

SUPPLEMENT, dated as of *DECEMBER 20*, 198*8*, to SUPPLEMENTAL MORTGAGE AND SECURITY AGREEMENT made by and among MT. WHEELER POWER, INC.

(hereinafter called the "Mortgagor"), a corporation existing under the laws of the State of Nevada -----, 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:

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7-9647

7/78

THE MORTGAGOR, AS DEBTOR, IS A TRANSMITTING UTILITY.

REA Designation: Nevada 19-F6 White Pine

No. 2



7-9647

**INSTRUMENTS RECITAL**

"Concurrent REA Note (s)":	(Of even date herewith):	
	<u>Interest Rate</u>	<u>Final Payment Date</u>
<u>Principal Amount</u>	<u>(per annum)</u>	Thirty-five (35) years
\$3,095,000	five per centum ( 5 %)	from the date thereof

"Concurrent CFC Note":	(Of even date herewith):	
	<u>Interest Rate</u>	<u>Final Payment Date</u>
<u>Principal Amount</u>	<u>(per annum)</u>	Thirty-five (35) years
\$789,796	variable	from the date thereof

"Outstanding REA Notes":  
 nine ----- ( 9 --- ) certain mortgage notes in an aggregate principal amount of  
 \$ 24,498,000 -----, all of which will finally mature on or before February 3, 2017.

"Outstanding CFC Note(s)":  
 one ----- ( 1 --- ) certain mortgage note(s) in an aggregate principal amount of  
 \$ 319,000 -----, all of which will finally mature on or before February 3, 2017.

"Mortgage":	
<u>Instrument</u>	<u>Date</u>
Supplemental Mortgage and Security Agreement	February 3, 1982

"Maximum Debt Limit" for purposes of article I, section 1 of the Mortgage, as amended hereby, shall be seventy-five million dollars (\$75,000,000).

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 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.

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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, including, without limitation, the following described property, to wit:

A certain Tract of land described in a certain deed, dated February 22, 1983, by Ben and Teruko Hase, as grantors, and Mt. Wheeler Power, Inc. as grantee. Located in the NW $\frac{1}{4}$ , Section 21, T16N, R63E, M.D.B.&M. Document No. 223821, Book No. 61, Page 264-265, Real Estate Records in the Office of the County Recorder of White Pine County, Nevada.

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

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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 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, the Maximum Debt Limit provision contained 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: as stated in the testimonium clause hereof.

As to the Mortgagees: CFC: National Rural Utilities Cooperative  
Finance Corporation  
1115 30th Street, N.W.,  
Washington, D.C. 20007

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", 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 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.

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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, MT. WHEELER POWER, INC., P.O. BOX 1110, Ely, Nevada 89301, -----

-----, 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.

(Seal)

SEAL  
Affixed

Attest:

*[Signature]*  
ASST. Secretary

MT. WHEELER POWER, INC.

by

*[Signature]*  
President

Executed by the Mortgagor  
in the presence of:

*[Signature]*  
*[Signature]*  
Witnesses

(Seal)

SEAL  
Affixed

Attest:

*[Signature]*  
Assistant Secretary

NATIONAL RURAL UTILITIES COOPERATIVE  
FINANCE CORPORATION

by

*[Signature]*  
Governor

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

*[Signature]*  
*[Signature]*  
Witnesses

UNITED STATES OF AMERICA

by

*[Signature]*  
Acting Administrator  
of

Rural Electrification Administration

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

*[Signature]*  
*[Signature]*  
Witnesses



STATE OF NEVADA )  
 ) SS  
COUNTY OF ELKO )

On this 20<sup>th</sup> day of DECEMBER, A.D., 1985, personally appeared before me, ROBERT O. VAUGHAN, a notary public, in and for ELKO County, RONALD L. BAKER known to me to be the President of MT. WHEELER POWER, INC. that executed the foregoing instrument, and upon oath did depose that he is the officer of said MT. WHEELER POWER, INC. as above designated; that he is acquainted with the seal of MR. WHEELER POWER, INC. and that the seal affixed to said instrument is the corporate seal of MT. WHEELER POWER, INC.; that the signatures to said instrument were made by the officers of MT. WHEELER POWER, INC. as indicated after their signatures; and that the said MT. WHEELER POWER, INC. executed the said instrument freely and voluntarily and for the uses and purposes therein mentioned.

(Seal)

Robert O. Vaughan  
Notary Public in and for ELKO  
County, State of Nevada

My commission expires 1/2/85

UNITED STATES OF AMERICA )  
 ) SS  
DISTRICT OF COLUMBIA )

On this 3 day of October, A.D., 1985, personally appeared before me, Victoria A. Popovich, a notary public, in and for the District of Columbia, Jack Van Mark known to me to be the Acting Administrator of the Rural Electrification Administration, an agency of United States of America that executed the foregoing instrument, and upon oath did depose that he is the Acting Administrator of said Rural Electrification Administration as above designated; that the signature to said instrument was made by the Acting Administrator of said Rural Electrification Administration as indicated after his signature; and that the said United States of America executed the said instrument freely and voluntarily for the uses and purposes therein mentioned.

SEAL  
Affixed

(Seal)

Victoria A. Popovich  
Notary Public in and for the District of  
Columbia Victoria A. Popovich

My commission expires 5-31-88

UNITED STATES OF AMERICA )  
 ) SS  
DISTRICT OF COLUMBIA )

On this 15<sup>th</sup> day of October, A.D., 1985, personally appeared before me, Claudia L. Phillips, a notary public, in and for the District of Columbia, Charles B. Gill known to me to be the Governor of National Rural Utilities Cooperative Finance Corporation that executed the foregoing instrument, and upon oath did depose that he is the officer of said National Rural Utilities Cooperative Finance Corporation and that the seal affixed to said instrument is the corporate seal of said National Rural Utilities Cooperative Finance Corporation; that the signatures to said instrument were made by the officers of said National Rural Utilities Cooperative Finance Corporation as indicated after their signatures; and that the said National Rural Utilities Cooperative Finance Corporation executed the said instrument freely and voluntarily for the uses and purposes therein mentioned.

SEAL  
Affixed

(Seal)

Claudia L. Phillips  
Notary Public in and for the District of  
Columbia

My commission expires 11/30/87

STATE OF NEVADA )  
 ) SS  
COUNTY OF ELKO )

On this 20<sup>th</sup> day of DECEMBER, 1985, before me appeared RONALD L. BAKER, to me personally known, who, being by me duly sworn, did say that he is the President of MT. WHEELER POWER, INC. a corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of a duly adopted resolution of its board of directors, and he acknowledged to me that said corporation executed the same.

IN WITNESS WHEREOF I have hereunto set my hand and official seal the day and year last above written.

  
Notary Public


(Notarial Seal)

My commission expires 1/2/85

DISTRICT OF COLUMBIA ) SS

On this 3 day of October, 1985, personally appeared before me Jack Van Mark, who, being by me duly sworn, did say that he is the Acting Administrator of the Rural Electrification Administration, an agency of United States of America, and acknowledged to me that, acting under a delegation of authority duly given and evidenced by law and presently in effect, he executed said instrument as the act and deed of United States of America for the uses and purposes therein mentioned.

IN TESTIMONY WHEREOF I have hereunto set my hand and official seal the day and year last above written.

  
Victoria A. Papovich Notary Public  
residing at Washington, D.C.

  
SEAL  
Affixed


(Notarial Seal)

My commission expires 5-31-88

DISTRICT OF COLUMBIA ) SS

On this 15<sup>th</sup> day of October, 1985, before me appeared Charles B. Gill, to me personally known, who, being by me duly sworn, did say that he is the National Rural Utilities Governor of Cooperative Finance Corporation, a corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of a duly adopted resolution of its board of directors, and he acknowledged to me that said corporation executed the same.

IN WITNESS WHEREOF I have hereunto set my hand and official seal the day and year last above written.

  
Notary Public Residing at Washington, D.C.  
Claudia L. Phillips

  
SEAL  
Affixed

(Notarial Seal)

My commission expires 11/30/89

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OFFICIAL RECORDS  
FOURKA COUNTY, NEVADA  
H.M. REGALEATI, RECORDER  
FILE NO. 101742  
FEE \$ 15.00

TO: [illegible]  
FROM: [illegible]

[illegible text]

[illegible text]

