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SUPPLEMENT, dated as of August 7th, 1973, to SUPPLEMENTAL MORTGAGE AND SECURITY AGREEMENT made by and among DOUGLAS ELECTRIC COOPERATIVE, INC. ----- (hereinafter called the "Mortgagor"), a corporation existing under the laws of the State of Oregon. -----, 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 sixth recital hereof (hereinafter called 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 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

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 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 "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 and the Maximum Debt Limit referred to in article I, section 1 of the Mortgage, as amended hereby, are hereby identified as follows:

Form - Supp. to Common REA-CFC Elec. Mtg. 7-7127

4/73

REA Designation: Oregon 17-AC6 Douglas

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INSTRUMENTS RECITAL

"Concurrent REA Note (s)":

(Of even date herewith):

No.
1.

Principal Amount
\$384,000

Interest Rate
(per annum)

five per centum (5 %)

Final Payment Date:
Thirty five (35) years
from the date thereof

"Concurrent CFC Note":

(Of even date herewith):

Principal Amount
\$43,000

Interest Rate
(per annum)

seven per centum (7 %)

Final Payment Date
Thirty five (35) years
from the date thereof

"Outstanding REA Notes":

seventeen ----- (17 ---) certain mortgage notes in an aggregate principal amount of \$ 7,415,000 -----, all of which will finally mature on or before September 26, 2007 .

"Outstanding CFC Note(s)":

one ----- (1 ---) certain mortgage note(s) in an aggregate principal amount of \$ 72,000 -----, all of which will finally mature on or before November 30, 2007 .

"Mortgage":

Instrument
Supplemental Mortgage and Security Agreement

Date
September 21, 1972

"Maximum Debt Limit" for purposes of article I, section 1 of the Mortgage, as amended hereby, shall be \$25,000,000

WHEREAS, the Government is the owner of the Outstanding REA 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 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 provisions; 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.

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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:

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, cross arms, 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 wherever 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.

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 REA 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.

4. The Mortgage is hereby amended by including therein, for purposes of article I, section 1 thereof, as amended by this Supplemental Mortgage, the Maximum Debt Limit provision contained in the Instruments Recital of this Supplemental Mortgage.

5. Section 1 of article I of the Mortgage is hereby amended to read as follows:

SECTION 1. The Mortgagor, when authorized by resolution or resolutions of its board of directors, may from time to time (1) execute and deliver to the Government one or more Additional REA Notes to evidence loans made by the Government, acting through the Administrator, to the Mortgagor, or to evidence indebtedness of the Mortgagor incurred by the assumption by the Mortgagor of the indebtedness of a third party or parties to the Government created by a loan or loans theretofore made by the Government, acting through the Administrator, to such third party or parties, and (2) execute and deliver to CFC one or more Additional CFC Notes to evidence loans made by CFC to the Mortgagor or to evidence indebtedness of the Mortgagor incurred by the assumption by the Mortgagor of the indebtedness of a third party or parties to CFC created by a loan or loans made by CFC to such third party or parties. 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 Additional Notes to refund any note or notes at the time outstanding and secured hereby, or in renewal of, or in substitution for, any such outstanding note or notes. Additional 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 and the relevant lender shall prescribe; provided, however, that the notes at any one time secured hereby shall not exceed in the aggregate principal amount the amount identified in the Instruments Recital as the Maximum Debt Limit, and no note shall mature more than fifty (50) years after the date hereof; and provided further that except as otherwise hereinbelow provided, the Mortgagor shall not execute and deliver any note to the Government under any loan contract hereafter entered into between the Mortgagor and the Government, if, after taking the provisions provided for in such loan contract into account, the Mortgagor shall

have, on a pro forma basis as determined by REA and CFC, for any of the first three years in which it is estimated installments of both interest and principal will be required to be made on such loan (herein called the "test years"), a Times Interest Earned Ratio (as hereinafter defined and herein called "TIER") of less than 1.5, or a Debt Service Coverage (as hereinafter defined and herein called "DSC") of less than 1.25. Notwithstanding the provisions of the second proviso of the next preceding sentence, the Mortgagor may execute and deliver such note if (i) such proviso shall be waived in writing by CFC, or (ii) the Mortgagor shall place in operative effect an increase in its rates for service sufficient to produce additional revenues so as to assure, to the satisfaction of REA and CFC, the ability of the Mortgagor to meet the TIER and DSC standards for the test years hereinabove set forth, or (iii) the Mortgagor shall apply the proceeds of the note restricted hereby directly to the prepayment in full of all of the CFC Notes then outstanding and to the payment in full of all obligations of the Mortgagor to CFC under such CFC Notes, this Mortgage and the CFC Loan Agreement, and such prepayment may be made without any penalty or premium, notwithstanding any provision of the CFC Loan Agreement or other instrument which would otherwise require such premium or penalty, and in the event of such prepayment, the provisions of Article II, Section 4 hereof, with respect to proportionate prepayments to CFC and the Government, shall not apply.

For purposes of this Section 1, TIER shall mean the ratio determined on a pro forma basis with respect to each of the test years as follows: for each such year: add Patronage Capital or Margins (as computed for purposes of Line A.23 on REA Form 7, and, if applicable, Line A.24 on such Form 7, with the appropriate pro forma adjustment) of the Mortgagor to Interest Expense (as computed for purposes of Line A.14 of REA Form 7, with the appropriate pro forma adjustment), and divide the total so obtained by Interest Expense (as so computed) of the Mortgagor; provided, however, that in computing Interest Expense there shall be added, to the extent not otherwise included, an amount equal to 33-1/3% of the excess of rentals of Restricted Property (as defined in section 7 of article II hereof) under Long Term Leases (as defined in section 7 of article II hereof) over 7% of the Mortgagor's Equities and Margins (as defined in the Uniform System of Accounts). Any reference in this Mortgage to REA Form 7 shall apply to the 4-72 revision (or to the revision of any other date which may be specified) of such REA Form 7 or to any later revision thereof which shall have been at the time prescribed for use by REA; if some other form containing the corresponding information shall at the time be prescribed by REA, such reference shall apply to the corresponding item in such other form; or, if no such form is applicable to the accounts of the Mortgagor, such references shall apply to the corresponding information otherwise determined in a comparable manner.

For purposes of this section 1, DSC shall mean the ratio determined for each of the test years on a pro forma basis as follows: add Patronage Capital or Margins, and Interest Expense (as computed in accordance with the principles set forth in the preceding paragraph) to Depreciation and Amortization Expense (an amount as computed for purposes of Line A.11 of REA Form 7, with the appropriate pro forma adjustment), and divide the total so obtained by an amount equal to the sum of all payments of principal and interest required to be made during each of the test years on account of Total Long-Term Debt (as computed for the purposes of Line C.34 of REA Form 7).

No Additional CFC Notes shall be secured by this Mortgage without the prior written approval thereof by the Government.

6. The first paragraph of section 5 of article II of the Mortgage is hereby amended by substituting Account Number "131.2" of the Uniform System of Accounts in lieu of Account Number "132.1"; and by adding the following provision at the end of such first paragraph:

Any reference in this Mortgage to any Account Number of the Uniform System of Accounts shall apply to such Account Number included in the Uniform System of Accounts as of March 1, 1973, or to any other Account Number which may be thereafter prescribed with respect to the information contemplated by the Account Number herein specified; or, if no such Account Number shall be applicable after such date to the accounts of the Mortgagor for such information, such reference shall apply to the corresponding information otherwise determined in an appropriate manner.

7. The second paragraph of section 5 of article II of the Mortgage is hereby amended to read as follows:

For purposes of this section 5, TIER shall mean the average of the two largest ratios with respect to each of the three calendar years last preceding the effective date of the merger, consolidation, acquisition or other transaction in question, determined as follows: for each such year: add Patronage Capital or Margins (as computed for purposes, to the extent applicable, of Line A.22 on REA Form 7, rev. 10-69, Line A.23 on REA Form 7, rev. 12-70, or Line A.24 on such Form 7, rev. 9-72) of the Mortgagor and appropriate data of the other party to such transaction, on a consolidated basis, to Interest Expense (as computed for purposes of Line A.14 of REA Form 7) of the Mortgagor and such other party, on a consolidated basis, and divide the total so obtained by Interest Expense (as so computed) of the Mortgagor and such other party on a consolidated basis; provided, however, that in computing Interest Expense, there shall be added, on a consolidated basis, and to the extent not otherwise included, an amount equal to 33-1/3% of the excess of rentals of Restricted Property (as defined in section 7 of article II hereof) under Long Term Leases (as defined in section 7 of article II hereof) of the Mortgagor and such other party over 2% of the Mortgagor's and such other party's Equities and Margins (as defined in the Uniform System of Accounts).

8. Section 6(b) of article II of the Mortgage is hereby amended by changing the reference in the sixth paragraph thereof to Line "78" of REA Bulletin 1-1 to read line "79".

9. Section 7 of article II of the Mortgage is hereby amended by deleting the period at the end of the last sentence thereof and adding the following: "(including, without limitation, computers)."

10. Section 15 of article II of the Mortgage is hereby amended to read as follows:

SECTION 15. The Mortgagor, subject to applicable laws and rules and orders of regulatory bodies, will design its rates for electric energy and other services furnished by it with a view to paying and discharging all taxes, maintenance expenses, cost of electric energy and other operating expenses of its electric transmission and distribution system and electric generating facilities, if any, and also to making all payments in respect of principal of and interest on the notes when and as the same shall become due, to providing and maintaining reasonable working capital for the Mortgagor and to maintaining a TIER of not less than 1.5 and a DFC of not less than 1.25. The Mortgagor shall give 90 days prior written notice to each of the Mortgagees of any proposed change in its general rate structure.

For purposes of this section 15, TIER of the Mortgagor shall be determined in accordance with the principles set forth in section 5 of this article II, except that (1) the three test years shall be the three calendar years last preceding the design of rates and (2) Patronage Capital or Margins shall be determined as if the rates proposed by the Mortgagor had been in effect for each of such three years.

For purposes of this Section 15, DSC of the Mortgagor shall mean the average of the two largest ratios with respect to each of the three calendar years last preceding the design of rates, determined as follows: for each such year: add Patronage Capital or Margins (as computed for purposes, to the extent applicable, of Line A.22 on REA Form 7, rev. 10-69, Line A.23 on REA Form 7, rev. 12-70, or Line A.24 on such Form 7, rev. 9-72) of the Mortgagor and Interest Expense (as computed for purposes of Line A.14 of REA Form 7) of the Mortgagor to Depreciation and Amortization Expense (as computed for purposes, to the extent applicable, of Line A.12 on REA Form 7, rev. 10-69, or Line A.11 on REA Form 7, rev. 12-70 and 9-72), and divide the total so obtained by an amount equal to the sum of all payments of principal and interest required to be made during each of the test years on account of Total Long-Term Debt (as computed for purposes, to the extent applicable, of Line B.34 on REA Form 7, rev. 10-69, Line C.35 on REA Form 7, rev. 12-70, or Line C.34 on such Form 7, rev. 9-72) of the Mortgagor; provided, however, that (1) in computing Interest Expense there shall be added, to the extent not otherwise included, an amount equal to 33-1/3% of the excess of rentals of Restricted Property (as defined in section 7 of article II hereof) under Long Term Leases (as defined in section 7 of article II hereof) over 2% of the Mortgagor's Equities and Margins (as defined in the Uniform System of Accounts); (2) Patronage Capital or Margins shall be determined as if the rates proposed by the Mortgagor had been in effect for each of the three calendar years immediately preceding the design of rates; and (3) in the event that any Long-Term Debt (being any amount included in Total Long-Term Debt computed as provided above) has been refinanced during any year of such three calendar year period the payments of principal and interest required to be made during such year on account of such Long-Term Debt shall be based (in lieu of actual payments required to be made on such refinanced Debt) upon the larger of (i) an annualization of the payments required to be made with respect to the refinancing debt during the portion of such year such refinancing debt is outstanding or (ii) the payments of principal and interest required to be made during the following year on account of such refinancing debt.

11. Section 17 of article II of the Mortgage is hereby amended by substituting Account Number "131.2" of the Uniform System of Accounts in lieu of Account Number "132.1".

12. Article V of the Mortgage is hereby amended by changing the number of section 9 thereof to section 11 thereof; and by adding the following sections to said article V, numbered sections 9 and 10, respectively, reading as follows:

SECTION 9. At all times when any REA Note is held by the Government, or in the event the Government shall assign the REA Note without having insured the payment of such note, this Mortgage shall secure payment of such note for the benefit of the Government or such uninsured holder thereof, as the case may be. Whenever any REA Note may be sold to an insured purchaser, it shall continue to be considered a "note" as defined herein, but as to any such insured REA Note the Government, and not such insured purchaser, shall be considered to be, and shall have the rights of, the noteholder for purposes of this Mortgage. Notice of the Government's rights under the preceding sentence shall be set forth in all such insured REA Notes.

SECTION 10. 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.

13. 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: as stated in the testimonium clause hereof.

As to the Mortgagees: CFC: National Rural Utilities Cooperative
Finance Corporation
Suite 310
300 7th Street, S. W.
Washington, D. C. 20024

The Government:
Rural Electrification Administration
Washington, D. C. 20250

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.

14. 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 13 of this Supplemental Mortgage.

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

16. 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.

17. The first sentence of section 2 of article V of the Mortgage is hereby amended by adding the words ", subject to the provisions of section 9 of this article V," before the word "pass".

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18. 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, Douglas Electric Cooperative, Inc., P.O. Box 1327, Roseburg, Oregon 97470

-----, 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.

DOUGLAS ELECTRIC COOPERATIVE, INC.

(Seal)

Attest: Neal Meyer

Secretary

by Geo. A. Wilson
Vice President

Executed by the Mortgagor in the presence of:

Evelyn Sue Keith
Barbara Jean Shaver
Witnesses

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION

by

J. Smith
Governor

(Seal)

Attest: Dr. Shuman

Assistant Secretary

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

Carl R. Welton
Robert C. Gilbert
Witnesses

UNITED STATES OF AMERICA

by

George H. ...
Acting Administrator
Rural Electrification Administration

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

Susan C. Brown
George E. ...
Witnesses

