

Supp. to Common RUS-CFC Elec. Mtg.
(No Debt Limit Increase) - 11/94
(SUPP-RUS.CFC)

Inst # 1996-08649

RUS PROJECT DESIGNATION:

ALABAMA 33-V61 ST. CLAIR

SUPPLEMENT TO RESTATED MORTGAGE AND SECURITY AGREEMENT

made by and among

COOSA VALLEY ELECTRIC COOPERATIVE, INC.,

UNITED STATES OF AMERICA,

and

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION

THE DEBTOR AS MORTGAGOR IS A UTILITY.

THIS INSTRUMENT GRANTS A SECURITY INTEREST IN BOTH REAL AND PERSONAL PROPERTY AND AFTER-ACQUIRED PROPERTY.

FUTURE ADVANCES AND FUTURE OBLIGATIONS ARE SECURED BY THIS INSTRUMENT.

This Instrument was prepared by Georgann Gutteridge, Attorney, Electric and Telephone Division, Office of the General Counsel, United States Department of Agriculture, Washington, D. C. 20250-1400

Inst # 1996-08649

No. 9

03/15/1996-08649
03:54 PM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
014 MCD 42.00

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SUPPLEMENT, dated as of *February 27*,
19 *96*, 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 Utilities Service (hereinafter
called the "Administrator"), successor to the
Rural Electrification Administration, 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, pursuant to Public Law No. 103-354, the Rural
Utilities Service (hereinafter sometimes called "RUS" is the
successor to the Rural Electrification Administration (hereinafter
sometimes called "REA") and the Administrator of the Rural
Utilities Service is the successor to the Administrator of the
Rural Electrification Administration and, for the purposes of the
Mortgage, identified in the seventh recital hereof (hereinafter
called the "Instruments Recital") as amended, the terms "REA" and
"Administrator" shall be deemed to mean respectively "RUS" and
"Administrator of the RUS"; and

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 RUS Notes"), identified in 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 RUS Notes and the Outstanding CFC Note(s) being
hereinafter collectively called the "Outstanding Notes"); and

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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 RUS 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 are hereby identified as follows:

INSTRUMENTS RECITAL

"Concurrent RUS Note(s)": (Of even date herewith):

<u>Principal Amount</u>	<u>Interest Rate</u> <u>(per annum)</u>	<u>Final Payment Date</u>
\$6,391,000	Determined by Advance	Thirty-five (35) years from the date thereof

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

<u>Principal Amount</u>	<u>Interest Rate</u> <u>(per annum)</u>	<u>Final Payment Date</u>
\$2,739,000	variable	Thirty-five (35) years from the date thereof

"Outstanding RUS Notes":

Eleven (11) certain mortgage notes in an aggregate principal amount of \$14,476,000, all of which will finally mature on or before July 5, 2029.

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"Outstanding CFC Note(s)":

Nine (9) certain mortgage note(s) in an aggregate principal amount of \$5,622,243, all of which will finally mature on or before October 26, 2028.

"Mortgage":

<u>Instrument</u>	<u>Date</u>
Restated Mortgage and Security Agreement	January 30, 1990
Supplement to Restated Mortgage and Security Agreement	October 27, 1992

WHEREAS, the Government is the owner of the Outstanding RUS Notes; CFC is the owner of the Outstanding CFC Note(s); and the Mortgagees are the owners of the Mortgage; and

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 execution 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, whether then owned or thereafter acquired, would secure certain notes of the Mortgagor executed and delivered prior to the execution and delivery of the Mortgage (or, if the Mortgage consists of more than one instrument, prior to the execution and delivery of the earliest instrument thereof), and certain notes of the Mortgagor when and as executed and delivered under and pursuant to the 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 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

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pursuant thereto, or otherwise secured thereby, 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 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; and

WHEREAS, the Government and CFC are authorized to enter into this Supplemental Mortgage; and

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" under the Uniform Commercial Code for said security agreement.

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 also including, without limitation, the following described real estate, 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 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;**
2. **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;**
3. **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;**
4. **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;**
5. **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 on Calhoun County, in the State of Alabama, in Deed Book 1038, Page 442;**

6. 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;
7. 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;
8. 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;
9. 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 a 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;
10. 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;
11. A certain tract of land described in a certain deed, dated October 22, 1992, by John C. Spencer, Jr. and Mildred S. Brownlow 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 621, Page 188.

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

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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 but 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.

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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 Concurrent RUS Note(s), Concurrent 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 hereby. There are hereby included within the term "CFC Loan Agreement", as defined in the Mortgage, as amended hereby, all agreements, together with any amendments or supplements thereto, between the Mortgagor and CFC pursuant to which the Mortgagor has executed and delivered or will execute and deliver to CFC "CFC Notes", as defined in the Mortgage, as amended hereby.

4. Any reference herein to the Administrator shall be deemed to mean the Administrator of the Rural Utilities Service 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.

5. 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:

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As to the Mortgagor: as stated in the testimonium clause hereof.

As to the Mortgagees: CFC:

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

The Government:

Rural Utilities Service
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.

6. 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", under the Uniform Commercial Code for said security agreement. 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 5 of this Supplemental Mortgage.

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

8. 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.

9. 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., P. O. Box 837, Talladega, Alabama 35160, 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.

by

(Seal)

Attest:

Secretary

Executed by the Mortgagor in
the presence of:

Joe B. Cad
Patricia H. Hogue
Witnesses

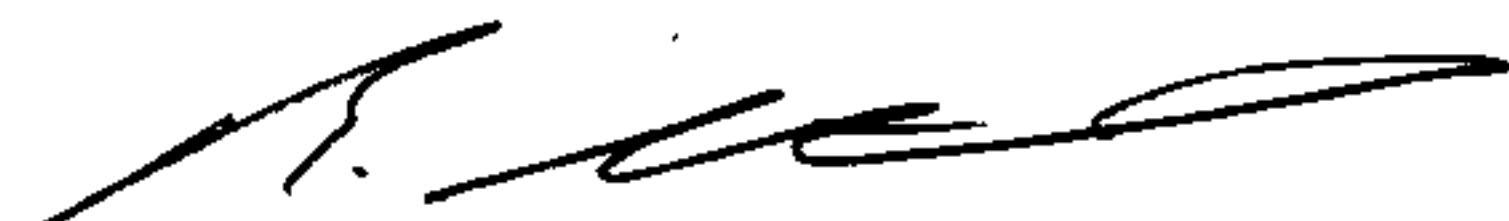
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NATIONAL RURAL UTILITIES COOPERATIVE
FINANCE CORPORATION

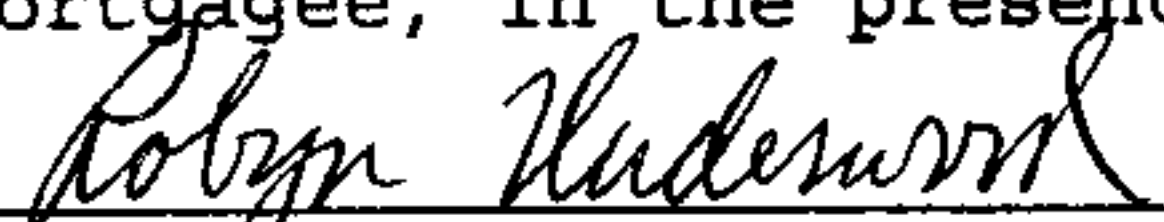
by 
Governor

(Seal)

Attest:

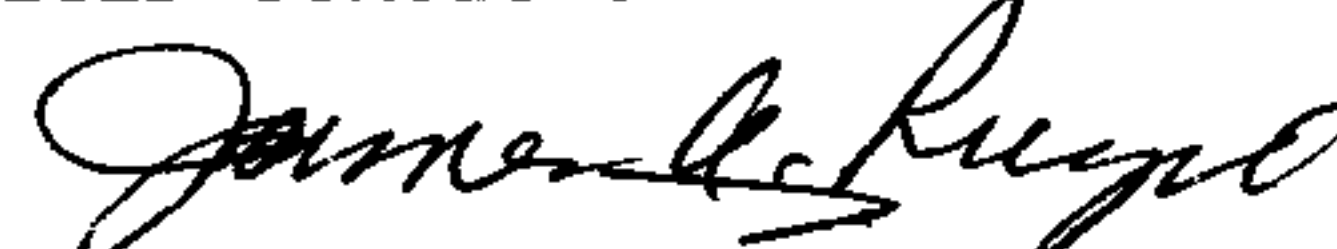

Assistant Secretary

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



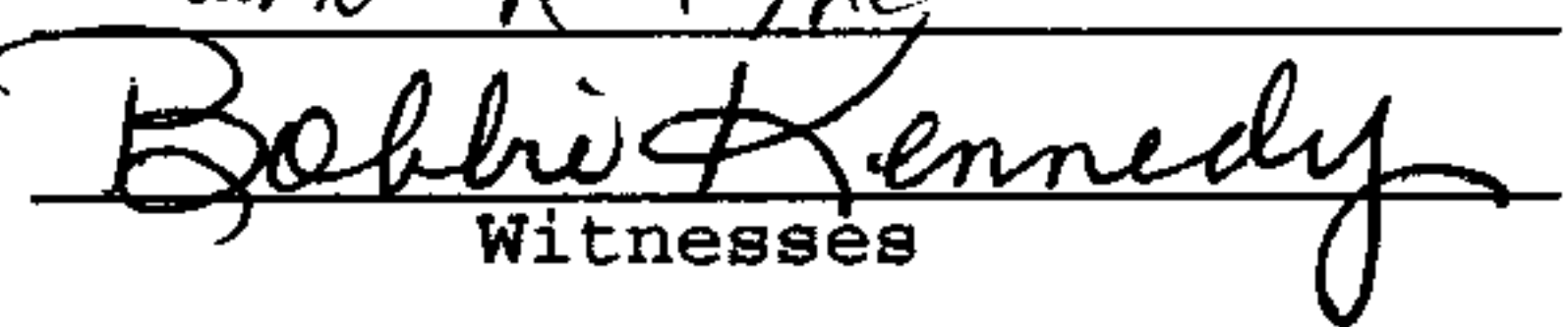
Witnesses

UNITED STATES OF AMERICA

by 

Director, Southern Regional Division
of the
Rural Utilities Service

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



Witnesses

STATE OF ALABAMA)
) SS
TALLADEGA COUNTY)

I, Patricia H. Hodge, a Notary Public,
in and for said County in said State, hereby certify that
Jim L. Winn and John T. Stamps
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 27th day of FEBRUARY, 1996.

Patricia H. Hodge
Notary Public

(Notarial Seal)

My commission expires:

COMMONWEALTH OF VIRGINIA)
) SS
COUNTY OF FAIRFAX)

The foregoing instrument was acknowledged before me this
8 day of February, 1996, by
Linda Graham, for Governor of the
National Rural Utilities Cooperative Finance Corporation, a
District of Columbia corporation, on behalf of said corporation.

Suzanne M. Muller
Notary Public

(Notarial Seal)

My commission expires: 11/30/97

DISTRICT OF COLUMBIA) SS

BEFORE ME, a Notary Public, in and for the District of Columbia, appeared in person the within named JAMES A. RUSPI, Director, Southern Regional Division of the Rural Utilities Service, 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 5th day of FEBRUARY, 1996.

James F. Mothershed

Notary Public

JAMES F. MOTHERSHED

(Notarial Seal)

My commission expires: 4-30-99

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03:54 PM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
014 NCD 42.00

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