

other charges imposed upon or accruing upon any of the Mortgagor's property (whether taxed to the Mortgagor or to any noteholder), or the franchises, earnings or business of the Mortgagor, as and when the same shall become due and payable; and whenever called upon so to do the Mortgagor will furnish to the Mortgagees or to any noteholder adequate proof of such payment or discharge; provided, however, that this provision shall not be deemed to require the payment or discharge of any tax, rate, levy, assessment or other governmental charge while the Mortgagor is contesting the validity thereof by appropriate proceedings in good faith and so long as it shall have set aside on its books adequate reserves with respect thereto.

SECTION 3. Except to secure loans made by the Government or by the Bank to the Mortgagor, or to a third party or parties the obligation of which is assumed by the Mortgagor, in each case in the manner specified in section 1 of article I hereof, the Mortgagor will not, without the consent in writing of both the Mortgagees, charge, assign, pledge, mortgage or otherwise encumber any of its property, real or personal, tangible or intangible, wheresoever located, which at the time is, or at any time may become, subject to the lien of this Mortgage, except that, in the event that the Mortgagor shall have duly applied for a loan from the Bank which the Government shall have in writing approved and determined to be financially feasible for the Mortgagor, and the Bank shall not have approved such application on or prior to the later of (i) 30 days after receipt by the Bank of said approval and determination by the Government or (ii) 60 days after the receipt of such application by the Bank, then the Mortgagor may, without the consent of the Bank, obtain a commitment for such loan from another lender or lenders and agree to so encumber its property by amending this Mortgage to secure equally and ratably with the notes the evidence of such loan from such other lender or lenders; provided that the Mortgagor shall, on a pro forma basis after taking into account the terms and conditions of such loan, meet each of the financial and operating standards at the time imposed by the Bank for the making of a secured loan of comparable maturity to its members, and provided further that, by such amendment to this Mortgage or otherwise, such other lender or lenders shall receive substantially the same, and in no event greater, rights or powers than those granted to the Bank under this Mortgage, and provided further that the Bank shall have determined that such loan from such other lender or lenders and such amendment to this Mortgage comply in all respects with the provisions of this section.

SECTION 4. The Mortgagor will duly and punctually pay the principal of and interest on the notes at the dates and places and in the manner provided therein, according to the true intent and meaning thereof, and all other sums becoming due hereunder. The Mortgagor may at any time make prepayments, on account of all or part of the principal of the notes, to the extent and in the manner therein and in the Loan Agreements set forth; provided, however, that (i) any prepayment of any of the Bank Notes shall be accompanied by a simultaneous prepayment of each of the REA Notes issued in connection with such Bank Note as a result of a Contemporaneous Loan, all as hereinafter set forth and (ii) any prepayment of any of the Concurrent REA Note(s) or Additional REA Notes shall be accompanied by a simultaneous prepayment of each of the Bank Notes issued in connection with such Concurrent REA Note or Additional REA Notes as a result of a Contemporaneous Loan, all as hereinafter set forth (at the premium, if any, prescribed in the Bank Loan Agreement). Prepayments which are required to be apportioned between Bank Notes on the one hand and the Concurrent REA Note or the Additional REA Notes on the other hand under the above proviso shall be apportioned according to the proportions which the aggregate unpaid principal amount of such Bank Notes and the aggregate unpaid principal amount of such Concurrent REA Note and Additional REA Notes, respectively, bear to the aggregate unpaid principal amount of such Bank Notes, Concurrent REA Note and Additional REA Notes, collectively, on the date of prepayment and shall be applied to such notes and installments thereof as may be designated by the respective noteholders at the time of any such prepayment. As used in this section 4, the term "Contemporaneous Loan" shall mean a loan made pursuant to a loan agreement or agreements providing for a loan or loans secured by this Mortgage, the making of which by either lender is conditioned upon the making of a loan, therein described, by the other lender. For purposes of this section 4, the terms "Concurrent REA Note" and "Additional REA Notes" shall not be deemed to include notes which refund, renew or are in substitution for Outstanding REA Notes.