

DOUGLAS COUNTY

SUPPLEMENTAL MORTGAGE

SUPPLEMENTAL MORTGAGE, dated as of January 24, 1946, made by THE KAW VALLEY ELECTRIC COOPERATIVE COMPANY, INC. -- (herein after called the "Mortgagor"), and incorporated cooperative association ----- existing under the laws of the State of Kansas-----, to UNITED STATES OF AMERICA (hereinafter sometimes called the "Government").

WHEREAS, the Mortgagor, for value received, has duly authorized and executed, and has delivered to the Government, two certain mortgage notes (hereinafter collectively called the "Outstanding Notes"), both payable to the order of the Government, the first of which is dated October 1, 1937, is in the principal amount of \$200,000 and is payable in monthly installments, by the terms thereof on or before October 1, 1957, and by the terms of a certain agreement, dated as of April 1, 1940, between the Mortgagor, the Government and Reconstruction Finance Corporation, on or before October 1, 1962, and the second of which is dated October 10, 1938 is in the principal amount of \$241,000 and is payable in monthly installments on or before October 10, 1963; and

WHEREAS, the Outstanding Notes were executed and delivered under and pursuant to a certain mortgage (hereinafter called the "Original Mortgage"), dated as of October 1, 1937, made by the Mortgagor to the Government, and are secured by said mortgage, as amended and supplemented by a certain supplemental mortgage, dated as of March 15, 1940, made by the Mortgagor to the Government, and as supplemented by a certain supplemental mortgage, dated as of October 1, 1941 also made by the Mortgagor to the Government (the Original Mortgage as amended and supplemented by said supplemental mortgages being hereinafter called the "Mortgage"); and

WHEREAS, the Government is the holder of the Outstanding Notes and the Mortgage; and

WHEREAS, it is contemplated that the Mortgagor may from time to time execute and deliver to United States of America one or more notes to refund one or more of the notes at the time outstanding and secured by the Mortgage, as from time to time amended or supplemented, and that such refunding note or notes shall be secured by the Mortgage, as from time to time amended or supplemented; and

WHEREAS, it was the intention of the Mortgagor at the time of the execution of the Original Mortgage, that the property of the Mortgagor of the classes described therein, as being mortgaged or pledged thereby, or intended so to be, whether then owned or thereafter acquired, would secure notes of the Mortgagor when and as executed and delivered under and pursuant to the Original Mortgage, as from time to time amended or supplemented, and it is intended by the Mortgagor to confirm hereby the Mortgage and the property therein described as being mortgaged or pledged, or intended so to be, as security for the Outstanding Notes and other notes of the Mortgagor when and as executed and delivered under and pursuant to the Mortgage, as amended and supplemented hereby; and

WHEREAS, the Mortgage provides that the Mortgagor shall, upon the request in writing of the holder or holders of not less than a majority in principal amount of the notes secured by the Mortgage at the time outstanding, duly authorize, execute, and deliver and record and file all such supplemental mortgages and conveyances as may reasonably be requested by such holder or holders to effectuate the intention of the Mortgage and to provide for the conveying and mortgaging of the property of the Mortgagor intended to be mortgaged or pledged by the Mortgage to secure the payment of the principal of and interest on notes executed and delivered thereunder and pursuant thereto, and the holder of all such notes has in writing requested the execution and delivery of this Supplemental Mortgage pursuant to such provisions; and

WHEREAS, all acts, things, and conditions prescribed by law and by the articles of incorporation and by-laws of the Mortgagor have been duly performed and complied with to authorize the execution and delivery hereof and to make the Mortgage, as amended and supplemented hereby, a valid and binding mortgage to secure the Outstanding Notes and other notes of the Mortgagor when as executed and delivered under and pursuant to the Mortgage, as amended and supplemented hereby;

NOW, THEREFORE, in consideration of the premises and the sum of \$5 in hand paid by the Government to the Mortgagor, the receipt whereof by the Mortgagor prior to the execution and delivery of this Supplemental Mortgage is hereby acknowledged, this Supplemental Mortgage witnesseth as follows:

1. The Mortgagor has executed and delivered this Supplemental Mortgage and has granted, bargained, sold, conveyed, warranted, assigned, transferred, mortgaged, pledged and set over, and by these presents does hereby grant, bargain, sell, convey, warrant, assign, transfer, mortgage, pledge and set over, unto the Government and its assigns, all and singular the real and personal property of the Mortgagor falling within the classes of property embraced in the description of the "Mortgaged Property" set forth in the Mortgage, -----

----- including, without limitation, all the singular the real and personal property of said description heretofore or hereafter acquired by or constructed by or on behalf of the Mortgagor, and wheresoever situate, together with all rents, income, revenues, profits and benefits at any time derived, received or had from any and all of the above-described property of the Mortgagor, TO HAVE AND TO HOLD the same forever, for the uses and purposes and upon the trusts, terms, provisos and agreements expressed and declared in the Mortgage, as amended and supplemented hereby.

2. The Outstanding Notes are hereby confirmed as notes of the Mortgagor entitled to the security of the Mortgage, as amended and supplemented by this Supplemental Mortgage, and of the property by the Mortgage and this Supplemental Mortgage mortgaged and pledged, or intended so to be, equally and ratably with one another and with other notes of the Mortgagor when and as executed and delivered under and pursuant to the Mortgage, as amended and supplemented hereby, without preference, priority or distinction of any one of the Outstanding Notes or such other notes over any other thereof and irrespective of the dates of the execution, delivery or maturity thereof, or of the assignment or negotiation thereof.

3. The terms "renewal and substituted notes" and "renewal or substituted notes" as used in the Mortgage, as amended and supplemented hereby, shall include any notes executed by the Mortgagor and delivered to United States of America to refund any note or notes outstanding at the time of the execution and delivery of such refunding notes and secured by the Mortgage, as from time to time amended or supplemented.

4. Section 2 of article I of the Mortgage is amended to read as follows:

Section 2. The Mortgagor, when authorized by resolution or resolutions of its board of directors, may from time to time execute and deliver to United States of America one or more additional notes to evidence loans made by United States of America to the Mortgagor pursuant to the Rural Electrification Act of 1936, as from time to time amended. The Mortgagor, when authorized by resolution or resolutions of its board of directors, may also from time to time execute and deliver one or more renewal or substituted notes to refund or in renewal of or in substitution for any note or notes, at the time outstanding and secured hereby. Additional notes and such renewal and substituted notes shall contain such provisions and shall be executed and delivered upon such terms and conditions as the board of directors of the Mortgagor in the resolution or resolutions authorizing the execution and delivery thereof shall prescribe; provided, however, that the notes at any one time secured hereby shall not exceed one million dollars ----- (\$1,000,000)----- in aggregate principal amount and no such note shall mature more than fifty (50) years after the date hereof. Additional notes and such renewal and substituted notes, when and as executed and delivered, shall be secured by the Mortgage, equally and ratably with all other notes at the time outstanding, without preference, priority, or distinction of any of such notes over any other of such notes by reason of the priority of the time of the execution, delivery, or maturity thereof, or of the assignment or negotiation thereof.

5. Sections 8, 22, and 24 of article II of the Mortgage are amended to read as follows:

Section 8. The Mortgagor will take out, as the respective risks are incurred, and maintain insurance of such classes and in such amounts, and from time to time make such changes in respect thereof, as the holder or holders of not less than a majority in principal amount of the notes at the time outstanding shall have determined to be advisable to safeguard the interests of the noteholders. The Mortgagor will, upon request to the holder or holders of notes in the principal amount above specified, submit to the noteholder designated in such request a schedule of its insurance in effect on the date specified in such request and also originals or duplicate originals of such insurance policies as may be requested. If the Mortgagor shall at any time fail or refuse to take out or maintain insurance or to make changes in respect thereof upon appropriate request by such noteholder or noteholders, such noteholder or noteholders may take out such insurance on behalf and in the name of the Mortgagor, and the Mortgagor will pay the cost thereof.