

Ref. Mts.
Rev. 9/59
7-690

MORTGAGE, dated as of April 17, 1961 ----- made by
THE KAN VALLEY ELECTRIC COOPERATIVE COMPANY, INC. -----
(hereinafter called the "Mortgagor"), a cooperative non-profit membership
corporation ----- organized and existing under
the laws of the State of Kansas ----- to UNITED STATES OF AMERICA
(hereinafter sometimes called the "Mortgagee").

WHEREAS, the Mortgagor has determined to borrow funds from the Mortgagee
under and pursuant to the Rural Electrification Act of 1936, as amended, for its
lawful corporate purposes and, to that end, has duly authorized and executed, and
has delivered to the Mortgagee, its mortgage note (hereinafter called the "First
Note"), to be secured by a mortgage in the terms hereof of the property hereinafter
described; and

WHEREAS, the First Note is of even date herewith, is in the principal
amount of two hundred fifty-seven thousand ----- dollars
(\$257,000 ---), is payable to the order of the Mortgagee at the United States
Treasury, Washington, D. C., bears interest at the rate of two (2) per centum per
annum, and provides for the payment of the interest accruing on the principal
thereof for three years after the date thereof, and provides further for payments
thereafter on the last --- day of February ---, May ---, August ---,
and November --- in each year, which payments will be in the amounts calculated to
be sufficient to pay and discharge the principal of the First Note and interest
thereon within thirty-five (35) years after the date thereof, at which time the
unpaid principal of the First Note and interest thereon, if any, shall become due
and payable; and

WHEREAS, the Mortgagor, for value received, has heretofore duly authorized
and executed, and has delivered to the Mortgagee, the following certain mortgage notes
(hereinafter collectively called the "Outstanding Notes"), all payable to the order of
the Mortgagee, in installments:

<u>DATE</u>	<u>PRINCIPAL AMOUNT</u>	<u>FINAL PAYMENT DATE</u>
1. October 10, 1938	\$ 241,000	October 10, 1963
2. January 25, 1946	290,000	January 25, 1981
3. March 25, 1948	269,000	March 25, 1983
4. July 15, 1949	131,000	July 15, 1984
5. April 25, 1950	356,000	April 25, 1985
Total	\$1,287,000; and	

WHEREAS, the Mortgagor also authorized, executed and delivered to the Mort-
gagee a certain other note (hereinafter called the "Cancelled Note"), as follows:

<u>DATE</u>	<u>PRINCIPAL AMOUNT</u>	<u>FINAL PAYMENT DATE</u>
October 1, 1937	\$200,000	October 1, 1957;

and the Cancelled Note was paid by the Mortgagor, cancelled by the Mortgagee and
returned to the Mortgagor; and

WHEREAS, by the terms of a certain agreement (hereinafter called the
"First Basis Date Agreement"), dated as of March 23, 1949, by and between the
Mortgagor and the Mortgagee, the portion, if any of the principal amount of
the second of the Outstanding Notes advanced on or after the date of the First
Basis Date Agreement is or will be payable in quarterly installments on or
before 35 years after the date of the First Basis Date Agreement; and