolution as theretofore in effect;

(c) To add to the limitations and restrictions in the Resolution, other limitations and restrictions to be observed by MEAN which are not contrary to or inconsistent with the Resolution as theretofore in effect;

(d) To authorize Bonds of a Series and, in connection therewith, specify and determine the matters and things referred to in Section 2.02, and also any other matters and things relative to such Bonds which are not contrary to or inconsistent with the Resolution as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first authentication and delivery of such Bonds;

(e) To confirm, as further assurance, any pledge or assignment under and the subjection to any security interest, pledge or assignment created or to be created by, the Resolution, of the Revenues, of the Power Supply Contracts or of any other moneys, securities or funds;

(f) To modify any of the provisions of the Resolution in any other respect whatever, provided that (i) such modification shall be, and be expressed to be, effective only after all Bonds of each Series Outstanding at the date of the adoption of such Supplemental Resolution shall cease to be Outstanding, and (ii) such Supplemental Resolution shall be specifically referred to in the text of all Bonds of any Series authenticated and delivered after the date of the adoption of such Supplemental Resolution and of Bonds issued in exchange therefor or in place thereof;

(g) To authorize Subordinated Indebtedness and, in connection therewith, specify and determine any matters and things relative to such Subordinated Indebtedness which are not contrary or inconsistent with the Resolution as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first authentication and delivery of such Subordinated Indebtedness.

(h) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Resolution; or

(i) To insert such provisions clarifying matters or questions arising under the Resolution as are necessary or desirable and are not contrary to the Resolution as theretofore in effect.

Section 10.02. Supplemental Resolutions Effective With Consent of Bondholders.

At any time or from time to time, a Supplemental Resolution may be adopted subject to consent by Bondholders in accordance with and subject to the provisions of Article XI, which Supplemental Resolution, upon the filing with the Trustee of a copy thereof certified by an Authorized Officer of MEAN and upon compliance with the provisions of said Article XI, shall become fully effective in accordance with its terms as provided in said Article XI.

Section 10.03. General Provisions.

(a) The Resolution shall not be modified or amended in any respect except as provided in and in accordance with and subject to the provisions of this Article X and Article XI. Nothing in this Article X or Article XI contained shall affect or limit the right or obligation of MEAN to adopt, make, do, execute, acknowledge or deliver any resolution, act or other instrument pursuant to the provisions of Section 7.04 or the right or obligation of MEAN to execute and deliver to any Fiduciary any instrument which elsewhere in the Resolution it is provided shall be delivered to said Fiduciary.

(b) Any Supplemental Resolution referred to and permitted or authorized by Section 10.01 may be adopted by MEAN without the consent of any of the Bondholders, but shall become effective only on the conditions, to the extent and at the time provided in said Section. Except for a Supplemental Resolution adopted pursuant to Section 10.01(d), the copy of every Supplemental Resolution when filed with the Trustee shall be accompanied by an Opinion of Counsel stating that such Supplemental Resolution has been duly and lawfully adopted in accordance with the provisions of the Resolution, is authorized or permitted by the Resolution, and is valid and binding upon MEAN in accordance with its terms.

(c) The Trustee is hereby authorized to accept the delivery of a certified copy of any Supplemental Resolution referred to and permitted or authorized by Section 10.01 or 10.02 and to make all further agreements and stipulations which may be therein contained, and the Trustee, in taking such action, shall be fully protected in relying on an Opinion of Counsel that such Supplemental Resolution is authorized or permitted by the provisions of the Resolution.

(d) No Supplemental Resolution shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto.

ARTICLE XI

AMENDMENTS

Section 11.01. Mailing and Publication. Any provision in this Article for the mailing of a notice or other paper to Bondholders shall be fully complied with if it is mailed postage prepaid only (i) to each registered owner of Bonds then Outstanding at his address, if any, appearing upon the registry books of MEAN, (ii) to each Holder of any Bond payable to bearer who shall have filed with the Trustee an address for notices, and (iii) to the Trustee. Any provision in this Article for publication of a notice or other matter shall require the publication thereof only in the Authorized Newspapers.

Section 11.02. Powers of Amendment. In addition to amendments permitted by Article X hereof, any modification or amendment of the Resolution and of the rights and obligations of MEAN and of the Holders of the Bonds thereunder, in any particular, may be made by a Supplemental Resolution, with the written consent given as provided in Section 11.03, (i) of the Holders of not less than a majority in principal amount of the Bonds Outstanding at the time such consent is given, (ii) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the Holders of not less than a majority in principal amount of the Bonds of each Series so affected and Outstanding at the time such consent is given, (iii) in case the modification or amendment changes the terms of any Sinking Fund Installment, of the Holders of not less than a majority in principal amount of the Bonds of the particular Series and maturity entitled to such Sinking Fund Installment and Outstanding at the time such consent is given, and (iv) in case the modification or amendment changes the terms of the Resolution applicable to the Operating Credit Obligation, of the Holder of the Operating Credit Obligation; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series and maturity remain Outstanding the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holder of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment, and (ii) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the Holders of not less than a majority in principal amount of the Bonds of each Series so affected and Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series and maturity remain Outstanding the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holder of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment, or shall change or modify any

of the rights or obligations of any Fiduciary without its written assent thereto. For the purposes of this Section 11.02, a Series shall be deemed to be affected by a modification or amendment of the Resolution if the same adversely affects or diminishes the rights of the Holders of Bonds of such Series.

Section 11.03. Consent of Bondholders. MEAN may at any time adopt a Supplemental Resolution making a modification or amendment permitted by the provisions of Section 11.02 to take effect when and as provided in this Section 11.03. A copy of such Supplemental Resolution (or brief summary thereof or reference thereto in form approved by the Trustee), together with a request to Bondholders for their consent thereto in form satisfactory to the Trustee, shall be mailed by MEAN to Bondholders and shall be published in the Authorized Newspapers at least once a week for two successive weeks (but failure to mail such copy and request shall not affect the validity of the Supplemental Resolution when consented to as in this Section 11.03 provided). Such Supplemental Resolution shall not be effective unless and until (a) there shall have been filed with the Trustee (i) the written consents of Holders of the percentages of Outstanding Bonds specified in Section 11.02 and (ii) an Opinion of Counsel stating that such Supplemental Resolution has been duly and lawfully adopted and filed by MEAN in accordance with the provisions of the Resolution, is authorized or permitted by the Resolution, and is valid and binding upon MEAN and enforceable in accordance with its terms, and (b) a notice shall have been published as hereinafter in this Section 11.03 provided. Each such consent shall be effective only if accompanied by proof of the holding, at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by Section 12.02. A certificate or certificates executed by the Trustee and filed with MEAN stating that it has examined such proof and that such proof is sufficient in accordance with Section 12.02 shall be conclusive that the consents have been given by the Holders of the Bonds described in such certificate or certificates of the Trustee. Any such consent shall be binding upon the Holder of the Bonds giving such consent and, anything in Section 12.02 to the contrary notwithstanding, upon any subsequent Holder of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof) unless such consent is revoked in writing by the Holder of such Bonds giving such consent or a subsequent Holder thereof by filing with the Trustee, prior to the time when the written statement of the Trustee hereinafter in this Section 11.03 provided for is filed, such revocation and, if such Bonds are transferable by delivery, proof that such Bonds are held by the signer of such revocation in the manner permitted by Section 12.02. The fact that a consent has not been revoked may likewise be proved by a certificate of the Trustee filed with MEAN to the effect that no revocation thereof is on file with the Trustee. At any time after the Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Resolution, the Trustee shall make and file with MEAN a written statement that the Holders of such required percentages of Bonds have filed such consents. Such written statement shall be conclusive that such consents have been so filed. At any time thereafter, notice stating in substance that the Supplemental Resolution (which may be referred to as a Supplemental Resolution adopted by MEAN on a stated date, a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentages of Bonds and will be effective as provided in this Section 11.03, may be given to Bondholders by MEAN by mailing such notice to Bondholders (but failure to mail such notice shall not prevent such Supplemental Resolution from becoming effective and binding as in this Section 11.03 provided). MEAN shall file with the Trustee proof of the mailing thereof. A record, consisting of the certificates or statements required or permitted by this Section 11.03 to

be made by the Trustee, shall be proof of the matters therein stated. Such Supplemental Resolution making such amendment or modification shall be deemed conclusively binding upon MEAN, the Fiduciaries and the Holders of all Bonds at the expiration of 40 days after the filing with the Trustee of the proof of the mailing of such last-mentioned notice, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Resolution in a legal action or equitable proceeding for such purpose commenced within such 40-day period; provided, however, that any Fiduciary and MEAN during such 40-day period and any such further period during which any such action or proceeding may be pending shall be entitled in its absolute discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Resolution as they may deem expedient.

Section 11.04. Exclusion of Bonds. Bonds owned or held by or for the account of MEAN shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Article XI, and MEAN shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Article. At the time of any consent or other action taken under this Article, MEAN shall furnish the Trustee a certificate of an Authorized Officer of MEAN, upon which the Trustee may rely, describing all Bonds so to be excluded.

Section 11.05. Notation on Bonds. Bonds authenticated and delivered after the effective date of any action taken as in Article X or this Article XI provided may, and if the Trustee so determines shall, bear a notation by endorsement or otherwise in form approved by MEAN and the Trustee as to such action, and in that case upon demand of the Holder of any Bond Outstanding at such effective date and presentation of his Bond for the purpose at the corporate trust office of the Trustee or upon any transfer or exchange of any Bond Outstanding at such effective date, suitable notation shall be made on such Bond or upon any Bond issued upon any such transfer or exchange by the Trustee as to any such action. If MEAN or the Trustee shall so determine, new Bonds so modified as in the opinion of the Trustee and MEAN to conform to such action shall be prepared, authenticated and delivered and upon demand of the Holder of any Bond then Outstanding shall be exchanged, without cost to such Bondholder, for Bonds of the same Series, maturity and interest rate then Outstanding, upon surrender of such Bonds. Any action taken as in Article X or this Article XI provided shall be effective and binding upon all Bondholders notwithstanding that the notation is not endorsed on all Bonds.

ARTICLE XII

MISCELLANEOUS

Section 12.01. Defeasance.

(a) If MEAN shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Bonds the principal or Redemption Price and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Resolution, then the pledge of any Revenues, the Power Supply Contracts and other moneys and securities pledged under the Resolution and all covenants, agreements and other obligations of MEAN to the Bondholders, shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall cause an accounting for such

period or periods as shall be requested by MEAN to be prepared and filed with MEAN and, upon the request of MEAN, shall execute and deliver to MEAN all such instruments as may be desirable to evidence such discharge and satisfaction, and the Fiduciaries shall pay over or deliver to MEAN all moneys or securities held by them pursuant to the Resolution which are not required for the payment of principal or Redemption Price, if applicable, on Bonds not theretofore surrendered for such payment or redemption. If MEAN shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Outstanding Bonds of a particular Series, or of a particular maturity within a Series, the principal or Redemption Price and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Resolution, such Bonds shall cease to be entitled to any lien, benefit or security under the Resolution, and all covenants, agreements and obligations of MEAN to the Holders of such Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

(b) Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Paying Agents (through deposit by MEAN of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in Section 12.01(a). All Outstanding Bonds of any Series, or of any maturity within a Series, shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in Section 12.01(a) if (i) in case any of said Bonds are to be redeemed on any date prior to their maturity, MEAN shall have given to the Trustee irrevocable instructions accepted in writing by the Trustee to mail as provided in Article IV notice of redemption of such Bonds on said date, (ii) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Defeasance Securities (including any Defeasance Securities issued or held in book-entry form on the books of the Department of the Treasury of the United States) the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal or Redemption Price and interest due and to become due on said Bonds on or prior to the redemption date or maturity date thereof, as the case may be, and (iii) in the event said Bonds are not by their terms subject to redemption within the next succeeding 60 days, MEAN shall have given the Trustee in form satisfactory to it irrevocable instructions to mail a notice to the Holders of such Bonds that the deposit required by (ii) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Section 12.01 and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price on said Bonds. Neither Defeasance Securities nor moneys deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price and interest on said Bonds, provided that any cash received from such principal or interest payments on such Defeasance Securities deposited with the Trustee (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to MEAN as received by the Trustee, free and clear of any trust, lien or pledge securing said Bonds or otherwise existing under the Resolution, and (B) to the extent such cash will be required for such purpose at a later date, shall, to

the extent practicable, be reinvested in Defeasance Securities maturing at times and in amounts sufficient to pay when due the principal or Redemption Price and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to MEAN, as received by the Trustee, free and clear of any trust, lien or pledge.

(c) For purposes of determining whether Variable Interest Rate Bonds shall be deemed to have been paid prior to the maturity or redemption date thereof, as the case may be, by the deposit of moneys, or Defeasance Securities and moneys, if any, in accordance with the second sentence of subsection (b) of Section 12.01, the interest to come due on such Variable Interest Rate Bonds on or prior to the maturity date or redemption date thereof, as the case may be, shall be calculated at the maximum rate permitted by the terms thereof; provided, however, that if on any date, as a result of such Variable Interest Rate Bonds having borne interest at less than such maximum rate for any period, the total amount of moneys and Defeasance Securities on deposit with the Trustee for the payment of interest on such Variable Interest Rate Bonds is in excess of the total amount which would have been required to be deposited with the Trustee on such date in respect of such Variable Interest Rate Bonds in order to satisfy the second sentence of subsection (b) of Section 12.01, the Trustee shall, if requested, by MEAN, pay the amount of such excess to MEAN free and clear of any trust, lien, security interest, pledge or assignment securing the Bonds or otherwise existing under the Resolution.

(d) Option Bonds shall be deemed to have been paid in accordance with the second sentence of subsection (b) of this Section 12.01 only if, in addition to satisfying the requirements of clauses (i) and (iii) of such sentence, there shall have been deposited with the Trustee moneys (including moneys withdrawn and deposited pursuant to subsection (d) of Section 5.07 and subsection (d) of Section 5.09) in an amount which shall be sufficient to pay when due the maximum amount of principal of and premium, if any, and interest on such Bonds which could become payable to the Holders of such Bonds upon the exercise of any options provided to the Holders of such Bonds; provided, however, that if, at the time a deposit is made with the Trustee pursuant to subsection (b) of this Section, the options originally exercisable, such Bond shall not be considered an Option Bond for purposes of this subsection (d). If any portion of the moneys deposited with the Trustee for the payment of the principal of and premium, if any, and interest on Option Bonds is not required for such purpose the Trustee shall, if requested by MEAN, pay the amount of such excess to MEAN free and clear of any trust, lien, security interest, pledge or assignment securing said Bonds or otherwise existing under the Resolution.

(e) Anything in the Resolution to the contrary notwithstanding, any moneys held by a Fiduciary in trust for the payment and discharge of any of the Bonds which remain unclaimed for five years after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Fiduciary at such date, or for five years after the date of deposit of such moneys if deposited with the Fiduciary after the said date when such Bonds become due and payable, shall, at the written request of MEAN, be repaid by the

Fiduciary to MEAN, as its absolute property and free from trust, and the Fiduciary shall thereupon be released and discharged with respect thereto and the Bondholders shall look only to MEAN for the payment of such Bonds; provided, however, that before being required to make any such payment to MEAN, the Fiduciary shall, at the expense of MEAN, cause to be published at least twice, at an interval of not less than seven days between publications, in the Authorized Newspapers, a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of the first publication of such notice, the balance of such moneys then unclaimed will be returned to MEAN.

Section 12.02. Evidence of Signatures of Bondholders and Ownership of Bonds.

(a) Any request, consent, revocation of consent or other instrument which the Resolution may require or permit to be signed and executed by the Bondholders may be in one or more instruments of similar tenor and shall be signed or executed by such Bondholders in person or by their attorneys appointed in writing. Proof of (i) the execution of any such instrument, or of an instrument appointing any such attorney, or (ii) the holding by any person of the Bonds, shall be sufficient for any purpose of the Resolution (except as otherwise therein expressly provided) if made in the following manner, or in any other manner satisfactory to the Trustee, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

(i) The fact and date of the execution by any Bondholder or his attorney of such instruments may be proved by a guarantee of the signature thereon by a bank or trust company or by the certificate of any notary public or other officer authorized to take acknowledgements of deeds, that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature guarantee, certificate or affidavit shall also constitute sufficient proof of his authority.

(ii) The amount of Bonds transferable by delivery held by any person executing any instrument as a Bondholder, the date of his holding such Bonds, and the numbers and other identification thereof, may be proved by a certificate, which need not be acknowledged or verified, in form satisfactory to the Trustee, executed by the Trustee or by a member of a financial firm or by an officer of a bank, trust company, insurance company, or financial corporation or other depository wherever situated, showing at the date therein mentioned that such person exhibited to such member or officer or had on deposit with such depository the Bonds described in such certificate. Such certificate may be given by a member of a financial firm or by an officer of any bank, trust company, insurance company or financial corporation or depository with respect to Bonds owned by it, if acceptable to the Trustee.

(b) The ownership of Bonds registered otherwise than to bearer and the amount, numbers and other identification, and date of holding the same, shall be proved by the registry books.

(c) Any request or consent by the owner of any Bond shall bind all future owners of such Bond in respect of anything done or suffered to be done by MEAN or any Fiduciary in accordance therewith.

Section 12.03. Moneys Held for Particular Bonds. The amounts held by any Fiduciary for the payment of the interest, principal or Redemption Price due on any date with respect to particular Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Holders of the Bonds entitled thereto.

Section 12.04. Preservation and Inspection of Documents. All documents received by any Fiduciary under the provisions of the Resolution shall be retained in its possession and shall be subject at all reasonable times to the inspection of MEAN, any other Fiduciary and any Bondholder and their agents and their representatives, any of whom may make copies thereof.

Section 12.05. Parties Interested Herein. Nothing in the Resolution expressed or implied is intended or shall be construed to confer upon, or to give to, any person or corporation, other than MEAN, the Fiduciaries and the Holders of the Bonds any right, remedy or claim under or by reason of the Resolution or any covenant, condition or stipulation thereof; and all the covenants, stipulations, promises and agreements in the Resolution contained by and on behalf of MEAN shall be for the sole and exclusive benefit of the MEAN, the Fiduciaries, and the Holders of the Bonds.

Section 12.06. No Recourse on the Bonds. No member of MEAN and no officer, agent or employee of MEAN shall be individually or personally liable for the payment of the principal or Redemption Price or interest on the Bonds.

Section 12.07. Publication of Notice; Suspension of Publication.

(a) Any publication to be made under the provisions of the Resolution in successive weeks or on successive dates may be made in each instance upon any business day of the week and need not be made in the same Authorized Newspapers for any or all of the successive publications but may be made in different Authorized Newspapers.

(b) If, because of the temporary or permanent suspension of the publication or general circulation of any of the Authorized Newspapers or for any other reason, it is impossible or impractical to publish any notice pursuant to the Resolution in the manner herein provided, then such publication in lieu thereof as shall be made with the approval of the Trustee shall constitute a sufficient publication of such notice.

Section 12.08. Severability of Invalid Provisions. If any one or more of the covenants or agreements provided in the Resolution on the part of MEAN or any Fiduciary to be performed should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements and shall in no way affect the validity of the other provisions of the Resolution.

Section 12.09. Repeal of Inconsistent Resolutions. Any resolution of MEAN, and any part of any resolution, inconsistent with the Resolution is hereby repealed to the extent of such inconsistency.

ARTICLE XIII

PRIOR RESOLUTION TRANSITIONAL PROVISIONS AND EFFECTIVE DATE

Section 13.01. Not "Subordinated Indebtedness" Under Prior Resolution. Bonds issued under this Resolution shall not be deemed issued as or constitute "Subordinated Indebtedness" under the Prior Resolution, as such term is defined therein.

Section 13.02. Subordinated to Lien of Prior Resolution. At all times prior to the Prior Resolution Retirement Date, all Bonds, Operating Credit Obligations, Subordinated Indebtedness and other obligations issued under this Resolution shall be subordinate in all respects to the pledge and assignment of the Revenues, the Power Supply Contracts and the moneys, securities and funds created by the Prior Resolution as security for Bonds issued under the Prior Resolution.

Section 13.03. Covenants With Respect to Prior Resolution.

(a) MEAN covenants and agrees that, from and after the date of the original adoption of this Resolution, it shall not issue any obligations by authority of the Prior Resolution, including any Bonds issued for the purpose of refunding any Bonds (as defined in the Prior Resolution) currently Outstanding under the Prior Resolution.

(b) MEAN shall do and perform, or cause to be done and performed, all acts and things required to be done or performed by or on behalf of MEAN under the provisions of the Prior Resolution, so long as the same shall be in force, and shall not amend the Prior Resolution in any manner which adversely affects or diminishes the rights of the Bondholders under this Resolution. A copy, certified by an Authorized Officer of MEAN, of any supplements or amendments to the Prior Resolution shall be promptly filed with the Trustee.

Section 13.04. No Lien on Revenues and Certain Funds. The Revenues and the monies on deposit in the Funds and Accounts established under this Resolution are separate and apart from, and shall not be subject to the pledge and assignment affected by the Prior Resolution, and the holders of bonds issued under the Prior Resolution shall have no claim on or security interest in such Revenues or such monies, Funds or Accounts.

Section 13.05. Retirement of Prior Resolution; Directions to Prior Trustee. On the date that MEAN shall pay or cause to be paid, in accordance with Section 12.01 of the Prior Resolution, all Bonds as defined in and issued under the Prior Resolution, the Prior Trustee is hereby directed to cause an accounting under the Prior Resolution, for such period or periods as shall be requested by MEAN, to be prepared and filed with MEAN and to prepare, execute and deliver to MEAN all such instruments as may be necessary to evidence such discharge and satisfaction, and the Fiduciaries under the Prior Resolution are directed to promptly pay over or deliver to MEAN all moneys or securities held by them pursuant to the Prior Resolution which

are not required for the payment of principal or Redemption Price, if applicable, on bonds issued under the Prior Resolution or payment of coupons not theretofore surrendered for such payment or redemption. The date that such moneys and securities are paid over and delivered to MEAN is herein referred to as the "Prior Resolution Retirement Date."

Section 13.06. Transfer of Funds Prior to Prior Resolution Retirement Date.

MEAN hereby directs the Prior Trustee to transfer each month prior to the Prior Resolution Retirement Date, all amounts that remain on deposit in General Reserve Fund after the application of monies in such fund in accordance with Section 5.12(1) of the Prior Resolution, to the Revenue Fund established by Section 5.02 of this Resolution.

Section 13.07. Transfer of Funds Following Prior Resolution Retirement Date.

Promptly after the Prior Resolution Retirement Date, MEAN shall transfer or cause to be transferred to the Funds and Accounts established under this Resolution all moneys and securities in the funds and accounts established under the Prior Resolution. Such transfers of excess funds and securities shall be made as follows:

**Funds and Accounts Established
Under Prior Resolution**

Revenue Fund
Operating Fund
Debt Service Fund
Debt Service Reserve Account
Reserve and Contingency Fund
General Reserve Fund

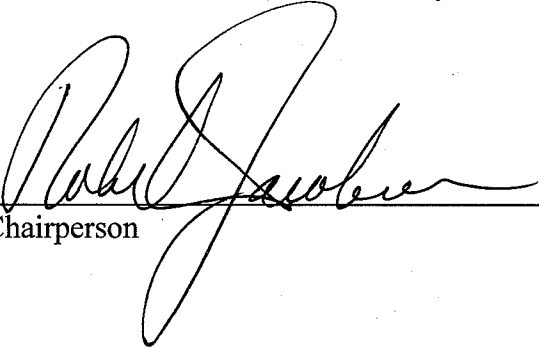
**Funds and Accounts Established
Under Resolution**

Revenue Fund
Operating Fund
Debt Service Fund
Debt Service Reserve Account
Reserve and Contingency Fund
General Reserve Fund

Section 13.08. Effective Date. The Resolution shall take effect immediately.

Passed and approved August 21, 2003.

[SEAL]



Chairperson

Attest:

Secretary-Treasurer

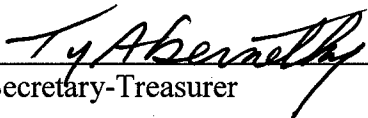
Section 13.08. Effective Date. The Resolution shall take effect immediately.

Passed and approved August 21, 2003.

[SEAL]

Chairperson

Attest:



Secretary-Treasurer