

SUPPLEMENT, dated as of July 13, 1981, to SUPPLEMENTAL MORTGAGE AND SECURITY AGREEMENT 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, for value received, has heretofore duly authorized and executed, and has delivered to the Government, or has assumed the payment of, certain mortgage notes all payable to the order of the Government, in installments, of which certain mortgage notes (hereinafter collectively called the "Outstanding REA Notes") identified in the sixth recital hereof (hereinafter called the "Instruments Recital") are now outstanding and owned by the Government; and

WHEREAS, the Mortgagor, for value received, has heretofore duly authorized and executed, and has delivered to CFC, or has assumed the payment of, a certain mortgage note, or certain mortgage notes, all payable to the order of CFC, in installments, of which the certain mortgage note or notes (hereinafter collectively called the "Outstanding CFC Note(s)") identified in the Instruments Recital are now outstanding and owned by CFC (the Outstanding REA Notes and the Outstanding CFC Note(s) being hereinafter collectively called the "Outstanding Notes"); and

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

WHEREAS, the Mortgagor has determined to borrow additional funds from the Government, and has accordingly duly authorized, executed and delivered to the Government its mortgage note or notes (identified in the Instruments Recital and hereinafter collectively called the "Concurrent REA Note(s)") to be secured by the Mortgage, as amended and supplemented hereby, of the property hereinafter described; and

WHEREAS, the Mortgagor has determined to borrow additional funds from CFC, and has accordingly duly authorized, executed and delivered to CFC its mortgage note or notes (identified in the Instruments Recital and hereinafter collectively called the "Concurrent CFC Note") to be secured by the Mortgage, as amended and supplemented hereby, of the property hereinafter described; and

WHEREAS, the instruments referred to in the preceding recitals and the Maximum Debt Limit referred to in article I, section 1 of the Mortgage, as amended hereby, are hereby identified as follows:

Form - Supp. to Common REA-CFC Elec. Mtg. (Debt Limit Increase)

7/78

REA Designation: SOUTH CAROLINA BRADFORD O'CONNOR

No. 7

4328 RV-2