

ARTICLE I

ADDITIONAL NOTES

SECTION 1. The Mortgagor, when authorized by resolution or resolutions of its board of directors, may from time to time (1) execute and deliver to the Government one or more Additional REA Notes to evidence loans made by the Government, acting through the Administrator, to the Mortgagor, or to evidence indebtedness of the Mortgagor incurred by the assumption by the Mortgagor of the indebtedness of a third party or parties to the Government created by a loan or loans theretofore made by the Government, acting through the Administrator, to such third party or parties, and (2) execute and deliver to the Bank one or more Additional Bank Notes to evidence loans made by the Bank to the Mortgagor or to evidence indebtedness of the Mortgagor incurred by the assumption by the Mortgagor of the indebtedness of a third party or parties to the Bank created by a loan or loans made by the Bank to such third party or parties. The Mortgagor, when authorized by resolution or resolutions of its board of directors, may also from time to time execute and deliver one or more Additional Notes to refund any note or notes at the time outstanding and secured hereby, or in renewal of, or in substitution for, any such outstanding note or notes. Additional Notes shall contain such provisions and shall be executed and delivered upon such terms and conditions as the board of directors of the Mortgagor in the resolution or resolutions authorizing the execution and delivery thereof and the relevant lender shall prescribe; provided, however, that the notes at any one time secured hereby shall not exceed in the aggregate principal amount the amount identified in the Instruments Recital as the Maximum Debt Limit, and no note shall mature more than fifty (50) years after the date hereof; and provided further that, except as otherwise hereinbelow provided, the Mortgagor shall not execute and deliver any note to the Government under any loan contract hereafter entered into between the Mortgagor and the Government, if, after taking the loan provided for in such loan contract into account, the Mortgagor shall have, on a pro forma basis as determined by REA and the Bank, for any of the first three years in which it is estimated installments of both interest and principal will be required to be made on such loan (herein called the "test years"), a Times Interest Earned Ratio (as hereinafter defined and herein called "TIER") of less than 1.5, or a Debt Service Coverage (as hereinafter defined and herein called "DSC") of less than 1.25. Notwithstanding the provisions of the second proviso of the next preceding sentence, the Mortgagor may execute and deliver such note if (i) such proviso shall be waived in writing by the Bank, or (ii) the Mortgagor shall place in operative effect an increase in its rates for service sufficient to produce additional revenues so as to assure, to the satisfaction of REA and the Bank, the ability of the Mortgagor to meet the TIER and DSC standards for the test years hereinabove set forth, or (iii) the Mortgagor shall apply the proceeds of the note restricted hereby directly to the prepayment in full of all of the Bank Notes then outstanding and to the payment in full of all obligations of the Mortgagor to Bank under such Bank Notes, this Mortgage and the Bank Loan Agreement, and such prepayment may be made without any penalty or premium, notwithstanding any provision of the Bank Loan Agreement or other instrument which would otherwise require such premium or penalty, and in the event of such prepayment, the provisions of Article II, Section 4 hereof, with respect to proportionate prepayments to the Bank and the Government, shall not apply.

For purposes of this section 1, TIER shall mean the ratio determined on a pro forma basis with respect to each of the test years as follows: for each such year: add Patronage Capital or Margins (as computed for purposes of Line A.23 on REA Form 7, and, if applicable, Line A.24 on such Form 7, with the appropriate pro forma adjustment) of the Mortgagor to Interest Expense (as computed for purposes of Line A.14 of REA Form 7, with the appropriate pro forma adjustment), and divide the total so obtained by Interest Expense (as so computed) of the Mortgagor; provided, however, that in computing Interest Expense there shall be added, to the extent not otherwise included, an amount equal to 33-1/3% of the excess of rentals of Restricted Property (as defined in section 7 of article II hereof) under Long Term Leases (as defined in section 7 of article II hereof) over 2% of the Mortgagor's Equities and Margins (as defined in the Uniform System of Accounts). Any reference in this Mortgage to REA Form 7 shall apply to the 9-72 revision (or to the revision of any other date which may be specified) of