

SUPPLEMENTAL MORTGAGE, dated as of December 2, 1969 - - -, made by BLUE RIDGE ELECTRIC COOPERATIVE, INC. - - - (hereinafter called the "Mortgagor"), a cooperative, non-profit membership corporation - - - existing under the laws of the State of South Carolina - - -, to UNITED STATES OF AMERICA (hereinafter sometimes called the "Mortgagee").

WHEREAS, the Mortgagor, for value received, has heretofore duly authorized and executed, and has delivered to the Mortgagee, the following certain mortgage notes (hereinafter collectively called the "Outstanding Notes"), all payable to the order of the Mortgagee, in installments:

| <u>DATE</u> | <u>PRINCIPAL AMOUNT</u> | <u>FINAL PAYMENT DATE</u> |
|------------------------|-------------------------|---------------------------|
| 1. January 25, 1941 | \$ 417,000 | January 25, 1966 |
| 2. May 10, 1941 | 325,457.10 | May 10, 1964 |
| 3. July 5, 1944 | 50,000 | July 5, 1969 |
| 4. March 5, 1946 | 190,000 | March 5, 1981 |
| 5. June 15, 1946 | 160,000 | June 15, 1981 |
| 6. January 30, 1947 | 724,000 | January 30, 1982 |
| 7. July 27, 1949 | 170,000 | July 27, 1984 |
| 8. March 9, 1950 | 320,000 | March 9, 1985 |
| 9. May 16, 1950 | 1,030,000 | May 16, 1985 |
| 10. April 24, 1953 | 202,000 | April 24, 1988 |
| 11. February 23, 1954 | 270,000 | February 23, 1989 |
| 12. July 2, 1954 | 430,000 | July 2, 1989 |
| 13. April 11, 1956 | 490,000 | April 11, 1991 |
| 14. August 22, 1958 | 1,360,000 | August 22, 1993 |
| 15. June 20, 1961 | 881,000 | June 20, 1996 |
| 16. February 25, 1964 | 1,302,000 | February 25, 1999 |
| 17. September 20, 1966 | 1,388,000 | September 20, 2001 |
| 18. December 2, 1969 | 1,000,000 | December 2, 2004; and |

WHEREAS, by the terms of a certain agreement (hereinafter called the "Pace Act Extension Agreement"), dated as of April 12, 1948, by and between the Mortgagor and the Mortgagee, the unmatured and unpaid portion of the principal amount of each of the first three of the Outstanding Notes advanced prior to the date of the Pace Act Extension Agreement is payable in quarterly installments on or before 35 years from the date of each such note, and the portion, if any, of the principal amount of each such note advanced on or after the date of the Pace Act Extension Agreement is or will be payable in quarterly installments on or before 35 years from the date of the Pace Act Extension Agreement; and

WHEREAS, by the terms of a certain agreement (hereinafter called the "Basis Date Agreement"), dated as of January 30, 1949, by and between the Mortgagor and the Mortgagee, the portion, if any, of the principal amount of the sixth 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, all of the Outstanding Notes are secured by a certain mortgage, dated as of August 22, 1958, as amended and supplemented by two certain supplemental mortgages, dated, respectively, as of February 25, 1964 and as of September 20, 1966, each and all made by the Mortgagor to the Mortgagee (said mortgage, as so amended and supplemented by said supplemental mortgages, being hereinafter called the "Mortgage"); and

WHEREAS, 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 of South Carolina, as amended (hereinafter called the "Uniform Commercial Code"), the parties hereto desire that the Mortgage and this supplemental mortgage, collectively, shall be regarded as a "security agreement" creating security interests under the Uniform Commercial Code and that this supplemental mortgage be also regarded as a "financing statement" under the Uniform Commercial Code for said "security agreement"; and