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ELIZABETH RIDDLE

SUPPLEMENTAL MORTGAGE AND SECURITY AGREEMENT, dated as of August 7, 1972, made by and among BLUE RIDGE ELECTRIC COOPERATIVE, INC.

(hereinafter called the "Mortgagor"), a corporation existing under the laws of the State of South Carolina, UNITED STATES OF AMERICA (hereinafter called the "Government") acting through the Administrator of the Rural Electrification Administration (hereinafter called "REA"), and NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION (hereinafter called "CFC"), a corporation existing under the laws of the District of Columbia (the Government and CFC being hereinafter sometimes collectively called the "Mortgagees").

WHEREAS, the Mortgagor has heretofore borrowed funds from the Government pursuant to the Rural Electrification Act of 1936, as amended (7 U.S.C. 901 et seq., hereinafter called the "Act"), and pursuant to a loan contract or amending loan contract identified in the tenth recital hereof (hereinafter called the "Instruments Recital") by and between the Mortgagor and the Government (said loan contract, as it may have been amended prior to the date of the REA concurrent loan agreement referred to below, being hereinafter called the "Prior REA Loan Agreement") and has duly authorized and executed, and delivered to the Government, certain mortgage notes all payable to the order of the Government, in installments, of which the mortgage notes (hereinafter collectively called the "Outstanding REA Notes") identified in the Instruments Recital are now outstanding and held by the Government; and

WHEREAS, the Outstanding REA Notes are secured by the security instruments (hereinafter collectively called the "REA Mortgage") made by the Mortgagor to the Government identified in the Instruments Recital; and

WHEREAS, the Mortgagor, the Government and CFC desire to add CFC as a secured party under the REA Mortgage and further desire to amend, supplement and consolidate the REA Mortgage; and

WHEREAS, under the provisions of the Act and other applicable law, the Administrator of REA is authorized to amend, supplement and consolidate the REA Mortgage as herein provided; and

WHEREAS, the changes in the REA Mortgage which the parties thereto and hereto desire now to effect make advisable the consolidating and restating of each of the instruments constituting the REA Mortgage in its entirety.

NOW, THEREFORE, this Supplemental Mortgage and Security Agreement

WITNESSETH:

That each of the instruments constituting the REA Mortgage is hereby amended, supplemented and consolidated to read in its entirety from and after the date of execution of this Supplemental Mortgage and Security Agreement (the REA Mortgage, as amended, supplemented and consolidated hereby, being herein called "this Mortgage") as follows:

WHEREAS, the Mortgagor has determined to borrow additional funds from the Government pursuant to the Act and to an REA concurrent loan agreement, identified in the Instruments Recital, amending the Prior REA Loan Agreement (said agreements, as they may from time to time be amended or supplemented, being hereinafter called the "REA Loan Agreement") and has accordingly duly authorized, executed and delivered to the Government its mortgage note (identified in the Instruments Recital and hereinafter called the "Concurrent REA Note") to be secured by this Mortgage of the property hereinafter described; and

WHEREAS, the Mortgagor now owns electric transmission and distribution lines and other facilities identified in the Property Schedule contained in the granting clause hereof (hereinafter called the "Existing Electric Facilities"); and

Form - Orig. Common REA-CFC Elec. Mtg.

11/71

REA Designation: South Carolina 38-22 Oconee