

39081 Book 96

INDENTURE

between

THE KAN VALLEY ELECTRIC COOPERATIVE COMPANY, INC.

and

THE NATIONAL BANK OF AMERICA AT SALINA,

as Trustee

Dated as of July 15, 1949

INDENTURE, dated as of July 15, 1949 - - - - - made by and between THE KAN VALLEY ELECTRIC COOPERATIVE COMPANY, INC. - - - (hereinafter called the "Corporation"), a cooperative corporation organized and existing under the laws of the State of Kansas - - - - - and THE NATIONAL BANK OF AMERICA AT SALINA - - - - - (hereinafter called the "Trustee"), a banking corporation organized and existing under the laws of the State of Kansas.

WHEREAS, the Corporation has determined to borrow funds from UNITED STATES OF AMERICA (hereinafter called the "Government") 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 Government, its mortgage Note (hereinafter called the "First Note") to be secured by an indenture of mortgage and deed of trust 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 one hundred thirty-one thousand - - - - - dollars (\$131,000 - - -), is payable to the order of the Government at the United States Treasury, Washington, D. C., bears interest at the rate of two per centum per annum, and provides for the accumulation of the interest accruing on the principal thereof for - - - - - years after the date thereof, and provides further for payments thereon on the - - - - - day of - - - - - in each year, which payments will be in - - - - - 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 Corporation, for value received, has heretofore duly authorized and executed, and has delivered to the Government four certain mortgage notes (hereinafter collectively called the "Outstanding Notes"), all 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, 1937, and by the terms of a certain agreement, dated as of April 1, 1940, between the Corporation, the Government and Reconstruction Finance Corporation on or before October 1, 1942, 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, 1943, the third of which is dated January 25, 1946, is in the principal amount of \$200,000 and is payable in quarterly installments, by the terms thereof on or before January 25, 1948, and the fourth of which is dated March 25, 1948, is in the principal amount of \$269,000 and is payable in quarterly installments on or before March 25, 1949; and

WHEREAS, the Outstanding Notes were executed and delivered under and pursuant to a certain mortgage, dated as of October 1, 1937, made by the Corporation to the Government, and are secured by said mortgage, as amended and supplemented by four certain supplemental mortgages, dated, respectively, as of March 15, 1940, as of October 1, 1941, as of January 25, 1946, and as of March 25, 1948, all made by the Corporation to the Government (said mortgage, as amended and supplemented by said supplemental mortgage, being hereinafter called the "Underlying Mortgage"); and

WHEREAS, by the terms of a certain agreement (hereinafter called the "Basis Date Agreement"); dated as of March 25, 1949, made by and between the Corporation and the Government, the portion, if any, of the principal amount of the third of the Outstanding Notes advanced on or after the date of the Basis Date Agreement is or will be payable in quarterly installments on or before 35 years from the date of the Basis Date Agreement; and

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