

SUPPLEMENT, dated as of October 27, 1992, to RESTATED MORTGAGE AND SECURITY AGREEMENT, made by and among COOSA VALLEY ELECTRIC COOPERATIVE, INC. (hereinafter called the "Mortgagor"), a corporation existing under the laws of the State of Alabama, 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 seventh recital hereof (hereinafter called the "Instruments Recital") are now outstanding and held 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 (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

REA Project Designation: ALABAMA 33-T6 ST. CLAIR

THIS INSTRUMENT GRANTS A SECURITY INTEREST IN A TRANSMITTING UTILITY

AFTER-ACQUIRED PROPERTY, BOTH REAL AND PERSONAL, IS COVERED BY THIS INSTRUMENT

THE DEBTOR AS MORTGAGOR IS A TRANSMITTING UTILITY

PURSUANT TO SECTION 37-6-23 OF THE ALABAMA CODE, THIS INSTRUMENT CREATES A LIEN UPON ALL NOW OWNED OR AFTER-ACQUIRED PROPERTY OF THE MORTGAGOR

THIS INSTRUMENT WAS PREPARED BY ARTHUR D. RUBIN, ATTORNEY ~~ELECTRIC~~ AND TELEPHONE DIVISION, OFFICE OF THE GENERAL COUNSEL, U. S. DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C. 20250-1400

No. 5

10/28/1992-24977
02:40 PM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
013 MCD 37.50

James, James & James P.C.
127 No. St.
Talladega, AL 35160

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 "Current 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 "Current CFC Note") to be secured by the Mortgage, as amended and supplemented hereby, of the property hereinafter described; and

WHEREAS, the Government and CFC desire to amend and supplement the Mortgage;

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

INSTRUMENTS RECITAL

"Current REA Note(s)": Of even date herewith):

<u>Principal Amount</u>	<u>Interest Rate</u> (per annum)	<u>Final Payment Date</u>
\$3,176,000	5.0%	Thirty-five (35) years from the date thereof

"Current CFC Note": (Of even date herewith):

<u>Principal Amount</u>	<u>Interest Rate</u> (per annum)	<u>Final Payment Date</u>
\$1,432,632	Variable	Thirty-five (35) years from the date thereof

"Outstanding REA Notes":

Nine (9) certain mortgage notes in an aggregate principal amount of \$7,030,000, all of which will finally mature on or before January 30, 2025.

"Outstanding CFC Note(s)":

Seven (7) certain mortgage note(s) in an aggregate principal amount of \$2,391,739, all of which will finally mature on or before January 30, 2025.

"Mortgage":

Instrument

Date

Restated Mortgage and Security Agreement

January 30, 1990

"Maximum Debt Limit" for purposes of article I, section 1 of the Mortgage, as amended and supplemented hereby, shall be fifty million dollars (\$50,000,000).

WHEREAS, the Government and CFC are authorized to enter into this Supplement to Restated Mortgage and Security Agreement;

WHEREAS, it was the intention of the Mortgagor at the time of the execution of the Mortgage (or, if the mortgage consists of more than one instrument, at the time of the earliest instrument thereof) that the property of the Mortgagor of the classes described therein, as being mortgaged or pledged thereby, or intended so to be, 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 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 written demand of the Government or CFC duly authorize, execute, and deliver and record and file all such supplemental mortgages and conveyances as may reasonably be requested by the Government or CFC to effectuate the intention of the Mortgage and to provide for the conveying, mortgaging and pledging of the property of the Mortgagor intended to be conveyed, 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, or otherwise secured thereby, and the Government and CFC have in writing requested the execution and delivery of this Supplement (hereinafter called "this Supplemental Mortgage") to the Mortgage pursuant to such provision; and

WHEREAS, it is further intended by the Mortgagor, at the request and with the consent of the Mortgagees, to amend and supplement the Mortgage in the respects hereinafter set forth; and

WHEREAS, all acts, things, and conditions prescribed by law and by the articles of incorporation and bylaws 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 and as executed and delivered under and pursuant to the Mortgage, as amended and supplemented hereby;

WHEREAS, to the extent that any of the property described or referred to herein or in the Mortgage is governed by the provisions of the Uniform Commercial Code of any state (hereinafter called the "Uniform Commercial Code"), the parties hereto desire that this Supplemental Mortgage and the Mortgage collectively be regarded as a "security agreement" under the Uniform Commercial Code and that this Supplemental Mortgage be regarded as a "financing statement" for said security agreement under the Uniform Commercial Code.

NOW, THEREFORE, in consideration of the premises and the sum of \$5 in hand paid by the Mortgagees 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 Mortgagees and their respective assigns, all and singular the real and personal property described in the Mortgage as being mortgaged thereby and 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 and 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, including, without limitation, the "Existing Electric Facilities" identified and the real estate specifically described (by reference to deeds or otherwise) in the Mortgage and mortgaged thereby (except such portions, if any, thereof as have been released prior to the execution and delivery of this Supplemental Mortgage), and, including, without limitation, the following described property, located in the Counties of Calhoun, Clay, Etowah, Shelby, St. Clair and Talladega, in the State of Alabama:

TO WIT:

1. A certain tract of land described in a certain deed, dated September 19, 1967, by Talladega County Exchange, Inc., as Grantors, to the Mortgagor, as Grantee, and recorded in the office of the Judge of Probate of Talladega County, in the State of Alabama, in Deed Book 321, Page 136;
2. A certain tract of land described in a certain deed, dated February 17, 1971, by James B. White, Jr. and wife Evelyn B. White, as Grantors, to the Mortgagor, as Grantee, and recorded in the office of the Judge of Probate of Talladega County, in the State of Alabama, in Deed Book 352, page 66;

3. A certain tract of land described in a certain deed, dated February 28, 1971, by Arthur L. Albright and wife Nanie D. Albright, as Grantors, to the Mortgagor, as Grantee, and recorded in the office of the Judge of Probate of Talladega County, in the State of Alabama, in Deed Book 352, Page 64;
4. A certain tract of land described in a certain deed, dated May 17, 1949, by Dossie Bowman and wife Vanora Evans Bowman, as Grantors, to the Mortgagors, as Grantee, and recorded in the office of the Judge of Probate of St. Clair, in the State of Alabama, in Deed Book 40, Pages 463-468;
5. A certain tract of land described in a certain deed, dated April 18, 1967, by Wilmer Hoyle and wife Mary A. Hoyle, as Grantors, to the Mortgagor, as Grantee, and recorded in the office of the Judge of Probate of St. Clair County, in the State of Alabama, in Deed Book 90, Page 569;
6. A certain tract of land described in a certain deed, dated November 25, 1959, by A. W. Thompson, a single man, as Grantor, to the Mortgagor, as Grantee, and recorded in the office of the Judge of Probate of Calhoun County, in the State of Alabama, in Deed Book 1038, Page 442;
7. A certain tract of land described in a certain deed, dated August 30, 1947, by Robert M. Whiting, et al, as Grantors, to the Mortgagor, as Grantee, and recorded in the office of the Judge of Probate of Talladega County, in the State of Alabama in Deed Book 134, Page 174;

8. A certain tract of land described in a certain deed, dated January 19, 1940, by T. J. Watson and wife Helen K. Watson, as Grantors, to the Mortgagor, as Grantee, and recorded in the office of the Judge of Probate of Talladega County, in the State of Alabama, in Deed Book 102, Page 185;
9. A certain tract of land described in a certain deed, dated August 28, 1969, by G. T. Embry and wife Maggie Embry, as Grantors, to the Mortgagor, as Grantee, and recorded in the office of the Judge of Probate of Talladega County, in the State of Alabama, in Deed Book 339, Page 374;
10. A certain tract of land described in a certain deed, dated February 25, 1976, by Roy Partridge and wife Ruby Partridge, as Grantors to the Mortgagor as Grantee, and recorded in the office of the Judge of Probate of Shelby County, in the State of Alabama, in Deed Book 297, Page 447;
11. A certain tract of land described in a certain deed, dated April 6, 1984, by the First National Bank of Talladega, Alabama as Grantor, to the Mortgagor, as Grantee and recorded in the office of the Judge of Probate of Talladega County, in the State of Alabama, in Deed Book 503, Page 560;
12. A certain tract of land described in a certain deed, dated November 1, 1988, by Jerry L. James and wife Lois Gaynell James as Grantors, to the Mortgagor, as Grantee, and recorded in the office of the Judge of Probate of Talladega County in the State of Alabama, in Deed Book 567, Page 850.

TOGETHER WITH all plants, works, structures, erections, reservoirs, dams, buildings, fixtures and improvements now or hereafter located on any of the properties conveyed by any and all of the aforesaid deeds mentioned above and all tenements, hereditaments and appurtenances now or hereafter thereunto belonging or in anywise appertaining.

The description of each of the properties conveyed by and through the provisions of the aforesaid deeds is by reference made a part hereof as though fully set forth at length herein.

AND ALSO including, without limitation:

I

All right, title and interest of the Mortgagor in and to all extensions and improvements of the "Existing Electric Facilities", as provided above, and additions thereto, including all substations, service and connecting lines (both overhead and underground), poles, towers, posts, crossarms, wires, cables, conduits, mains, pipes, tubes, transformers, insulators, meters, electrical connections, lamps, fuses, junction boxes, fixtures, appliances, generators, dynamos, water turbines, water wheels, boilers, steam turbines, motors, switch boards, switch racks, pipe lines, machinery, tools, supplies, switching and other equipment, and any and all other property of every nature and description, used or acquired for use by the Mortgagor in connection therewith;

II

All right, title and interest of the Mortgagor in, to and under any and all grants, privileges, rights of way and easements now owned, held, leased, enjoyed or exercised or which may hereafter be owned, held, leased, acquired, enjoyed or exercised, by the Mortgagor for the purposes of, or in connection with, the construction or operation by or on behalf of the Mortgagor of electric transmission or distribution lines, or systems, whether underground or overhead or otherwise, or of any electric generating plant, wherever located;

III

All right, title and interest of the Mortgagor in, to and under any and all licenses, franchises, ordinances, privileges and permits heretofore granted, issued or executed, or which may hereafter be granted, issued or executed, to it or to its assignors by the United States of America, or by any state, or by any county, township, municipality, village or other political subdivision thereof, or by any agency, board, commission or department of any of the foregoing, authorizing the construction, acquisition, or operation of electric transmission or distribution lines, or systems, or any electric generating plant or plants, insofar as the same may by law be assigned, granted, bargained, sold, conveyed, transferred, mortgaged or pledged;

IV

All right, title and interest of the Mortgagor in, to and under any and all contracts heretofore or hereafter executed by and between the Mortgagor and any person, firm, or corporation providing for the purchase, sale or exchange of electric power or energy by the Mortgagor together with any and all other accounts, contract rights and general intangibles (as such terms are defined in the applicable Uniform Commercial Code) heretofore or hereafter acquired by the Mortgagor;

V

Also, all right, title and interest of the Mortgagor in and to all other property, real or personal, tangible or intangible, of every kind, nature and description, and wheresoever situated, now owned or hereafter acquired by the Mortgagor, it being the intention hereof that all such property now owned by not specifically described herein or acquired or held by the Mortgagor after the date hereof shall be as fully embraced within and subjected to the lien hereof as if the same were now owned by the Mortgagor and were specifically described herein to the extent only, however, that the subjection of such property to the lien hereof shall not be contrary to law;

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.

Provided, however, that except as provided in section 13(b) of article II of the Mortgage, no automobiles, trucks, trailers, tractors or other vehicles (including without limitation aircraft or ships, if any) owned or used by the Mortgagor shall be included in the property mortgaged by the Mortgage and this Supplemental Mortgage.

TO HAVE AND TO HOLD the same forever, for the uses and purposes and upon the terms, conditions, 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 as to interest or principal (except, as otherwise specifically provided in the Mortgage, as amended and supplemented hereby) or as to lien or otherwise, of any one of the Outstanding Notes or such other notes over any other thereof and irrespective of the date of the execution, delivery or maturity thereof, or of the assignment or negotiation thereof or otherwise.

3. Additional notes executed and delivered pursuant to section 1 of article I of the Mortgage, as amended hereby, are hereby included within the terms "Additional Notes" and "notes", as defined in the Mortgage, as amended hereby. The Current REA Note(s), Current CFC Note, and refunding, renewal and substituted notes executed and delivered pursuant to said section 1 of article I, are hereby included within the term "notes", as defined in the Mortgage, as amended and supplemented hereby.

4. The Mortgage is hereby amended by revising the "Maximum Debt Limit" provisions contained therein as set forth in the Instruments Recital of this Supplemental Mortgage.

5. Any reference herein to the Administrator shall be deemed to mean the Administrator of the Rural Electrification Administration or his duly authorized representative or any other person or authority in whom may be vested the duties and functions which the Administrator is now or may hereafter be authorized by law to perform.

6. All demands, notices, reports, approvals, designations, or directions required or permitted to be given under the Mortgage, as amended hereby, shall be in writing and shall be deemed to be properly given if mailed by registered mail addressed to the proper party or parties at the following addresses:

As to the Mortgagor:

Coosa Valley Electric Cooperative, Inc.
P. O. Box 837
Talladega, Alabama 35160

As to the Mortgagees: CFC:

National Rural Utilities
Cooperative Finance Corporation
Woodland Park
2201 Cooperative Way
Herndon, Virginia 22071-3025

The Government:

Rural Electrification Administration
Washington, D.C. 20250-1500

and as to any other person, firm, corporation or governmental body or agency having an interest herein by reason of being the holder of any note or otherwise, at the last address designated by such person, firm, corporation, governmental body or agency to the Mortgagor and the Mortgagees. The Mortgagor or the Mortgagees may from time to time designate to each other a new address to which demands, notices, reports, approvals, designations or directions may be addressed and from and after any such designation the address designated shall be deemed to be the address of such party in lieu of the address hereinabove given.

7. To the extent that any of the property described or referred to herein and in the Mortgage is governed by the provisions of the Uniform Commercial Code, the Mortgage and this Supplemental Mortgage, collectively, are hereby deemed a "security agreement" under the Uniform Commercial Code, and this Supplemental Mortgage is also hereby declared to be a "financing statement", for said security agreement under the Uniform Commercial Code. The mailing address of the Mortgagor as debtor, and of the Mortgagees as secured parties, are as set forth in the Mortgage and in section 6 of this Supplemental Mortgage.

8. All of the terms, provisions and covenants of the Mortgage, except as expressly modified hereby, shall be and remain in full force and effect.

9. The invalidity of any one or more phrases, clauses, sentences, paragraphs or provisions of this Supplemental Mortgage shall not affect the validity of the remaining portions hereof.

10. This Supplemental Mortgage may be simultaneously executed in any number of counterparts, and all of said counterparts executed and delivered, each as an original, shall constitute but one and the same instrument.

IN WITNESS WHEREOF, COOSA VALLEY ELECTRIC COOPERATIVE, INC. -----, as Mortgagor, has caused this Supplemental Mortgage to be signed in its name and its corporate seal to be hereunto affixed and attested by its officers thereunto duly authorized, NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION, as Mortgagee, has caused this Supplemental Mortgage to be signed in its name and its corporate seal to be hereunto affixed and attested by its officers thereunto duly authorized, and UNITED STATES OF AMERICA, as Mortgagee, has caused this Supplemental Mortgage to be duly executed in its behalf, all as of the day and year first above written.

COOSA VALLEY ELECTRIC COOPERATIVE, INC.

by

Jim L. Wain
President

(Seal)


Attest:

Hali L. Moore
Secretary

Executed by the Mortgagor
in the presence of:

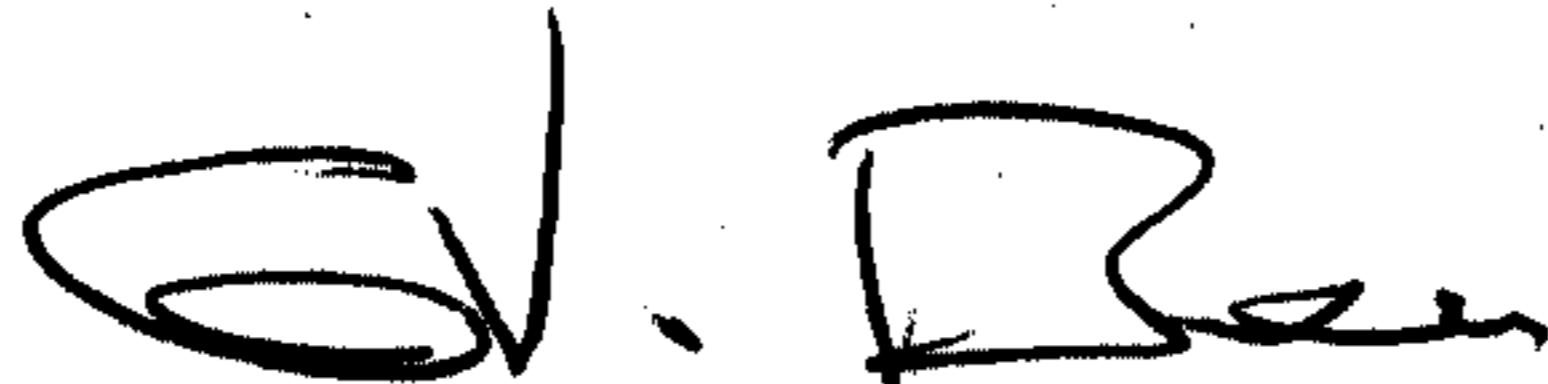
[Signature]
[Signature]
Witnesses

NATIONAL RURAL UTILITIES
COOPERATIVE FINANCE CORPORATION

by 
Governor



(Seal)

Attest:



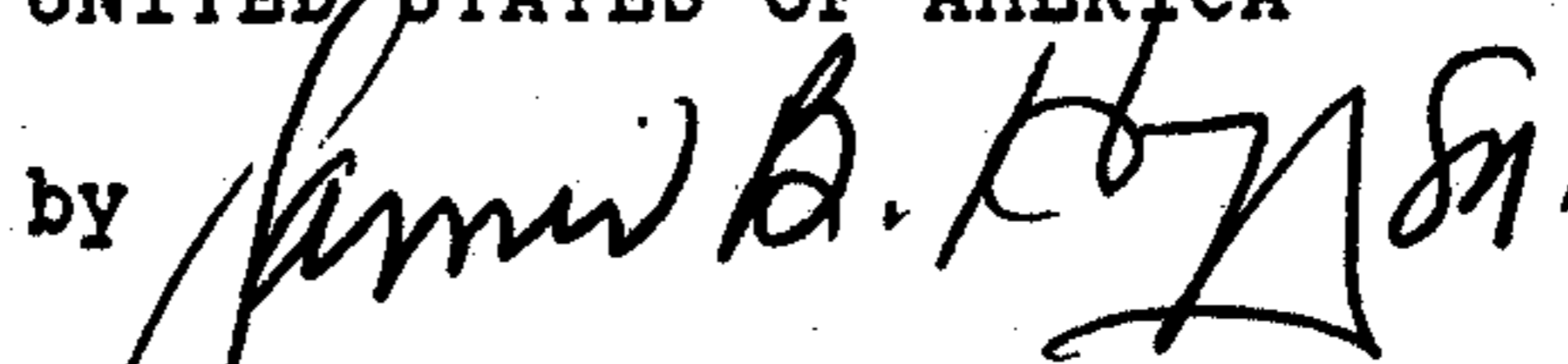
Secretary

Executed by National Rural
Utilities Cooperative Finance
Corporation, Mortgagee, in
the presence of:



Witnesses

UNITED STATES OF AMERICA


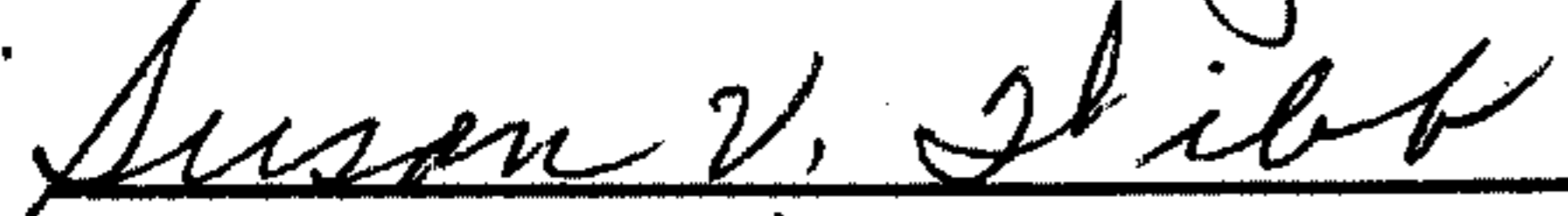
by



Administrator
of

Rural Electrification Administration

Executed by United States
of America, Mortgagee, in
the presence of:



Witnesses

STATE OF ALABAMA

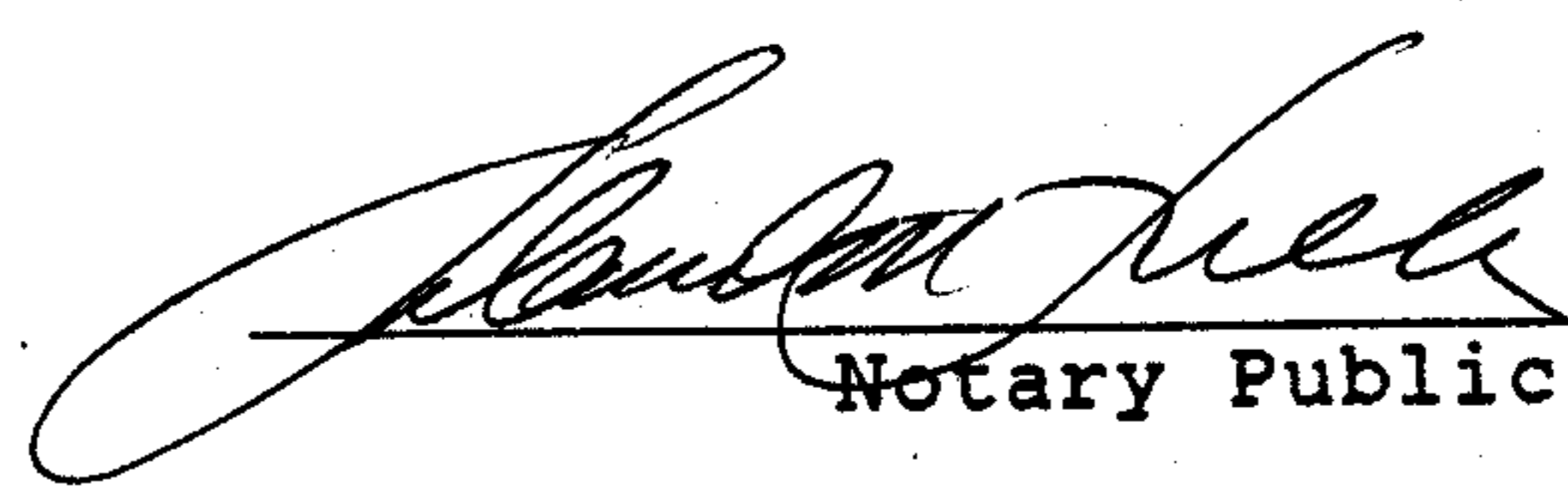
TALLADEGA

COUNTY

)
) SS
)

I, LELAND M. FULLER, a Notary Public,
in and for said County in said State, hereby certify that
JIM L. WINN and HARLIE L. MOORE,
whose names as President and Secretary,
respectively, of Coosa Valley Electric Cooperative, Inc. -----
-----, a corporation, are signed to the foregoing
instrument and who are known to me, acknowledged before me this
day that being informed of the contents of the instrument, they
as such officers and with full authority, executed the same
voluntarily for and as the act of said corporation.

Given under my hand this 27 day of OCTOBER,
19 92.



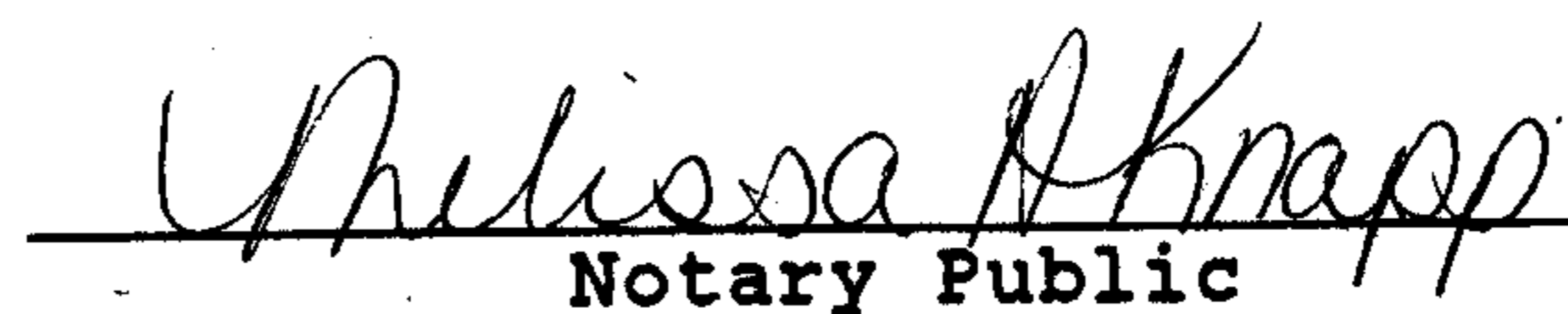
Notary Public

(Notarial Seal)
My commission expires:

MY COMMISSION EXPIRES AUGUST 14, 1993

COMMONWEALTH OF VIRGINIA)
) SS
COUNTY OF FAIRFAX)

The foregoing instrument was acknowledged before me
this 7th day of October, 1992, by
Linda Graham, SIGNING FOR Governor of the
National Rural Utilities Cooperative Finance Corporation, a
District of Columbia corporation, on behalf of said corporation.



Notary Public

(Notarial Seal)
My commission expires:

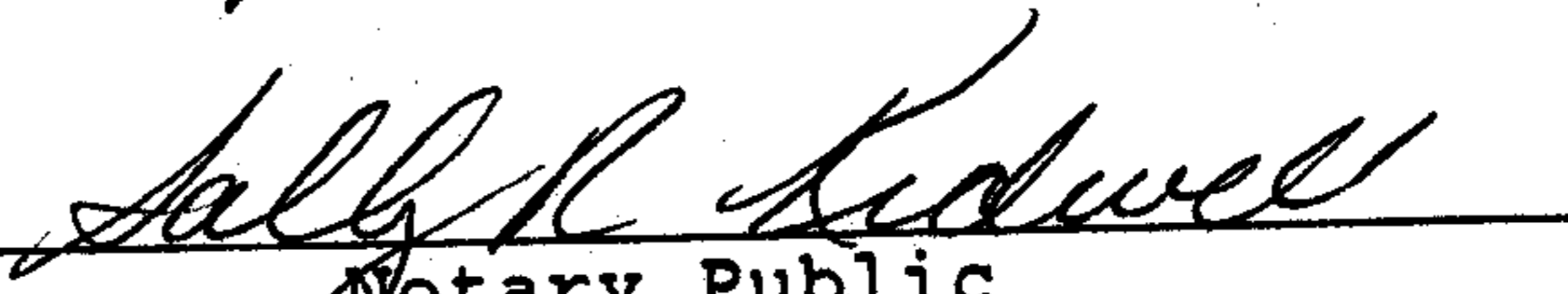
Melissa A. Knapp
Notary Public of
Commonwealth of Virginia
My Commission Expires:
October 31, 1994

DISTRICT OF COLUMBIA

) SS

BEFORE ME, a Notary Public, in and for the District of Columbia, appeared in person the within named JAMES B. HUFF, SR., Administrator of the Rural Electrification Administration, United States of America, to me personally known, and known to be the identical person who subscribed the foregoing instrument in said capacity, and who, after being by me duly sworn, stated that he is duly authorized to execute the foregoing instrument for and in the name and behalf of the United States of America, and further stated and acknowledged that he had executed the foregoing instrument as the free and voluntary act and deed of the United States of America, for the consideration, uses and purposes therein mentioned and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this 29 day of September, 1992.



Notary Public

Sally R. Kidwell
Notary Public

District of Columbia

My Commission Expires
October 31, 1995

(Notarial Seal)

My commission expires:

Inst # 1992-24977

10/28/1992-24977

02:40 PM CERTIFIED

SHELBY COUNTY JUDGE OF PROBATE

013 MCD 37.50