

conveyances, and take or cause to be taken all such further action, as may reasonably be requested by either Mortgagee in order to include in this Mortgage, as Mortgaged Property, and to subject to all the terms and conditions of this Mortgage, all right, title and interest of the Mortgagor in and to, all and singular, the automobiles, trucks, trailers, tractors, aircraft, ships and other vehicles then owned by the Mortgagor, or which may thereafter be owned or acquired by the Mortgagor. From and after the time of such written demand of the Government or the Bank, such vehicles shall be deemed to be part of the Mortgaged Property for all purposes hereof.

SECTION 14. Any noteholder may, at any time or times in succession without notice to or the consent of the Mortgagor or any other noteholder and upon such terms as such noteholder may prescribe, grant to any person, firm or corporation who shall have become obligated to pay all or any part of the principal of or interest on any note held by or indebtedness owed to such noteholder or who may be affected by the lien hereby created, an extension of the time for the payment of such principal or interest, and after any such extension the Mortgagor will remain liable for the payment of such note or indebtedness to the same extent as though it had at the time of such extension consented thereto in writing.

SECTION 15. The Mortgagor, subject to applicable laws and rules and orders of regulatory bodies, will design its rates for electric energy and other services furnished by it with a view to paying and discharging all taxes, maintenance expenses, cost of electric energy and other operating expenses of its electric transmission and distribution system and electric generating facilities, if any, and also to making all payments in respect of principal of and interest on the notes when and as the same shall become due, to providing and maintaining reasonable working capital for the Mortgagor and to maintaining a TIER of not less than 1.5 and a DSC of not less than 1.25. The Mortgagor shall give 90 days prior written notice to each of the Mortgagees of any proposed change in its general rate structure.

For purposes of this section 15, TIER of the Mortgagor shall be determined in accordance with the principles set forth in section 5 of this article II, except that (1) the three test years shall be the three calendar years last preceding the design of rates and (2) Patronage Capital or Margins shall be determined as if the rates proposed by the Mortgagor had been in effect for each of such three years.

For purposes of this section 15, DSC of the Mortgagor shall mean the average of the two largest ratios with respect to each of the three calendar years last preceding the design of rates, determined as follows: for each such year: add Patronage Capital or Margins (as computed for purposes, to the extent applicable, of Line A.22 on REA Form 7, rev. 10-69, Line A.23 on REA Form 7, rev. 12-70, or Line A.24 on such Form 7, rev. 9-72) of the Mortgagor and Interest Expense (as computed for purposes of Line A.14 of REA Form 7) of the Mortgagor to Depreciation and Amortization Expense (as computed for purposes, to the extent applicable, of Line A.12 on REA Form 7, rev. 10-69, or Line A.11 on REA Form 7, rev. 12-70 and 9-72), and divide the total so obtained by an amount equal to the sum of all payments of principal and interest required to be made during each of the test years on account of Total Long-Term Debt (as computed for purposes, to the extent applicable, of Line B.34 on REA Form 7, rev. 10-69, Line C.35 on REA Form 7, rev. 12-70, or Line C.34 on such Form 7, rev. 9-72) of the Mortgagor; provided, however, that (1) 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); (2) Patronage Capital or Margins shall be determined as if the rates proposed by the Mortgagor had been in effect for each of the three calendar years immediately preceding the design of rates; and (3) in the event that any Long-Term Debt (being any amount included in Total Long-Term Debt computed as provided above) has been refinanced during any year of such three calendar year period the payments of principal and interest required to be made during such year on account of such Long-Term Debt shall be based