

SUPPLEMENTAL MORTGAGE AND SECURITY AGREEMENT,
 dated as of *11 January*, 1977, made by and among
 CONTINENTAL TELEPHONE COMPANY OF SOUTH CAROLINA
 (formerly Home Telephone Company of Simpsonville)
 (hereinafter called the "Mortgagor"), a corporation
 existing under the laws of the State of South Carolina,
 UNITED STATES OF AMERICA (hereinafter called the
 "Government"), acting through the Administrator of
 the Rural Electrification Administration (hereinafter
 called "REA"), and RURAL TELEPHONE BANK (hereinafter
 called the "Bank"), a corporation existing under the
 laws of the Government (the Government and Bank being
 hereinafter sometimes collectively called the "Mortgagees").

WHEREAS, the Mortgagor has heretofore borrowed funds from the
 Government pursuant to the Rural Electrification Act of 1936, as amended
 (7 U.S.C. 901 et seq., hereinafter called the "Act"), and pursuant to
 a loan contract or amending loan contract identified in the fourteenth recital
 hereof (hereinafter called the "Instruments Recital") by and between the
 Mortgagor and the Government (said loan contract, as it may have been
 amended prior to the date of the Telephone Loan Contract Amendment
 referred to below, being hereinafter called the "Prior REA Loan Agreement")
 and has duly authorized and executed, and delivered to the Government,
 or assumed the payment of, certain mortgage notes all payable to the order
 of the Government, in installments, of which the mortgage notes (herein-
 after collectively called the "Outstanding Home REA Notes") identified in
 the Instruments Recital are now outstanding and held by the Government; and

WHEREAS, the Outstanding Home REA Notes are secured by the
 security instruments (hereinafter collectively called the "Home Mortgage")
 made by the Mortgagor to the Government identified in the Instruments
 Recital; and

WHEREAS, Jackson Telephone Company (hereinafter called "Jackson"),
 a corporation organized under the laws of the State of South Carolina, to
 evidence borrowings of funds from the Government pursuant to the Act,
 has heretofore duly authorized and executed, and delivered to the Government
 certain mortgage notes all payable to the order of the Government, in
 installments, of which the mortgage notes (such mortgage notes being
 hereinafter called the "Outstanding Jackson REA Notes", and the Outstanding
 Home REA Notes together with the Outstanding Jackson REA Notes being
 hereinafter collectively called the "Outstanding REA Notes") identified
 in the Instruments Recital are now outstanding and held by the Government; and

WHEREAS, the Outstanding Jackson REA Notes are secured by a certain
 mortgage, dated as of February 19, 1971, (hereinafter called the "Jackson
 Mortgage") made by Jackson to the Government; and

WHEREAS, the Mortgagor, Jackson and Ellore Telephone Company,
 (hereinafter called "Ellore") a corporation organized under the laws of
 the State of South Carolina, have merged in accordance with law, and
 the Mortgagor is the surviving corporation, is the lawful owner of all
 properties and assets of Jackson and Ellore, and is liable for all
 obligations of Jackson and Ellore, including without limitation,
 obligations of Jackson under the Outstanding Jackson REA Notes; and

Project Designation: SOUTH CAROLINA 514 TP2-TA1 HOME
 (SOUTH CAROLINA 531 JACKSON)

No. 8

This Instrument was prepared by Michael W. Kelly, Attorney, Electric and Telephone
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