

SULLIVAN, MOUNTJOY, STAINBACK & MILLER PSC

ATTORNEYS AT LAW

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MAR 28 2012

PUBLIC SERVICE
COMMISSION

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James M. Miller

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Mark W. Starnes

C. Ellsworth Mountjoy

Mary L. Moorhouse

March 28, 2012

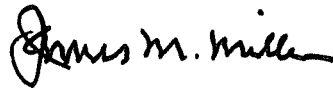
Mr. Jeff DeRouen
Executive Director
Public Service Commission
211 Sower Boulevard, P.O. Box 615
Frankfort, Kentucky 40602-0615

RE: In the Matter of: Application of Big Rivers Electric
Corporation for Approval to Issue Evidences of Indebtedness

Dear Mr. DeRouen:

Enclosed are an original and ten copies of the Application of Big Rivers Electric Corporation ("Big Rivers") for Approval to Issue Evidences of Indebtedness. Please note that the Application seeks an order by May 25, 2012, which would permit Big Rivers to close the proposed financings on the scheduled date of June 29, 2012, and take advantage of current low interest rates. This Application does not include a request for a certificate of convenience and necessity. Please call if you have any questions regarding this filing.

Sincerely yours,



James M. Miller

Enclosures

cc: Mark A. Hite
Attorney General of Kentucky
Michael L. Kurtz, Esq.

Telephone (270) 926-4000
Telecopier (270) 683-6694

100 St. Ann Building
PO Box 727
Owensboro, Kentucky
42302-0727

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of:

APPLICATION OF BIG RIVERS ELECTRIC)
CORPORATION FOR APPROVAL TO ISSUE) CASE NO. 2012-
EVIDENCES OF INDEBTEDNESS)

APPLICATION

March 28, 2012

RECEIVED

MAR 28 2012

PUBLIC SERVICE
COMMISSION

1 COMMONWEALTH OF KENTUCKY

2 BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

3 In the Matter of:

4 APPLICATION OF BIG RIVERS ELECTRIC)
5 CORPORATION FOR APPROVAL TO ISSUE) CASE NO. 2012-_____
6 EVIDENCES OF INDEBTEDNESS)
7

8 APPLICATION

9 Big Rivers Electric Corporation ("*Big Rivers*") submits this application
10 ("*Application*") to the Public Service Commission ("*Commission*") seeking approval
11 to issue certain new evidences of indebtedness, the proceeds of which will be used to
12 refinance a significant portion of an existing note, for capital expenditures in the
13 ordinary course of business, and to replenish the Transition Reserve investment
14 account, which currently resides as a prepayment on an existing note. In support of
15 its Application, Big Rivers states as follows:

16 1. Big Rivers is a rural electric generating and transmission
17 cooperative corporation organized under KRS Chapter 279. Its mailing address is
18 P.O. Box 24, 201 Third Street, Henderson, Kentucky, 42419.

19 2. Big Rivers owns electric generation and transmission facilities,
20 and purchases, transmits and sells electricity at wholesale. Big Rivers exists for
21 the principal purpose of providing the wholesale electricity requirements of its
22 three distribution cooperative members (the "*Members*"), which are: Kenergy
23 Corp., Meade County Rural Electric Cooperative Corporation, and Jackson
24 Purchase Energy Corporation. The Members in turn provide retail electric service

1 to approximately 112,500 consumer-members located in 22 Western Kentucky
2 counties: Ballard, Breckenridge, Caldwell, Carlisle, Crittenden, Daviess, Graves,
3 Grayson, Hancock, Hardin, Henderson, Hopkins, Livingston, Lyon, Marshall,
4 McCracken, McLean, Meade, Muhlenberg, Ohio, Union and Webster.

5 Compliance with Filing Requirements

6 3. A table of each statutory and regulatory requirement for this
7 filing, cross-referenced to the location in this Application where that requirement
8 is satisfied, is attached hereto as Exhibit 1.

9 Relevant Existing Financing Documents

10 4. Big Rivers issued a note, RUS 2009 Promissory Note Series A
11 (the “RUS Note”) in the amount of \$602,573,536 on July 16, 2009.¹ A copy of the
12 RUS Note is attached to this Application as Exhibit 2.

13 5. At the same time Big Rivers issued the RUS Note, it also entered
14 into the Amended and Consolidated Loan Contract dated as of July 16, 2009
15 between Big Rivers and United States of America (the “RUS Loan Contract”). A
16 copy of the RUS Loan Contract is attached hereto as Exhibit 3.

17 6. At the same time Big Rivers issued the RUS Note, it also entered
18 into the Revolving Credit Agreement by and between Big Rivers and CoBank,
19 ACB (“CoBank”) dated as of July 16, 2009 in the amount of \$50,000,000 (the

¹ The RUS Note was approved by the Commission in *In the matter of: The Applications of Big Rivers Electric Corporation for: (1) Approval of Wholesale Tariff Additions for Big Rivers Electric Corporation, (2) Approval of Transactions, (3) Approval to Issue Evidences of Indebtedness, and (4) Approval of Amendments to Contracts; and of E. On U.S., LLC, Western Kentucky Energy Corp., and LG&E Energy Marketing, Inc. for Approval of Transactions*, PSC Case Number 2007-00455.

1 “2009 CoBank Facility”). A copy of the 2009 CoBank Facility is attached hereto
2 as Exhibit 4.

3 7. At the same time Big Rivers issued the RUS Note, it also entered
4 into the Indenture between Big Rivers and U.S. Bank National Association,
5 Trustee (the “Trustee”) dated as of July 1, 2009 (the “2009 Indenture”)². The 2009
6 Indenture was supplemented by the First Supplemental Indenture dated as of
7 June 1, 2010 between Big Rivers and the Trustee (the “First Supplemental
8 Indenture”).³ A copy of the First Supplemental Indenture is attached to this
9 Application as Exhibit 5.

10 Proposed Evidences of Indebtedness

11 8. Big Rivers proposes to borrow \$235 million from CoBank in the
12 form of a secured term loan (“Term Loan”), and to issue the following evidences of
13 indebtedness in connection with that transaction:

14 a. A note (the “CoBank Secured Note,” a copy of which is attached
15 to this Application as Exhibit 6);

16 b. A loan agreement (the “CoBank Secured Loan Agreement,” a
17 copy of which is attached to this Application as Exhibit 7); and

18 c. A supplemental indenture (the “Second Supplemental
19 Indenture,” a copy of which is attached to this Application as Exhibit 8).

² A copy of the 2009 Indenture is filed as Exhibit 7 to the application of Big Rivers in *In the Matter of: The Application of Big Rivers Electric Corporation for Approval to Issue Evidences of Indebtedness*, PSC Case Number 2009-00441.

³ The First Supplemental Indenture was approved by the Commission in *In the Matter of: The Application of Big Rivers Electric Corporation for Approval to Issue Evidences of Indebtedness*, PSC Case Number 2009-00441.

1 9. Big Rivers proposes to enter into an unsecured revolving credit
2 facility with CoBank in the amount of \$50 million (“*CoBank Revolver*” to replace
3 the 2009 CoBank Facility, which expires by its own terms on July 16, 2012, and to
4 issue the following evidences of indebtedness in connection with that transaction:

5 a. A note (the “*CoBank Unsecured Note*,” a copy of which is
6 attached to this Application as Exhibit 9); and

7 b. A loan agreement (the “*CoBank Unsecured Loan Agreement*,” a
8 copy of which is attached to this Application as Exhibit 10).

9 10. Big Rivers proposes to borrow \$302 million from the National
10 Rural Utilities Cooperative Finance Corporation (“*CFC*”) in the form of a secured
11 term loan, and to issue the following evidences of indebtedness in connection with
12 that transaction:

13 a. A note (the “*CFC Secured Note*,” a copy of which is attached to
14 this Application as Exhibit 11);

15 b. A loan agreement (the “*CFC Secured Loan Agreement*,” a copy of
16 which is attached to this Application as Exhibit 12); and

17 c. A supplemental indenture (the “*Third Supplemental Indenture*,”
18 a copy of which is attached to this Application as Exhibit 13).

19 11. In connection with the CFC Term Loan, Big Rivers will be
20 obligated to purchase interest bearing Capital Term Certificates (“*CTCs*”) from
21 CFC equal to 14.29% of the amount of the CFC Secured Note, or \$43,155,800. Big
22 Rivers has elected to finance the purchase of the CTCs with CFC, and to issue in

1 connection with that transaction a note to CFC (the “*CFC Equity Loan Note*,” a
2 copy of which is attached to this Application as Exhibit 14).

3 12. The commitments from CoBank and CFC for the transactions
4 described in this Application expire June 29, 2012, which is the proposed closing
5 date for the transactions.

6 13. Big Rivers plans to use the \$537 million in proceeds from these
7 borrowings as follows: (i) \$442 million will be prepaid on the 5.75% RUS Note; (ii)
8 \$60 million will be used for capital expenditures, in the ordinary course of
9 business, and (iii) \$35 million will be used to replenish the Transition Reserve,
10 that was prepaid on the RUS Note on April 1, 2011. The CoBank Revolver will
11 replace the 2009 CoBank Facility, and will be used for the same purposes as the
12 2009 CoBank Facility, ie., for working capital and general corporate purposes,
13 including but not limited to capital expenditures.

14 14. Big Rivers will pay \$140 million of the proposed CoBank Term
15 Loan, \$302 million of the proposed CFC Term Loan, plus the \$35 million RUS
16 Note prepaid status that resulted from the April 1, 2011, payment of the
17 Transition Reserve, to reduce the Maximum Debt Balance on the RUS Note by
18 \$477 million on the closing date, from \$561,603,000 to \$84,603,000. As described
19 in the testimony of Mark A. Hite in this Application, the present value benefit
20 resulting from these transactions, discounted at 5.75%, is estimated at
21 \$28,559,298. These transactions also satisfy Big Rivers’ requirement to refinance
22 \$60 million of the RUS Note by October 1, 2012, and an additional \$200 million of

1 the RUS Note by January 1, 2016, and more. These financings are expected to be
2 at all-in rates that are below that of the existing 5.75% RUS Note, and will also
3 extend the final maturity of the associated debt.

4 Timing of Sale of Bonds; Documents in “Substantially Complete” Form

5 15. The commitments from CoBank and CFC for the transactions
6 described in this Application expire June 29, 2012, which is the proposed closing
7 date for the transactions described in this Application. Big Rivers requests that
8 the Commission make and issue its order approving the proposed financings no
9 later than May 25, 2012, which will allow 33 days for expiration of the period for an
10 appeal from the Commission’s order prior to the closing date.

11 16. The documents for which approval is sought are presented in
12 substantially complete form, with no further substantive changes anticipated.

13 Other Miscellaneous Filing Requirements

14 17. Big Rivers is filing an original and ten copies of this Application,
15 and has served a copy of this Application on the Kentucky Attorney General,
16 Division of Rate Intervention.

17 18. The articles of incorporation of Big Rivers, and all amendments
18 thereto, are attached as Exhibit 1 to the Application of Big Rivers in *In the Matter*
19 *of: Application of Big Rivers Electric Corporation, LG&E Energy Marketing Inc.,*
20 *Western Kentucky Energy Corp., WKE Station Two Inc., and WKE Corp.,*
21 *Pursuant to the Public Service Commission Orders in Case Nos. 99-450 and 2000-*

1 *095, for Approval of Amendments to Station Two Agreements*, PSC Case No. 2005-
2 00532, and are incorporated by reference.

3 19. The relief sought by Big Rivers in this Application is authorized
4 by KRS 278.300, and related sections, and 807 KAR 5:001, Section 11, and related
5 sections.

6 20. This Application is signed on behalf of Big Rivers, under oath, by
7 Mark A. Hite, its Interim Chief Financial Officer and Vice President of Accounting.
8 Mr. Hite provides testimony in support of this Application (Exhibit 15) in which he
9 fully describes the proposed borrowings, evidences of indebtedness and other
10 pertinent facts related to this application.

11 21. A general description of Big Rivers' property and the field of its
12 operation, together with a statement of the original cost of the same and the cost
13 to Big Rivers are attached as Exhibit 16.

14 22. Big Rivers will issue no stock or bonds in connection with the
15 issuances of indebtedness described in this Application. The evidences of
16 indebtedness that Big Rivers proposes to issue are listed in paragraph numbers 4
17 through 11 of this Application, and described in detail in the testimony of Mark A.
18 Hite, Exhibit 15 to this Application.

19 23. The use to be made of the proceeds of the proposed issues is
20 described in detail the testimony of Mark A. Hite, Exhibit 15 to this Application.
21 While a portion of the CoBank Term Loan is for capital expenditures, none of the
22 proceeds from the issuances of evidence of indebtedness is expressly committed to

1 any particular project to acquire property, construct, complete, extend, or improve
2 facilities, or improve or maintain service; and Big Rivers has not entered into any
3 contracts for the acquisition, construction, extension or improvement of property
4 or facilities using the proceeds, or the discharge or refunding of obligations not
5 otherwise described in this Application.

6 24. While a portion of the CoBank Term Loan is for capital
7 expenditures in the ordinary course of business, Big Rivers has no specific plans
8 at this time to acquire, construct, improve or extend property with the proceeds of
9 the issues, and has entered into no contracts for such.

10 25. A financial exhibit is attached to this Application as Exhibit 17.

11 WHEREFORE, Big Rivers respectfully requests that the Commission make
12 an order granting Big Rivers the following relief:

13 a. Authority pursuant to issue the evidences of indebtedness listed
14 in paragraphs 8 through 11 of this Application, and attached hereto as Exhibits 6
15 through 14;

16 b. A finding pursuant to KRS 278.300(3) that the proposed issuance
17 by Big Rivers of these evidences of indebtedness is for a lawful object within the
18 corporate purposes of the utility, is necessary or appropriate for or consistent with the
19 proper performance by the utility of its service to the public and will not impair its
20 ability to perform that service, and is reasonably necessary and appropriate for such
21 purpose; and

22 c. All other relief to which Big Rivers may appear entitled.

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Respectfully submitted,

Sullivan, Mountjoy, Stainback & Miller,
PSC

By: James M. Miller

James M. Miller
Tyson Kamuf
100 St. Ann Street
P.O.Box 727
Owensboro, Kentucky 42302-0727
Telephone No. (270) 926-4000

Counsel for Big Rivers Electric Corporation

VERIFICATION

I, Mark A. Hite, Vice President Accounting and Interim Chief Financial Officer for Big Rivers Electric Corporation, hereby state that this Application, including my testimony attached as Application Exhibit 15, have been prepared by or under my supervision, I have knowledge of the matters stated therein and the statements contained therein are true and correct to the best of my knowledge and belief, on this the 28th day of March, 2012.

Mark A. Hite

Mark A. Hite
Vice President Accounting and Interim
Chief Financial Officer
Big Rivers Electric Corporation

COMMONWEALTH OF KENTUCKY)
COUNTY OF HENDERSON)

The foregoing verification statement was SUBSCRIBED AND SWORN to before me by Mark A. Hite, Vice President Accounting and Interim Chief Financial Officer of Big Rivers Electric Corporation, on this the 28th day of March, 2012.

Wayne R. Moorhouse 4/3/12
Notary Public, Ky., State at Large
My commission expires: 11/10/2014

Table of Contents
(documents identified by defined term)

<u>Exhibit</u>	<u>Document</u>
— 1	Table of References for Compliance with Statutory and Regulatory Filing Requirements
2	✓✓ RUS Note
3	✓✓ RUS Loan Contract
4	✓✓ 2009 CoBank Facility
5	✓✓ First Supplemental Indenture
6	✓✓ CoBank Secured Note
7	CoBank Secured Loan Agreement - updated 3/26
8	✓✓ Second Supplemental Indenture
9	✓✓ CoBank Unsecured Note
10	CoBank Unsecured Loan Agreement -
11	✓✓ CFC Secured Note
12	CFC Secured Loan Agreement - updated 3/26
13	✓✓ Third Supplemental Indenture
14	✓✓ CFC Equity Loan Note -
— 15	Testimony of Mark A. Hite
16	✓✓ General Description of Applicant's Property
17	✓✓ Financial Exhibit

REFERENCES FOR COMPLIANCE WITH STATUTORY AND REGULATORY FILING REQUIREMENTS		
<u>Law/Regulation</u>	<u>Filing Requirement</u>	<u>Location in Application</u>
IN GENERAL		
807 KAR 5:001 Section 8(1)	The full name and post office address of the Applicant	Page 1
807 KAR 5:001 Section 8(1)	A request for the order, authorization, permission or certificate desired	¶15 and page 8 Exhibit 15, page 18
807 KAR 5:001 Section 8(1)	A reference to the particular provision of law authorizing the relief requested	¶19
807 KAR 5:001 Section 8(2)	An original and 10 copies of the application with an additional copy for any party named therein as an interested party	¶17
807 KAR 5:001 Section 8(3)	The Articles of Incorporation for the Applicant, or reference to case in which they were filed	¶18
KRS 278.300(2)	Application made under oath, signed on behalf of the utility by its president, or other designated executive officer	Page 9
APPROVAL TO ISSUE EVIDENCES OF INDEBTEDNESS		
807 KAR 5:001 Section 11(1)(a)	A general description of applicant's property and the field of its operation, together with a statement of the original cost of the same and the cost to the applicant	Exhibit 16
807 KAR 5:001 Section 11(1)(b)	The amount and kinds of stock to be issued, and, if preferred, the nature and extent of the preference; the amount of notes, bonds or other evidences of indebtedness, to be issued, with terms, rate of interest and whether and how to be secured	¶22; Exhibit 15, pages 5 through 17
807 KAR 5:001 Section 11(1)(c)	The use to be made of the proceeds of the issue, with a statement indicating how much is to be used for the acquisition of property, the construction, completion, extension or improvement of facilities, the improvement of service, the maintenance of service and the discharge or refunding obligations	¶23; Exhibit 15, page 4, and pages 11 through 15
807 KAR 5:001 Section 11(1)(d)	A detailed description of the property to be acquired, constructed, improved or extended as well as the cost, with a statement indicating whether any contracts for the acquisition, construction, extension or improvement of property or facilities, or any contracts for the disposition of any of the securities have been	¶24; Exhibit 15, pages 12 and 14

	made; and copies of any such contracts	
807 KAR 5:001 Section 11(1)(e)	If the proceeds are proposed to discharge or refund obligations, a statement of the nature and description of such obligations including their par value, the amount for which they were actually sold, the expenses associated therewith, and the application of the proceeds from such sales. If notes are to be refunded, a statement showing the date, amount, time, rate of interest, and the payee of each and the purpose for which their proceeds were expended	¶23; Exhibit 15, pages 11 through 15
807 KAR 5:001 Section 11(1)(f)	Such other facts as may be pertinent to the application	Application and Exhibit 15
807 KAR 5:001 Section 11(2)(a)	Financial exhibit	
807 KAR 5:001 Section 11(2)(b)	Copies of trust deeds or mortgages, or reference to case in which they were filed	¶7; Exhibits 5, 8 and 13
807 KAR 5:001 Section 11(2)(c)	Maps and plans of the proposed property and construction together with detailed estimates arranged according to the uniform system of accounts	¶24; Exhibit 15, pages 12 and 14
807 KAR 5:001 Section 6	Financial exhibit -Amount and kinds of stock authorized -Amount and kinds of stock issued and outstanding -Terms of preference of preferred stock -Brief description of each existing mortgage of property -Amount of bonds authorized and amount issued giving the name of the public utility which issued the same, describing each class separately, and giving date of issue, face value, rate of interest, date of maturity and how secured, together with amount of interest paid thereon during the last fiscal year - Each note outstanding, giving date of issue, amount, date of maturity, rate of interest, in whose favor, together with amount of interest paid thereon during the last fiscal year -Other indebtedness giving same by classes and describing security, if any, with a brief statement of the devolution or assumption of any portion of such indebtedness upon or by person or corporation if the original liability has been transferred, together with amount of interest paid	Exhibit 17

	<p>thereon during the last fiscal year</p> <ul style="list-style-type: none">- Rate and amount of dividends paid during the five previous fiscal years, and the amount of capital stock on which dividends were paid each year- Detailed income statement and balance sheet which cover operations for a twelve month period, said period ending not more than 90 days prior to the date the Application is filed.	
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COPY

Execution Version

RUS 2009 PROMISSORY NOTE SERIES A

\$602,573,536

July 16, 2009

FOR VALUE RECEIVED, the undersigned, BIG RIVERS ELECTRIC CORPORATION ("Big Rivers"), a Kentucky corporation, hereby unconditionally promises to pay to the United States of America, acting through the United States Department of Agriculture, Rural Utilities Service, (the "RUS"), at the office of the RUS located in St. Louis, Missouri, in lawful money of the United States of America and in immediately available funds, the principal amount of SIX HUNDRED TWO MILLION FIVE HUNDRED SEVENTY-THREE THOUSAND FIVE HUNDRED THIRTY-SIX AND 00/100 DOLLARS (\$602,573,536) together with interest from July 1, 2009 on so much of the principal amount as is from time to time outstanding and unpaid at the rate of 5.75% per annum simple interest as set forth below.

Big Rivers shall make quarterly payments of interest and/or principal commencing on October 1, 2009, and continuing on the first day of January, April, July and October of each year through and including July 1, 2021 such that, after each such payment, the outstanding amount under this Note, including principal and all accrued interest, if any, does not exceed the Allowed Balance amount shown on the RUS Maximum Debt Balance Schedule, attached hereto and hereby made a part hereof, for the applicable date. If any such payment is insufficient to retire all interest accrued during the period ending with such payment and beginning with the last previous payment, then the amount of accrued but unpaid interest relating to such period shall be added to the principal amount of this Note. If the day upon which any payment hereunder is due falls on a day that is not a Business Day (as defined in the Indenture (as defined below)), then such payment shall be due on the next Business Day.

On July 1, 2021, the entire outstanding principal hereof, together with all accrued but unpaid interest thereon, shall be due and payable in full.

This Note is secured by the lien of that certain Indenture dated as of July 1, 2009 between Big Rivers and U.S. Bank National Association, as trustee (the "Indenture").

Any amounts under this Note may be prepaid at any time without penalty or prepayment premium.

Upon the occurrence of any one or more Events of Default specified in the Indenture all amounts then remaining unpaid on this Note may be declared to be immediately due and payable all as provided therein.

Presentment, demand, protest and all other notices of any kind are hereby expressly waived by the undersigned.

OHS East:160405031.10

Exhibit 2

COPY

This Note shall be governed by and construed in accordance with federal law.

BIG RIVERS ELECTRIC CORPORATION

By: Mark A. Tinsley
Title: President and Chief Executive Officer

[Corporate Seal]

Attest:

By: Lee Bearden
Secretary

COPY

BIG RIVERS ELECTRIC CORPORATION
 RUS MAXIMUM DEBT BALANCE SCHEDULE
 Balance After Quarterly Payment

YEAR	1 ST OF THE MONTH	ALLOWED BALANCE (\$1,000'S)
2009	October	599,462
2010	January	596,257
2010	April	592,252
2010	July	588,566
2010	October	584,920
2011	January	581,405
2011	April	577,289
2011	July	573,388
2011	October	569,702
2012	January	565,692
2012	April	561,603
2012	July	557,456
2012	October	493,249
2013	January	488,280
2013	April	482,949
2013	July	477,696
2013	October	472,443
2014	January	467,188
2014	April	461,562
2014	July	456,002
2014	October	450,435
2015	January	444,858
2015	April	438,918
2015	July	433,034
2015	October	427,134
2016	January	221,349
2016	April	212,607
2016	July	203,845
2016	October	195,053
2017	January	186,040
2017	April	176,905
2017	July	167,639
2017	October	158,240
2018	January	148,732
2018	April	139,038
2018	July	129,230
2018	October	119,280
2019	January	109,226

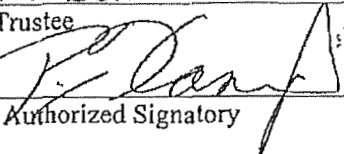
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YEAR	1 ST OF THE MONTH	ALLOWED BALANCE (\$1,000'S)
2019	April	98,955
2019	July	88,572
2019	October	78,053
2020	January	67,395
2020	April	56,546
2020	July	45,552
2020	October	34,409
2021	January	23,120
2021	April	11,635
2021	July	0

COPY

This is one of the Existing Obligations referred to in the Indenture, dated as of July 1, 2009, between Big Rivers Electric Corporation and U.S. Bank National Association.

U.S. Bank National Association
as Trustee

By: 
Authorized Signatory

AMENDED AND CONSOLIDATED
LOAN CONTRACT

Dated as of July 16, 2009

between

BIG RIVERS ELECTRIC CORPORATION

and

UNITED STATES OF AMERICA

RUS Project Designation:
Big Rivers

Exhibits

- Exhibit A Lockbox Agreement
- Exhibit B Equal Opportunity Contract Provisions
- Exhibit C Description of Rating Agency Services
- Exhibit D Wholesale Power Contracts

AMENDED AND CONSOLIDATED LOAN CONTRACT

THIS AMENDED AND CONSOLIDATED LOAN CONTRACT, dated as of July 16, 2009, is between BIG RIVERS ELECTRIC CORPORATION (together with any successors and assigns, the "Borrower"), a cooperative corporation organized and existing under the laws of the Commonwealth of Kentucky, and the UNITED STATES OF AMERICA (the "Government"), acting by and through the Administrator (together with any person succeeding to the powers and rights of the Administrator with respect to this Agreement, the "Administrator") of the Rural Utilities Service (together with any agency succeeding to the powers and rights of the Rural Utilities Service with respect to this Agreement, the "RUS");

RECITALS

WHEREAS, the Borrower previously incurred, pursuant to the Act (as defined in Article I) and under the Existing Loan Contract (as defined below), certain indebtedness and other obligations to, or guaranteed by, the Government, acting by and through the Administrator of the RUS, which indebtedness and other obligations are evidenced by the RUS Notes (as defined in Article I); and

WHEREAS, in connection with the loans and other obligations evidenced by the RUS Notes, the Borrower and the Government, acting by and through the Administrator of the RUS, have entered into that certain New RUS Agreement, dated as of July 15, 1998, (the "Existing Loan Contract"); and

WHEREAS, to secure the indebtedness and other obligations evidenced by the RUS Notes and to secure certain other indebtedness, the Borrower entered into that certain Third Restated Mortgage and Security Agreement, dated as of August 1, 2001 (the "Mortgage"), by and among the Borrower, as mortgagor, and the Government, acting by and through the Administrator of the RUS; Ambac Assurance Corporation; Dexia Bank (as successor to Credit Suisse First Boston); U.S. Bank Trust National Association as trustee; National Rural Utilities Cooperative Finance Corporation; PBR-1 Statutory Trust; PBR-2 Statutory Trust; PBR-3 Statutory Trust; FBR-1 Statutory Trust; FBR-2 Statutory Trust; and Ambac Credit Products, LLC, as mortgagees, the ("RUS Mortgage"); and

WHEREAS, simultaneously herewith, the Mortgage is being released and, pursuant to the Indenture (as defined in Article I), Borrower has granted a security title to and a security interest in substantially all of its real and personal property to secure the RUS Notes and the certain other obligations secured under the Indenture, as more particularly set forth therein; and

WHEREAS, in connection with the release of the Mortgage and the substitution of the Indenture, the Borrower and the Government intend to amend, restate and consolidate the Existing Loan Contract as herein set forth; and

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto amend and consolidate the Existing Loan Contract to read in its entirety, and agree and bind themselves, as follows:

ARTICLE I.

DEFINITIONS

Capitalized terms that are not defined herein shall have the meanings set forth in the Indenture. The terms defined herein include both the plural and the singular. Unless otherwise specifically provided, all accounting terms not otherwise defined herein shall have the meanings assigned to them, and all determinations and computations herein provided for shall be made, in accordance with Accounting Requirements.

“Accounting Requirements” shall mean the requirements of the system of accounts prescribed by the RUS.

“Act” shall mean the Rural Electrification Act of 1936, as amended.

“Agreement” shall mean this Amended and Consolidated Loan Contract, together with all schedules and exhibits hereto, and also all subsequent supplements or amendments hereto.

“Business Day” shall mean any day that the RUS is open for business.

“Capital Assets” shall mean all tangible and intangible utility plant, construction in progress, non-utility property, material supplies and equipment normally used in the Borrower’s system.

“Credit Rating” shall mean a rating assigned by a Rating Agency (i) to any long-term indebtedness (that is not subject to Credit Enhancement) (including, without limitation, indebtedness issued by any governmental authority with respect to which the Borrower is an obligor) and secured directly or indirectly under the Indenture or (ii) if a Rating Agency has not assigned a rating to indebtedness of the type described in clause (i) hereof, a “shadow rating” of the Borrower’s senior, secured long-term indebtedness (that is not subject to Credit Enhancement).

“Competitive Transition Charges” means amounts that the Company is authorized or permitted to collect, directly or indirectly, from the ultimate consumers of electric power and energy under state or federal statutes or regulations enacted or promulgated in connection with the opening of the electric markets to retail competition, whether or not such consumers are taking energy supplied directly or indirectly by the Company. It is intended that this definition be broadly construed in order to take into consideration the changing nature of the electric utility industry resulting from the implementation of retail competition.

“Distributions” shall mean for the Borrower, in any calendar year, to declare or pay any dividends, or pay or determine to pay any patronage refunds, or retire any patronage capital or make any other Cash Distributions, to its members, stockholders or consumers; provided, however, that for the purposes of this Agreement a “Cash Distribution” shall be deemed to include any general cancellation or abatement of charges for electric energy or services furnished by the Borrower, including the rebate of an abatement of wholesale power costs previously incurred pursuant to an order of a state regulatory authority or a wholesale power cost adjustment clause or similar power pricing agreement between the Borrower and a power supplier, but not including the repayment of a membership fee upon termination of a membership.

“Equity” shall mean the Borrower’s total margins and equities computed in accordance with Accounting Requirements but excluding any Regulatory Created Assets.

“Event of Default” shall have the meaning as defined in Article VI of this Agreement.

“Existing Loan Contract” shall have the meaning set forth in the second WHEREAS clause of this Agreement.

“Fitch” shall mean Fitch IBCA, Inc., and any successor thereto.

“General Manager” shall mean the President and Chief Executive Officer of the Borrower or the person performing the duties of a chief executive officer if no person holds such title and, in the event of any dispute between the Borrower and the Government as to who is the General Manager, the Administrator may designate a person or position that shall be the General Manager for purposes of this Agreement.

“Indenture” shall mean the Indenture, dated as of July 1, 2009, entered into by the Borrower and U.S. Bank National Association, as trustee, and all amendments and supplements thereto.

“Interest Expense” shall mean the interest expense of the Borrower computed pursuant to Accounting Requirements.

“Investment” shall mean any loan or advance to, or any investment in, or purchase or commitment to purchase any stock, bonds, notes or other securities of, or guaranty, assumption or other obligation or liability with respect to the obligations of, any other person, firm or corporation, except investments in securities or deposits issued, guaranteed or fully insured as to payment by the Government or any agency thereof and except any other investments set forth in the RUS Regulations (7 C.F.R. § 1717.655) as excluded from computations of the amounts and types of investments for which RUS approval is required.

“Investment Grade” means a Credit Rating of BBB- (or its then current equivalent) or higher, if issued by S&P or Fitch; Baa3 (or its then current equivalent) or higher, if issued by Moody’s; and any comparable investment grade rating if issued by any other Rating Agency.

"Laws" shall have the meaning as defined in Paragraph (e) of Article II of this Agreement.

"Loans" shall mean the loans and other obligations described in Article III of this Agreement.

"Loan Documents" shall mean, collectively, this Agreement, the Indenture, the Lockbox Agreement and the RUS Notes.

"Material Adverse Effect" shall mean a material adverse effect on the condition, financial or otherwise, operations, properties or business of the Borrower or on the ability of the Borrower to perform its obligations under the Loan Documents.

"Moody's" shall mean Moody's Investors Service, and any successor thereto.

"Net Utility Plant" shall mean the amount constituting the Total Utility Plant of the Borrower, less depreciation, computed in accordance with Accounting Requirements.

"Permitted Debt" shall have the meaning set forth in Section 5.25.

"Prior Loan Contracts" shall mean have the meaning as defined in Section 8.16.

"Prudent Utility Practice" shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts that, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at the lowest reasonable cost consistent with good business practices, reliability, safety and expedition. "Prudent Utility Practice" is not intended to be limited to the optimum practice, method or act, to the exclusion of all others, but rather to include a spectrum of possible practices, methods or acts generally in acceptance in light of the circumstances.

"Rating Agency" shall mean S&P, Moody's, Fitch or, provided that it is acceptable to the RUS, any other nationally recognized statistical rating organization (within the meaning of the rules of the United States Securities and Exchange Commission).

"Regulatory Created Assets" shall mean the sum of any amounts properly recordable as unrecovered plant and regulatory study costs or as other regulatory assets, computed pursuant to Accounting Requirements.

"Restricted Rentals" shall mean all rentals required to be paid under finance leases and charged to income, exclusive of any amounts paid under any such lease (whether or not designated therein as rental or additional rental) for maintenance or repairs, insurance, taxes, assessments, water rates or similar charges. For the purpose of this definition the term "finance lease" shall mean any lease having a rental term (including the term for which such lease may be

renewed or extended at the option of the lessee) in excess of three years and covering property having an initial cost of \$250,000 other than aircraft, ships, barges, automobiles, trucks, trailers, rolling stock and vehicles; office, garage and warehouse space; office equipment and computers. Restricted Rentals shall not include any amounts paid under any of the Facility Leases (as defined in the Indenture).

“RUS Notes” shall mean the RUS Series A Note and the RUS Series B Note.

“RUS Regulations” shall mean the rules, regulations and bulletins of general applicability published by the RUS from time to time as such rules, regulations and bulletins exist at the date of applicability thereof, including but not limited to the rules and regulations set forth at 7 C.F.R. 1700, and, unless the context clearly demonstrates a contrary intent, shall also include any rules and regulations of other Federal entities which the RUS is required by law to implement.

“RUS Series A Note” shall mean that RUS 2009 Promissory Note Series A, dated July 16, 2009 in the stated principal amount of \$602,573,536 executed by the Borrower and delivered to the Government.

“RUS Series B Note” shall mean that RUS 2009 Promissory Note Series B, dated July 16, 2009 in the stated principal amount of \$245,530,257.30 executed by the Borrower and delivered to the Government.

“Smelter Contracts” and each a “Smelter Contract” shall mean (i) the Wholesale Electric Service Agreement (Alcan) dated as of July 1, 2009 by and between the Borrower and Kenergy Corp., (ii) the Wholesale Electric Service Agreement (Century) dated as of July 1, 2009 by and between the Borrower and Kenergy Corp., (iii) the Retail Electric Service Agreement dated as of July 1, 2009 by and between Kenergy Corp. and Alcan Primary Products Corporation, (iv) the Retail Electric Service Agreement dated as of July 1, 2009 by and between Kenergy Corp. and Century Aluminum of Kentucky General Partnership, (v) the Coordination Agreement dated as of July 1, 2009 by and between the Borrower and Alcan Primary Products Corporation, and (vi) the Coordination Agreement dated as of July 1, 2009 by and between the Borrower and Century Aluminum of Kentucky General Partnership.

“Special Construction Account” shall have the meaning as defined in Section 5.22.

“Subordinated Indebtedness” shall mean secured indebtedness of the Borrower subordinated to the prior payment of the RUS Notes.

“Subsidiary” shall mean a corporation that is a subsidiary of the Borrower and subject to the Borrower’s control, as defined by Accounting Requirements.

“S&P” shall mean Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc., and any successor thereto.

“System” shall have the meaning as defined in the Indenture.

“Total Assets” shall mean an amount constituting the total assets of the Borrower as computed pursuant Accounting Requirements, but excluding any Regulatory Created Assets.

“Total Utility Plant” shall mean the amount constituting the total utility plant (gross) of the Borrower computed in accordance with Accounting Requirements.

“Unwind Transaction” shall mean the termination of the contractual relationships and property interests contemplated by the Transaction Termination Agreement dated as of March 26, 2007 among the Borrower, LG&E Energy Marketing Inc. and Western Kentucky Energy Corp.

“Wholesale Power Contracts” shall mean, collectively and individually, the wholesale power contracts in effect between the Borrower and each of its member distribution cooperatives, which are described in the attached Exhibit D, and all amendments, supplements or replacements thereto or thereof.

ARTICLE II.

REPRESENTATIONS AND WARRANTIES

Recognizing that the RUS is relying hereon, the Borrower represents and warrants, as of the date of this Agreement, as follows:

(a) *Organization; Power, Etc.* The Borrower: (i) is duly organized, validly existing, and in good standing under the laws of the Commonwealth of Kentucky; (ii) is duly qualified to do business and is in good standing in each jurisdiction in which the transaction of its business makes such qualification necessary; (iii) has all requisite corporate and legal power to own and operate its assets and to carry on its business and to enter into and perform its obligations under the Loan Documents; and (iv) has duly and lawfully obtained and maintained all licenses, certificates, permits, authorizations and approvals which are necessary to the conduct of its business or required by applicable Laws.

(b) *Authority.* The execution, delivery and performance by the Borrower of this Agreement and the other Loan Documents and the performance of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action and do not violate any provision of law or of the Articles of Incorporation or Bylaws of the Borrower or result in a breach of, or constitute a default under, any agreement, indenture or other instrument to which the Borrower is a party or by which it may be bound.

(c) *Consents.* No consent, permission, authorization, order or license of any governmental authority is necessary in connection with the execution, delivery or performance of the Loan Documents, except such as have been obtained and are in full force and effect.

(d) *Binding Agreement.* Each of the Loan Documents, the Wholesale Power Contracts and the Smelter Contracts is, or when executed and delivered will be, the legal, valid, and binding obligation of the Borrower, enforceable in accordance with its terms, subject only to limitations on enforceability imposed in equity or by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally.

(e) *Compliance With Laws.* The Borrower is in compliance in all material respects with all federal, state and local laws, rules, regulations, ordinances, codes and orders (collectively, "Laws"), the failure to comply with which could reasonably be expected to have a Material Adverse Effect.

(f) *Litigation.* There are no pending legal, arbitration or governmental actions or proceedings to which the Borrower is a party or to which any of its property is subject which, if adversely determined, could have a Material Adverse Effect, and to the best of the Borrower's knowledge, no such actions or proceedings are threatened or contemplated, except as the Borrower has disclosed to the RUS in writing.

(g) *Financial Statements, No Material Adverse Change; Etc.* The financial statements, including RUS Form 12, submitted to RUS fairly and fully present the financial condition of the Borrower and the results of its operations as of December 31, 2008 and were prepared in accordance with Accounting Requirements consistently applied. Since December 31, 2008, there has been no material adverse change in the financial condition or operations of the Borrower. The financial statements submitted to the Kentucky Public Service Commission in connection with Unwind Transaction (Case No. 2007-0045) fairly and fully presented the financial condition of the Borrower and the results of its operations at the time of their filing (subject to any final year-end adjustments and footnotes) and any projections filed by the Borrower in the proceeding of the Kentucky Public Service Commission to approve the Unwind Transaction were based on assumptions which were commercially reasonable at the time any such projections were filed.

(h) *Budgets; Projections; Etc.* All budgets, projections, feasibility studies, appraisals, and other documentation submitted by the Borrower to the RUS and any Rating Agency then assigning a Credit Rating are based on assumptions that are reasonable and realistic, as of the date hereof, no fact has come to light, and no event or transaction has occurred, which would cause any assumption made therein not to be reasonable or realistic.

(i) *Location of Properties.* All property and interests therein of the Borrower are located in the states and counties identified in the Indenture.

(j) *Principal Place of Business; Records.* The principal place of business and chief executive office of the Borrower is at the address of the Borrower specified in Section 8.2.

(k) *Subsidiaries.* The Borrower has no Subsidiaries other than Big Rivers Leasing LLC, a Delaware limited liability company.

(l) *Defaults Under Other Agreements.* The Borrower is not in default under any agreement or instrument under which the Borrower is a party or to which any of its property is subject that could reasonably be expected to have a Material Adverse Effect.

(m) *Title to Property.* As to the property which is included in the description of the Trust Estate, the Borrower holds good and marketable title to all of its real property and owns all of its personal property free and clear of any lien or encumbrance other than Permitted Exceptions and liens permitted by Section 13.6 of the Indenture.

ARTICLE III.

THE LOANS

Section 3.1. The Existing Loans

The Borrower has borrowed funds from the Government, acting by and through the Administrator of the RUS, evidenced by the RUS Notes, has agreed to reimburse the Government, acting by and through the Administrator of the RUS, for the amounts borrowed pursuant to the terms of the RUS Notes.

Section 3.2. No Further Advances

The Borrower acknowledges and agrees that all amounts to be advanced to the Borrower under the RUS Notes have been advanced and the Government, acting by or through the Administrator of the RUS, is under no obligation to make any further advances to the Borrower under the RUS Notes.

Section 3.3. Interest Rates and Payment

(a) *Interest Rates.* The RUS Notes shall be payable and bear interest, as therein provided.

(b) *Application of Payments.* All payments made to RUS on the Borrower's behalf or for the account of the Borrower shall be accepted by the Government and shall be applied as follows: (i) first, if and only if, at the time of the Government's receipt of such amounts, any payments are then due and owing under the RUS Series B Note, then such amounts shall be applied to the RUS Series B Note to the extent, and only to the extent, of such payments then due and owing thereunder, (ii) second, to any amounts then due and owing under the RUS Series A Note, and (iii) third, as a prepayment of principal on the RUS Series A Note. In the absence of a written directive from Borrower, no amounts paid to the Government shall be applied as a prepayment on the RUS Series B Note unless and until the obligations of Borrower under the RUS Series A Note have been satisfied in full.

(c) *Electronic Funds Transfer.* Except as otherwise prescribed by the RUS, the Borrower shall make all payments on the RUS Notes utilizing electronic funds transfer procedures as specified by the RUS.

Section 3.4. Prepayment

The Borrower may prepay the RUS Notes in whole or in part in the sole discretion of the Borrower without penalty or prepayment premium, provided, however, in no event shall such a voluntary prepayment of the RUS Series B Note be deemed an acceleration or cause an adjustment to the principal thereof.

ARTICLE IV.

AFFIRMATIVE COVENANTS

Section 4.1. Generally

Unless otherwise agreed to in writing by the RUS, while this Agreement is in effect, the Borrower shall duly observe each of the affirmative covenants contained in this Article IV.

Section 4.2. Performance under Loan Documents

The Borrower shall duly observe and perform all of its obligations under each of the Loan Documents.

Section 4.3. Annual Certification

Within ninety (90) days after the close of each fiscal year (or, if the Borrower has delivered written notice to the RUS prior to the expiration of such ninety (90) day period that the Borrower has determined in good faith that an additional thirty (30) days for such delivery is necessary or advisable, then within one hundred twenty (120) days after the close of the fiscal year with respect to which such notice has been delivered), the Borrower shall deliver to the RUS a written statement signed by its General Manager, stating that during such year the Borrower has fulfilled its obligations under the Loan Documents throughout such year in all material respects or, if there has been a material default in the fulfillment of such obligations, specifying each such default known to the General Manager and the nature and status thereof.

Section 4.4. Rates and Margins for Interest Ratios

(a) *Prospective Requirement.* The Borrower shall design and implement rates for utility service furnished by it to maintain, on an annual basis, the Margins for Interest Ratio specified in Section 13.14 of the Indenture.

(b) *Prospective Notice of Change in Rates.* The Borrower shall give the RUS sixty (60) days' written notice prior to the effective date of any proposed change in the Borrower's general rate structure.

(c) *Routine Reporting of Margins for Interest Ratio.* The Borrower shall report to the RUS, no later than 45 days after December 31 of each year, in such written format as the RUS may require, the Margins for Interest Ratio that was achieved during the preceding 12-month period ending on December 31 of such year.

(d) *Reporting Non-achievement of Retrospective Requirement.* If the Borrower fails to achieve the Margins for Interest Ratio specified in Section 13.14 of the Indenture for any fiscal year, it must promptly notify RUS in writing to that effect.

(e) *Corrective Plans.* Within thirty (30) days of (i) sending a notice to the RUS under paragraph (d) above that shows the Margins for Interest Ratio specified by Section 13.14 of the Indenture was not achieved for any fiscal year, or (ii) being notified by the RUS that the Margins for Interest Ratio specified by Section 13.14 of the Indenture was not achieved for any fiscal year, whichever is earlier, the Borrower in consultation with the RUS shall provide a written plan satisfactory to the RUS setting forth the actions that shall be taken to achieve the specified Margins for Interest Ratio on a timely basis.

(f) *Noncompliance.* Failure to design and implement rates pursuant to paragraph (a) of this section and failure to develop and implement the plan in accordance with the terms of paragraph (e) of this section shall constitute an Event of Default under this Agreement in the event that RUS so notifies the Borrower to that effect under Section 6.1(d) of this Agreement.

Section 4.5. Financial Books

The Borrower shall at all times keep, and safely preserve, proper books, records and accounts in which full and true entries shall be made of all of the dealings, business and affairs of the Borrower and its Subsidiaries, if any, in accordance with any applicable Accounting Requirements.

Section 4.6. Rights of Inspection

The Borrower shall afford the RUS, through its representatives, reasonable opportunity, at all times during business hours and upon prior notice, to have access to and the right to inspect the System, any other property encumbered by the Indenture, and any or all books, records, accounts, invoices, contracts, leases, payrolls, canceled checks, statements and other documents and papers of every kind belonging to or in the possession of the Borrower or in any way pertaining to its property or business, including its Subsidiaries, if any, and to make copies or extracts therefrom.

Section 4.7. Real Property Acquisition

In acquiring real property, the Borrower shall comply in all material respects with the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended by the Uniform Relocation Act Amendments of 1987, and 49 C.F.R. part 24, referenced by 7 C.F.R. part 21, to the extent applicable to such acquisition.

Section 4.8. Financial Reports

Within 120 days of the end of each fiscal year, the Borrower shall cause to be prepared and furnished to the RUS a full and complete annual report of its financial condition and of its operations in form and substance satisfactory to the RUS, audited and certified by an Independent certified public accountant satisfactory to the RUS and accompanied by a report of such audit in form and substance reasonably satisfactory to the RUS. The Borrower shall also furnish to the RUS from time to time such other reports concerning the financial condition or operations of the Borrower, including its Subsidiaries, as the RUS may request or RUS Regulations require.

Section 4.9. Miscellaneous Reports and Notices

The Borrower shall furnish to the RUS:

(a) *Notice of Default.* Promptly after becoming aware thereof, notice of: (i) the occurrence of any Event of Default under this Agreement or event which with the giving of notice or the passage of time, or both, would become an Event of Default; and (ii) the receipt of any notice given pursuant to the Indenture with respect to the occurrence of any event which with the giving of notice or the passage of time, or both, could become an "Event of Default" under the Indenture and (iii) the occurrence of any event under any agreement which with the giving of notice or the passage of time, or both, could become an "Event of Default" under such agreement and result in a Material Adverse Effect.

(b) *Notice of Non-Environmental Litigation.* Promptly after the commencement thereof, notice of the commencement of all actions, suits or proceedings before any court, arbitrator, or governmental department, commission, board, bureau, agency or instrumentality affecting the Borrower which, could reasonably be expected to have a Material Adverse Effect.

(c) *Notice of Environmental Litigation.* Without limiting the provisions of Section 4.9(b) above, promptly after receipt thereof, notice of the receipt of all pleadings, orders, complaints, indictments, or other communications alleging a condition that may require the Borrower to undertake or to contribute to a cleanup or other response under laws relating to environmental protection, or which seek penalties, damages, injunctive relief, or criminal sanctions related to alleged violations or such laws, or which claim personal injury or property damage to any person as a result of environmental factors or conditions for which the Borrower is not fully covered by insurance, or which could reasonably be expected to have a Material Adverse Effect.

(d) *Notice of Application for Competitive Transition Charges.* Promptly, but no later than 60 days prior to submission to any approval authority, including without limitation, any regulatory or legislative authority, written notice of an application for authority to collect Competitive Transition Charges. Without limiting the right of RUS to request other information, RUS has the right to request the Borrower to provide to RUS a written appraisal or other financial assessment of the Competitive Transition Charges.

(c) *Notice of Change of Place of Business.* Promptly in writing, notice of any change in location of its principal place of business or the office where its records concerning accounts and contract rights are kept.

(d) *Regulatory and Other Notices.* Promptly after receipt thereof, copies of any notices or other communications received from any governmental authority with respect to any matter or proceeding which could reasonably be expected to have a Material Adverse Effect.

(e) *Ratings.* Promptly after receipt thereof, copies of Credit Ratings and copies of any reports with respect to the Borrower or its Credit Rating issued by any Rating Agency.

(f) *Material Adverse Effect.* Promptly after becoming aware thereof, notice of any matter that has had or could reasonably be expected to have a Material Adverse Effect.

(g) *Other Information.* Such other information regarding the condition, financial or otherwise, or operations, properties or business of the Borrower as the RUS may, from time to time, reasonably request.

Section 4.10. Variable Rate Indebtedness

In connection with the furnishing of its annual report to the RUS pursuant to Section 4.8, the Borrower shall report to the RUS, in such written format as may be acceptable to the RUS, the specific maturities of all of the Borrower's outstanding indebtedness and, the interest rates applicable thereto, including, without limitation, with respect to any indebtedness not bearing a fixed rate through the maturity of such indebtedness, the method and timing for adjustment and readjustment of the applicable interest rate.

Section 4.11. Compliance with Laws

The Borrower shall operate and maintain the System and its properties in compliance in all material respects with all applicable Laws.

Section 4.12. Separate Accounts

The Borrower shall execute and deliver, with a financial institution approved by the RUS, a lockbox agreement or agreements substantially in the form of Exhibit A attached hereto ("Lockbox Agreement") and shall at all times maintain such Lockbox Agreement in full force and effect. The Borrower shall not, without first complying with the requirements of

Section 8.1, amend, supplement or otherwise modify the Lockbox Agreement. In the event: (a) the Borrower no longer has two Investment Grade credit ratings from at least two Rating Agencies; (b) the Borrower's total current and accrued liabilities exceed the Borrower's total current and accrued assets; (c) the Administrator determines the System is incapable of providing reliable service to the members of the Borrower pursuant to the terms of the Wholesale Power Contracts; (d) the Administrator determines that as a consequence of any change in the condition, financial or otherwise, operations, properties or business of the Borrower, the Borrower will be unable to perform its material obligations under (i) this Agreement, (ii) the Wholesale Power Contracts, (iii) the RUS Notes, or (iv) the Indenture; or (e) there is an Event of Default under the Indenture, or any event that with the passage of time or giving of notice, or both, would constitute an Event of Default under the Indenture, the Borrower shall, if so directed in writing by the Administrator of the RUS, (a) deposit, pursuant to the Lockbox Agreement, all cash proceeds of the Trust Estate, including, without limitation, checks, money and the like (other than cash proceeds deposited or required to be deposited with the Trustee pursuant to the Indenture), which cash proceeds shall include, without limitation, all payments by members of the Borrower on account of the Wholesale Power Contracts, in separate deposit or other accounts, segregated from all other monies, revenues and investments of the Borrower, and (b) take all such other actions as the RUS shall request to continue perfection of the lien of the Indenture in such proceeds for the benefit of all Holders of the Outstanding Secured Obligations.

Section 4.13. Property Maintenance

The Borrower shall maintain and preserve its System in compliance in all material respects with the provisions of the Indenture, RUS Regulations, all applicable Laws, and Prudent Utility Practice.

Section 4.14. Load Forecast

The Borrower shall prepare and use load forecasts with respect to its electric loads and future energy and capacity requirements in conformance with RUS Regulations.

Section 4.15. Long Range Engineering Plans and Construction Work Plans

The Borrower shall develop, maintain and use up-to-date long-range engineering plans and construction work plans in conformance with RUS Regulations.

Section 4.16. Design Standards, Construction Standards and List of Materials

The Borrower shall use design standards, construction standards, and lists of acceptable materials in conformance with RUS Regulations.

Section 4.17. Plans and Specifications

The Borrower shall submit plans and specifications for construction to RUS for review and approval, in conformance with RUS Regulations, if the construction will be financed in whole or in part by a loan made or guaranteed by RUS.

Section 4.18. Standard Forms of Construction Contracts, and Engineering and Architectural Services Contracts

The Borrower shall use the standard forms of contracts promulgated by the RUS for construction, procurement, engineering services and architectural services, in conformance with RUS Regulations, if the construction, procurement, or services will be financed in whole or in part by a loan made or guaranteed by the RUS.

Section 4.19. Contract Bidding Requirements

The Borrower shall follow the RUS contract bidding procedures in conformance with RUS Regulations when contracting for construction or procurement, if the construction or procurement will be financed in whole or in part by a loan made or guaranteed by the RUS.

Section 4.20. Nondiscrimination

(a) *Equal Opportunity Provisions in Construction Contracts.* The Borrower shall incorporate or cause to be incorporated into any construction contract, as defined in Executive Order 11246 of September 24, 1965 and implementing regulations, which is paid for in whole or in part with funds obtained from the RUS or borrowed on the credit of the United States pursuant to a grant, contract, loan, insurance or guarantee, or undertaken pursuant to any RUS program involving such grant, contract, loan, insurance or guarantee, the equal opportunity provisions set forth in Exhibit B attached hereto entitled Equal Opportunity Contract Provisions.

(b) *Equal Opportunity Contract Provisions Also Bind the Borrower.* The Borrower further agrees that it shall be bound by such equal opportunity clause in any federally assisted construction work which it performs itself other than through the permanent work force directly employed by an agency of government.

(c) *Sanctions and Penalties.* The Borrower agrees that it shall cooperate actively with the RUS and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and the rules, regulations and relevant orders of the Secretary of Labor, that it shall furnish the RUS and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it shall otherwise assist the administering agency in the discharge of the RUS's primary responsibility for securing compliance. The Borrower further agrees that it shall refrain from entering into any contract or contract modification subject to Executive Order 11246 with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to Part II, Subpart D of Executive Order 11246 and shall carry out such

sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by the RUS or the Secretary of Labor pursuant to Part II, Subpart D of Executive Order 11246. In addition, the Borrower agrees that if it fails or refuses to comply with these undertakings the RUS may cancel, terminate or suspend in whole or in part this contract, may refrain from extending any further assistance under any of its programs subject to Executive Order 11246 until satisfactory assurance of future compliance has been received from the Borrower, or may refer the case to the Department of Justice for appropriate legal proceedings.

Section 4.21. "Buy American" Requirements

The Borrower shall use or cause to be used in connection with the expenditures of funds if such funds were obtained in whole or in part by a loan being made or guaranteed by the RUS only such unmanufactured articles, materials, and supplies as have been mined or produced in the United States or any eligible country, and only such manufactured articles, materials, and supplies as have been manufactured in the United States or any eligible country substantially all from articles, materials, and supplies mined, produced or manufactured, as the case may be, in the United States or any eligible country, except to the extent the RUS shall determine that such use shall be impracticable or that the cost thereof shall be unreasonable. For purposes of this section, an "eligible country" is any country that has with respect to the United States an agreement ensuring reciprocal access for United States products and services and United States suppliers to the markets of that country, as determined by the United States Trade Representative.

Section 4.22. Depreciation Plan

The Borrower shall adopt as its depreciation rates only those that have been previously approved for the Borrower by RUS (through RUS Regulation or by specific approval by RUS). The Borrower shall not file with or submit for approval of any regulatory bodies depreciation rates which are inconsistent with those approved for the Borrower by RUS.

Section 4.23. Maintenance of Credit Ratings

(a) *Maintenance of Credit Ratings.* As long as there remains any RUS Note, the Borrower shall (i) maintain a Credit Rating from at least two Rating Agencies and (ii) continuously subscribe with a Rating Agency for the services described in Exhibit C attached hereto.

(b) *Reporting Non-achievement of Investment Grade Credit Rating.* If the Borrower fails to maintain two Credit Ratings of Investment Grade, it must notify RUS in writing to that effect within five (5) days after becoming aware of such failure.

(c) *Corrective Plans.* Within thirty (30) days of the date on which the Borrower fails to maintain two Credit Ratings of Investment Grade, the Borrower in consultation with the RUS

shall provide a written plan satisfactory to the RUS setting forth the actions that shall be taken that are reasonably expected to achieve two Credit Ratings of Investment Grade.

(d) *Noncompliance.* Failure to implement a corrective plan developed in accordance with paragraph (c) of this section shall constitute an Event of Default under this Agreement.

ARTICLE V.

NEGATIVE COVENANTS

Section 5.1. General

Unless otherwise agreed to in writing by the RUS, while this Agreement is in effect, the Borrower shall duly observe each of the negative covenants set forth in this Article V.

Section 5.2. Acquisition of Capital Assets

The Borrower shall not, without first complying with the requirements of Section 8.1, extend or add to its System by purchasing, constructing, leasing or otherwise acquiring Capital Assets, including Capital Assets that constitute utility or non-utility plant, with funds from sources other than loans made or guaranteed by RUS in the case of:

(a) Generating facilities if the total expenditures for the facilities to be built, procured, or leased, including any future facilities included in the planned project, will exceed the lesser of \$10 million or thirty percent (30%) of the Borrower's Equity; or

(b) Existing electric facilities or systems in service whose purchase price, or capitalized value in the case of a lease, exceeds ten percent (10%) of the Borrower's Net Utility Plant;

(c) Any new project to serve an end user whose annual kWh purchases or maximum annual kW demand is projected to exceed 25 percent of the Borrower's total kWh sales or maximum kW demand in the year immediately preceding the start of construction of facilities; provided, however, this Section 5.2(c) shall not preclude the Borrower from purchasing constructing, leasing or otherwise acquiring Capital Assets without complying with the requirements of Section 8.1 for a project intended to facilitate the providing of service to an end user in accordance with the provisions of a Smelter Contract, provided, further, however that the Borrower may not purchase, construct, lease or otherwise acquire Capital Assets pursuant to the preceding provision without first complying with the requirements of Section 8.1, if the estimated costs of any such project are estimated to exceed \$10,000,000.

Section 5.3. Disposition or Releases of Capital Assets

The Borrower shall not, without first complying with the requirements of Section 8.1, voluntarily or involuntarily sell, convey, transfer, lease, as lessor, or otherwise dispose of any portion of its business or Capital Assets, or request the release of or release any Capital Assets from the lien of the Indenture or enter into contracts therefor in any calendar year except in compliance with all applicable RUS Regulations, including without limitation, RUS Bulletin 1717M-2, and any successor regulation. For purposes of measuring the Borrower's compliance with the preceding sentence of this Section 5.3, Section 4(a)(1)(a) of RUS Bulletin 1717M-2 shall be deemed to be modified to read as follows: "The Borrower is not in default." Notwithstanding the foregoing, the use by Borrower of the proceeds of any such sale, conveyance, transfer, lease or other disposition shall be in compliance with the Indenture.

Section 5.4. Limitations on Mergers and Sale, Lease or Transfer of Capital Assets

The Borrower shall not consolidate or merge with, or sell all or substantially all of its business or assets, except to the extent it is expressly permitted under the Indenture.

Section 5.5. Limitations on Employment and Retention of General Manager

At any time an Event of Default, or an event which with the passage of time or the giving of notice, or both, would become an Event of Default, occurs and is continuing, the Borrower shall not, without the prior written approval of the RUS, enter into an employment relationship with any person to serve as General Manager of the System. If an Event of Default, or an event which with the passage of time or the giving of notice, or both, would become an Event of Default, occurs and is continuing and the RUS requests the Borrower to terminate the employment of its General Manager, the Borrower shall do so within thirty (30) days after the date of such request. All contracts in respect of the employment of the General Manager or for the operation of the Utility System or the Electric System, hereafter entered into shall contain provisions to permit compliance with this Section 5.5.

Section 5.6. Limitations on Certain Types of Contracts

(a) *Approval of Certain Contracts.* The Borrower shall not, without first complying with the requirements of Section 8.1, enter into any of the following:

(i) Any contract for the management and operation of all or a material portion of its System;

(ii) Any contract for the purchase, exchange or sale of electric power or energy that has a term exceeding two (2) years;

(iii) Any contract for the purchase or sale of interconnection, interchange wheeling, transmission, pooling, ancillary services pooling or similar power supply arrangements that has a term exceeding two (2) years;

(iv) Any contract for construction or procurement or for architectural and engineering services in connection with the Borrower's System if the project is financed or will be financed, in whole or in part, by a loan made or guaranteed by the RUS;

(v) Any amendment or modification to any of the Wholesale Power Contracts, including the Schedules thereto, including the Wholesale Power Contracts listed in the attached Exhibit D, except that the Borrower may amend or modify provisions specifying delivery points.

(b) *Terminations.* The Borrower shall not, without first complying with the requirements of Section 8.1, exercise any option to terminate any contract, including, without limitation, any Wholesale Power Contract, if such contract, based upon its nature, remaining term (not taking into account any option of the Borrower to terminate) and size, would be required to be approved by the RUS pursuant to paragraph (a) of this Section 5.6 if the Borrower were to have entered into such contract on the proposed termination date. The Borrower further agrees at the written direction of the RUS to exercise any option to terminate a contract if the exercise by the Borrower of that option would require compliance with the requirements of Section 8.1 pursuant to the immediately preceding sentence unless the exercise of such termination right could reasonably be expected to have a Material Adverse Effect.

(c) *Determination of Term.* For purposes of this Section 5.6, the term of any contract shall be determined in accordance with this Section 5.6(c). The term of any contract shall be the period during which performance (other than payment) is to occur and not the period commencing when such contract is executed. The term of any contract shall be based upon the period prior to the first date upon which the Borrower could, at its option, terminate the contract (taking into account any notice period required for termination).

(d) *Amendments; Extensions.* Any amendment or modification to an existing contract (including an extension thereof) shall be governed by this Section 5.6 only to the extent such specific amendment or modification (and not the contract as a whole), judged as if it were a separate contract, would be required to be approved by the RUS pursuant to paragraph (a) of this Section 5.6.

Section 5.7. Limitations on Loans, Investments and Other Obligations

The Borrower shall not, without first complying with the requirements of Section 8.1, make any loan or advance to, or make any Investment in, or purchase or make any commitment to purchase any stock, bonds, notes or other securities of, or guaranty, assume or otherwise become obligated or liable with respect to the obligations of, any other person, firm or corporation, except as permitted by the Act and RUS Regulations. In computing any permissible level of Investments in any person, firm or corporation in accordance with this Section 5.7 and

the RUS Regulations, the Borrower's existing capital contribution to Big Rivers Leasing shall not be included as contributing to the level of aggregate permissible Investments.

Section 5.8. Rate Changes

The Borrower shall not, without first complying with the requirements of Section 8.1, increase or reduce its rates.

Section 5.9. Indenture Restrictions

Notwithstanding the provisions of the Indenture, the Borrower shall not, without first complying with the requirements of Section 8.1:

(a) consolidate or merge with any other corporation or convey or transfer the Trust Estate under the Indenture substantially as an entirety, or otherwise reorganize its corporate structure to transfer functions or any substantial part of the Trust Estate to any other Person;

(b) elect pursuant to Section 1.1D of the Indenture to apply Accounting Requirements in effect as of the date of execution and delivery of the Indenture;

(c) include as Property Additions, under any provision of the Indenture, any property that would not qualify as Property Additions but for paragraph C of the definition of Property Additions, or sell, lease or sublease any portion of the Trust Estate pursuant to paragraph H of Section 5.1 of the Indenture;

(d) submit an Available Margins Certificate under Article IV of the Indenture for the purpose of issuing Additional Obligations unless such Certificate is accompanied by an Independent Accountant's Certificate stating in substance that nothing came to the attention of such Accountant in connection with its unaudited review of the applicable period that would lead such Accountant to believe that there was any incorrect or inaccurate statement in such Certificate;

(e) enter into a Supplemental Indenture pursuant to Section 12.1H of the Indenture;

(f) enter into a Supplemental Indenture pursuant to Section 12.1B or 12.1C of the Indenture if (i) the Holders of the Obligations issued under such Supplemental Indenture are granted greater security rights in and to the Trust Estate than those security rights enjoyed by the Government in its capacity as a Holder of Obligations under the Indenture, provided, however, that neither (I) the existence of Credit Enhancement nor (II) the creation and maintenance of debt service or similar funds for the payment of the principal and interest on Obligations issued under such Supplemental Indenture (to the extent such debt service or other similar funds are funded from the proceeds of the issuance of such Obligations or funded in connection with the refinancing of other debt by such Obligations), shall constitute greater security rights in and to the Trust Estate requiring the Borrower to comply with the requirements of Section 8.1; (ii) the

Supplemental Indenture provides for covenants, restrictions, limitations, conditions, events of defaults or remedies not applicable to all Obligations then Outstanding or not equally available to all Holders of Obligations then Outstanding, provided, however, that provisions for covenants and events of default that relate solely to assuring that the interest on such Obligations (or other indebtedness secured by such Obligations) is excludable from the gross income of the holder thereof pursuant to the Internal Revenue Code, as amended, shall not constitute the providing of covenants or events of default requiring the Borrower to comply with the requirements of Section 8.1; or (iii) the Obligations issued under such Supplemental Indenture, or the indebtedness secured by such Obligations, can be (a) accelerated or (b) effectively accelerated through a mandatory purchase or similar mechanism, in either case, as a consequence of a breach or default by the Borrower under the related loan agreement or similar agreement entered into in connection with such Obligation or indebtedness, provided, however, that acceleration and similar rights may be granted to development authorities and trustees without first complying with the requirements of Section 8.1 in connection with the issuance of Obligations (or other indebtedness secured by such Obligations) the interest on which is excludable from the gross income of the holder thereof pursuant to the Internal Revenue Code, as amended, if such acceleration and similar rights are substantially similar to those currently granted to development authorities and trustees in connection with the Existing Obligations;

(g) create or incur or suffer or permit to be created or incurred or to exist any pledge of current assets secured under the Indenture to secure current liabilities;

(h) take any of the following actions:

(i) provide under the Indenture a Certificate of an Appraiser who is not Independent if the value of the property or securities to which such certificate applies is greater than \$500,000;

(ii) provide under the Indenture a Certificate of an Engineer who is not a licensed professional with respect to any project if the cost of such project is greater than \$50,000; or

(iii) provide under the Indenture a Certificate of an Engineer who is not Independent and a licensed professional with respect to the fair value or repair cost of any project if either (A) the fair value or repair cost of such project is greater than \$5,000,000 or (B) RUS has requested in writing such certificate to be provided by an Engineer who is Independent and a licensed professional;

(i) modify or alter Section 8.7 of the Indenture or the obligation of the Trustee under the Indenture to hold the Trust Estate for the equal and proportionate benefit and security of the Holders, without any priority of any Obligation over any other Obligation;

(j) certify pursuant to Section 4.3D(1) or 4.3D(2) of the Indenture any retired Obligation or any principal payment on an Obligation as the basis for taking any action under the Indenture, if such retirement or payment is pursuant to a regularly scheduled sinking fund or

principal installment or made at the Stated Maturity of such Obligation; provided, however, that the Borrower shall not have to comply with the requirements of Section 8.1 before certifying pursuant to Section 4.3D(1) or 4.3D(2) of the Indenture in connection with the issuance of Additional Obligations under the Indenture if such Additional Obligations are:

(1) issued to refund Obligations the interest on which is exempt from taxation under Section 103 of the Internal Revenue Code, or obligations which were issued to refund such tax-exempt Obligations;

(2) issued to refund Obligations owed to, or guaranteed by, the United States of America acting through the RUS, or obligations which were issued to refund such Obligations owed to, or guaranteed by, the United States of America acting through the RUS; or

(3) Obligations issued to refund Obligations, if the combined term of the refunded Obligations and the refunding Additional Obligations does not exceed the term for which the refunded Obligations could have been originally issued under the provisions of this paragraph (j) or paragraph (k) of this Section 5.9.

(k) issue any Additional Obligations under the Indenture to finance Property Additions unless the following additional requirements are satisfied in addition to the requirements set forth in the Indenture for issuing such Additional Obligations:

(1) If the proceeds of such Additional Obligations are being used to finance the initial cost of the construction or acquisition of identified tangible assets, the weighted average life of the loan evidenced by such Additional Obligations does not exceed the weighted average of the expected remaining useful lives of the assets being financed;

(2) The principal of the loan evidenced by such Additional Obligations is amortized at a rate that shall yield a weighted average life that is not greater than the weighted average life that would result from level payments of principal and interest; and

(3) The principal of the loan being evidenced by such Additional Obligations has a maturity of not less than five years.

In determining its compliance with the requirements of clause (2) of this paragraph (k), the Borrower shall be permitted to make reasonable assumptions as to the interest rate which such Additional Obligations will bear as the Borrower deems appropriate in light of the prevailing interest rate environment in which such Additional Obligations are to be issued; or

(l) permit any liens in respect of judgments or awards which would be Permitted Exceptions pursuant to Paragraph F of the definition of "Permitted Exceptions" in the Indenture, by virtue of the fact that such liens are fully covered by insurance; or

(m) enter into any leases to and permits for occupancy, which materially impair the Company's use of the property in the conduct of its business, by, other Persons which would be Permitted Exceptions pursuant to Paragraph K of the definition of "Permitted Exceptions" by virtue of the fact that any such leases and/or permits are for a period of less than ten (10) years.

Section 5.10. Negative Pledge

The Borrower shall not, without first complying with the requirements of Section 8.1, directly or indirectly create, incur, assume or permit to exist any lien, mortgage, pledge, security interest, charge or encumbrance of any kind, whether voluntary or involuntary (including any conditional sale or other title retention agreement, any lease in the nature thereof, and any other agreement to give any security interest) on or with respect to any of the Excepted Property except for:

(a) Permitted Exceptions (other than the Permitted Exception described in paragraph Y of the definition of Permitted Exceptions);

(b) as to the Excepted Property described in paragraphs B through E of the Indenture, inclusive, and paragraph K of the definition of Excepted Property, liens, mortgages, pledges, security interests, charges and encumbrances in connection with purchase money, construction or acquisition indebtedness (or renewals or extensions thereof) that encumber only the asset or assets so purchased, constructed or acquired or property improved through such purchase, construction or acquisition, and the proceeds upon a sale, transfer or exchange thereof;

(c) liens, mortgages, pledges, security interests, charges and encumbrances (i) for the benefit of all Holders of the Obligations issued under the Indenture, (ii) in connection with any bond service or similar fund established by the Borrower with respect to any debt securities, the interest on which is excludable from gross income of the holder thereof pursuant to the Internal Revenue Code, as amended, to the extent of amounts deposited in such funds in the ordinary course to make regularly scheduled payments on such debt securities, or (iii) in connection with any debt service or similar fund established by the Borrower for the payment of principal or interest on debt securities, the interest on which is excludable from gross income of the holder thereof pursuant to the Internal Revenue Code, as amended, if such fund is funded solely from the proceeds of the issuance of such debt securities (or funded in connection with the refinancing of other debt by such debt securities);

(d) liens, pledges, security interests, charges and encumbrances with respect to deposit, brokerage, commodity and other similar accounts to the extent such liens, pledges, security interests, charges and encumbrances do not secure indebtedness for borrowed money other than indebtedness incurred in connection with acquiring securities or other investments deposited in any such account; or

(e) liens, pledges, security interests, charges and encumbrances with respect to any interest, debt or equity, of the Borrower in National Rural Utilities Cooperative Finance

Corporation or CoBank, ACB, purchased or otherwise acquired by the Borrower in connection with membership in such entity or any borrowing from such an entity.

Section 5.11. Emissions Allowances

Except for sales initiated by the Government without the prior consent and knowledge of the Borrower, the Borrower shall not, without first complying with the requirements of Section 8.1, sell, assign or otherwise dispose of (or enter into any agreement therefor) any allowances for emissions or similar rights granted by any governmental authority except in compliance with all applicable RUS Regulations, including without limitation, RUS Bulletin 1717M-2, and any successor regulation. For purposes of measuring the Borrower's compliance with the preceding sentence of this Section 5.11, Section 4(a)(1)(a) of RUS Bulletin 1717M-2 shall be deemed to be modified to read as follows: "The Borrower is not in default." The proceeds of any such sale, assignment or other disposition, shall be deposited in the Construction Fund Trustee Account. For such sales initiated by the Government without the prior consent and knowledge of the Borrower, the Borrower shall give RUS, promptly upon receipt thereof, written notice of such sales.

Section 5.12. Renewable Energy Credits

The Borrower shall not, without first complying with the requirements of Section 8.1, sell, assign or otherwise dispose of (or enter into any agreement therefor) (a) any credits received from allowances for emissions or (b) similar rights granted by any governmental authority, in either case which relate to renewable energy, except in compliance with all applicable RUS Regulations, including without limitation, RUS Bulletin 1717M-2, and any applicable RUS Regulations, including without limitation, RUS Bulletin 1717M-2, and any successor regulation. For purposes of measuring the Borrower's compliance with the preceding sentence of this Section 5.12, Section 4(a)(1)(a) of RUS Bulletin 1717M-2 shall be deemed to be modified to read as follows: "The Borrower is not in default." The proceeds of any such sale, assignment or other disposition, shall be deposited in the Construction Fund Trustee Account.

Section 5.13. Fiscal Year

The Borrower shall not, without first complying with the requirements of Section 8.1, change its fiscal year.

Section 5.14. Limits on Variable Rate Indebtedness

During any period in which (a) an Event of Default has occurred and is continuing or (b) the Borrower has not maintained a Credit Rating of Investment Grade, the Borrower shall not, without first complying with the requirements of Section 8.1, increase the outstanding principal amount of indebtedness of the Borrower, the interest rate with respect to which is adjusted or readjusted at intervals of less than two (2) years, to an amount exceeding the amount thereof outstanding on the date of such notice from the RUS.

Section 5.15. Limits on Short-Term Indebtedness

The Borrower shall not, without first complying with the requirements of Section 8.1, on any date permit Short-Term Indebtedness to exceed fifteen percent (15%) of the Borrower's long-term debt and equities (determined in accordance with Accounting Requirements, except that such determination and calculations shall not be made on a consolidated basis and shall not, therefore, take into account the Short-Term Indebtedness, long-term debt and equities of the Borrower's Affiliates and Subsidiaries) as of the end of the fiscal quarter immediately preceding such date. As used in this Section 5.15, "Short-Term Indebtedness" means all indebtedness of, or guaranteed or in effect guaranteed (whether directly or indirectly, contingent or otherwise) against loss in respect thereof to the holder thereof by, the Borrower (other than trade payables) which on the date of original issuance thereof is classified as short-term debt under Accounting Requirements; provided, however, that any indebtedness issued in accordance with a credit agreement or other arrangement with a maturity or expiration date of greater than one year from the date of effectiveness of such credit agreement or arrangement shall not be considered Short-Term Indebtedness at such time as the maturity of expiration of such credit agreements or arrangements is less than one year.

Section 5.16. Limitations on Changing Principal Place of Business

Without prior written notification to the RUS, the Borrower shall not change its principal place of business.

Section 5.17. Limitations on RUS Financed Extensions and Additions

The Borrower shall not extend or add to its System either by construction or acquisition without the prior written approval of RUS if the construction or acquisition is financed or will be financed, in whole or in part, by a RUS loan or loan guarantee.

Section 5.18. Historic Preservation

Notwithstanding the provisions of Section 3.2, the Borrower shall not, without approval in writing by the RUS, use any advance to construct any facility which shall involve any district, site, building, structure or object which is included in, or eligible for inclusion in, the National Register of Historic Places maintained by the Secretary of the Interior pursuant to the Historic Sites Act of 1935 and the National Historic Preservation Act of 1966.

Section 5.19. Change of Ratings Agency

At any time that only one Rating Agency has assigned a Credit Rating, the Borrower shall not, without first complying with the requirements of Section 8.1, change the Rating Agency then providing the Credit Rating.

Section 5.20. Competitive Transition Charges

The Borrower shall not, without first complying with the requirements of Section 8.1, (i) sell, exchange or otherwise dispose of Competitive Transition Charges, (ii) request the release of Competitive Transition Charges from the lien of the Indenture, or (iii) utilize Competitive Transition Charges as a basis for issuing Obligations under the Indenture, or as basis for a securitized financing outside the Indenture, or withdraw Trust Moneys related to Competitive Transition Charges.

Section 5.21. Limitation on Release of Agreements

The Borrower shall not, without first complying with the requirements of Section 8.1, sell, assign or otherwise dispose of, request the release of or release any contract described in Section 5.6 or any Wholesale Power Contract from the lien of the Indenture.

Section 5.22. Construction Fund Trustee Account

The Borrower shall deposit the proceeds of loans made or guaranteed by RUS promptly after the receipt thereof in a bank or banks that are insured by the Federal Deposit Insurance Corporation or other federal agency acceptable to RUS. Any account (hereinafter called "Construction Fund Trustee Account") in which any such moneys shall be deposited shall be insured by the Federal Deposit Insurance Corporation or other federal agency acceptable to RUS and shall be designated by the corporate name of the Borrower followed by the words "Construction Fund Trustee Account." Moneys in any Construction Fund Trustee Account shall be used solely for the construction and operation of the System and may be withdrawn only upon checks, drafts, or orders signed on behalf of the Borrower and countersigned by an executive officer thereof.

Section 5.23. Impairment of Contracts

The Borrower shall not (a) materially breach any obligation to be paid or performed by the Borrower under, or (b) take any action which is likely to materially impair the value of, any contract which is subject to the security interest created by the Indenture.

Section 5.24. Limitations on Distributions

Without the prior written approval of RUS, the Borrower shall not in any calendar year make any Distributions to its members or stockholders except as follows:

(a) *Equity above 30%.* If, after giving effect to any such Distribution, the Equity of the Borrower shall be greater than or equal to 30% of its Total Assets; or

(b) *Equity above 25%.* If, after giving effect to any such Distribution, the aggregate of all Distributions made during the calendar year when added to such Distribution shall be less than or equal to 25% of the margins for the year to which the Distribution relates.

Provided however, that in no event shall the Borrower make any Distributions if there is unpaid when due any installment of principal of (premium, if any) or interest on its Notes, if an Event of Default has otherwise occurred and is continuing, or, if, after giving effect to any such Distribution, the Borrower's current and accrued assets would be less than its current and accrued liabilities and provided, further, that the limitation on Distributions created by this Section 5.24 shall not apply to any payments, rebates, refunds or abatement of power costs made in accordance with a Smelter Contract or made in accordance with any tariff on file with the Kentucky Public Service Commission.

Section 5.25. Limitations on Additional Indebtedness

The Borrower shall not incur, assume, guarantee or otherwise become liable in respect of any debt for borrowed money and Restricted Rentals (including Subordinated Indebtedness) other than the following ("Permitted Debt"):

(a) Additional Obligations issued in compliance with Article IV of the Indenture;

(b) Purchase money indebtedness in non-System property, in an amount not exceeding 10% of Net Utility Plant;

(c) Restricted Rentals in an amount not to exceed 5% of Equity during any 12 consecutive calendar month period;

(d) Unsecured lease obligations incurred in the ordinary course of business except Restricted Rentals;

(e) Unsecured indebtedness for borrowed money, up to an aggregate amount of 15% of Net Utility Plant, so long as after giving effect to such unsecured indebtedness, the Borrower's Equity is more than 20% of its Total Assets;

(f) Debt represented by dividends declared but not paid; and

(g) Subordinated Indebtedness approved by RUS.

The Borrower may incur Permitted Debt without the consent of RUS only so long as there exists no Event of Default hereunder and there has been no continuing occurrence which with the passage of time and giving of notice could become an Event of Default hereunder. By executing this Agreement any consent of RUS that the Borrower would otherwise be required to obtain under this Section is hereby deemed to be given or waived by RUS by operation of law to the extent, but only to the extent, that to impose such a requirement of RUS consent would clearly violate federal laws or RUS Regulations.

ARTICLE VI.

EVENTS OF DEFAULT

The following shall be "Events of Default" under this Agreement:

(a) *Representations and Warranties.* Any representation or warranty made by the Borrower in Article II hereof or, in any certificate furnished to the RUS hereunder or in the Loan Documents or in any filing pursuant to RUS Regulations shall be incorrect in any material respect at the time made and shall at the time in question be untrue or incorrect in any material respect and remain uncured;

(b) *Payment.* Default shall be made in the payment of or on account of interest on or principal of any RUS Note when and as the same shall be due and payable, whether by acceleration or otherwise, which shall remain unsatisfied for five (5) Business Days;

(c) *Other Covenants.* Default by the Borrower in the observance or performance of any other covenant or agreement contained in any of the Loan Documents, which shall remain unremedied for thirty (30) calendar days after written notice thereof shall have been given to the Borrower by the RUS;

(d) *Corporate Existence.* The Borrower shall forfeit or otherwise be deprived of its corporate charter or any franchise, permit, easement, consent or license required to carry on any material portion of its business;

(e) *Other Obligations.* Default by the Borrower in the payment of any obligation, whether direct or contingent, for borrowed money in excess of \$1 million or in the performance or observance of the terms of any instrument pursuant to which such obligation was created or securing such obligation which default shall have resulted in such obligation becoming or being declared due and payable prior to the date on which it would otherwise be due and payable;

(f) *Bankruptcy.* A court having jurisdiction in the premises shall enter a decree or order for relief in respect of the Borrower in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official, or ordering the winding up or liquidation of its affairs, and such decree or order shall remain unstayed and in effect for a period of ninety (90) consecutive days or the Borrower shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or under any such law, or consent to the appointment or taking possession by a receiver, liquidator, assignee, custodian or trustee, of a substantial part of its property, or make any general assignment for the benefit of creditors; and

(g) *Dissolution or Liquidation.* Other than as provided in the immediately preceding subsection, the dissolution or liquidation of the Borrower, or failure by the Borrower promptly to forestall or remove any execution, garnishment or attachment of such consequence as shall

impair its ability to continue its business or fulfill its obligations and such execution, garnishment or attachment shall not be vacated within thirty (30) days. The term "dissolution or liquidation of the Borrower," as used in this paragraph (g), shall not be construed to include the cessation of the corporate existence of the Borrower resulting either from a merger or consolidation of the Borrower into or with another corporation following a transfer of all or substantially all its assets as an entirety, under the conditions permitting such actions.

(h) *Indenture.* Any Event of Default as set forth in Section 8.1 of the Indenture and any event (as set forth in such Section 8.1) that with the giving of notice or the passage of time, or both, could become an Event of Default.

ARTICLE VII.

REMEDIES

Upon the occurrence of an Event of Default, then RUS may pursue all rights and remedies available to RUS that are contemplated by this Agreement in the manner, upon the conditions, and with the effect provided in this Agreement, including, but not limited to, a suit for specific performance, injunctive relief or compensatory damages. The RUS is hereby authorized, to the maximum extent permitted by applicable law, to demand specific performance of this Agreement at any time when the Borrower shall have failed to comply with any provision of this Agreement applicable to it. The Borrower hereby irrevocably waives, to the maximum extent permitted by applicable law, any defense based on the adequacy of a remedy at law that might be asserted as a bar to such remedy of specific performance. Nothing herein shall limit the right of the RUS to pursue all rights and remedies available to a creditor at law or in equity following the occurrence of an Event of Default listed in Article VI hereof, or any right or remedy available to the RUS as a Holder of an Obligation under the Indenture. Each right, power and remedy of the RUS shall be cumulative and concurrent, and recourse to one or more rights or remedies shall not constitute a waiver of any other right, power or remedy.

ARTICLE VIII.

MISCELLANEOUS

Section 8.1. Notice to RUS; Objection of RUS

Before undertaking any transaction described in Article V or the schedules attached hereto that requires compliance with the requirements of Section 8.1, the Borrower shall give to the RUS (i) notice in writing describing in reasonable detail the proposed transaction and clearly stating that the transaction is covered by this Section 8.1 and (ii) drafts of any documents to effect such transaction. If the RUS delivers to the Borrower written notice that it objects to the

proposed transaction within sixty (60) days (or such shorter period as the parties shall agree to in writing), the Borrower shall not complete the transaction without RUS approval.

Section 8.2. Notices

All notices, requests and other communications provided for herein including, without limitation, any modifications of, or waivers, requests or consents under, this Agreement shall be given or made in writing (including, without limitation, by telecopy) and delivered to the intended recipient at the "Address for Notices" specified below; or, as to any party, at such other address as shall be designated by such party in a notice to each other party. Except as otherwise provided in this Agreement, all such communications shall be deemed to have been duly given when transmitted by telecopier or personally delivered or, in the case of a mailed notice, upon receipt, in each case given or addressed as provided for herein. The Address for Notices of the respective parties are as follows:

The Government:

Rural Utilities Service
United States Department of Agriculture
Room No. 5135-S
1400 Independence Avenue, S.W.
Stop 1510
Washington, DC 20250
Fax: (202) 720-9542
Attention: RUS Administrator

With a copy to:

Rural Utilities Service
United States Department of Agriculture
Room No. 0270-S
1400 Independence Avenue, S.W.
Stop: 1568
Washington, DC 20250
Fax: (202) 720-1401
Attention: Power Supply Division

The Borrower:

Big Rivers Electric Corporation
201 Third Street
Henderson, Kentucky 42420
Fax: (270) 827-2558
Attention: President and Chief Executive Officer

With a copy to:

Sullivan, Mountjoy, Stainback & Miller
100 St. Ann's Building
PO Box 727
Owensboro KY 42302-0727

Fax: (270) 683-6694
Attention: James Miller

Section 8.3. Expenses

To the extent permitted by Law, the Borrower shall pay all costs and expenses of RUS, including reasonable fees of counsel, incurred in connection with the enforcement of the Loan Documents or with the preparation for such enforcement if the RUS has reasonable grounds to believe that such enforcement may be necessary.

Section 8.4. Late Payments

If payment of any amount due hereunder is not received at the United States Treasury in Washington, D.C., or such other location as RUS may designate to the Borrower, within five (5) Business Days after the due date thereof or such other time period as RUS may prescribe from time to time in its policies of general application in connection with any late payment charge (such unpaid amount being herein called the "delinquent amount," and the period beginning after such due date until payment of the delinquent amount being herein called the "late-payment period), the Borrower shall pay to RUS, in addition to all other amounts due under the terms of the RUS Notes and this Agreement, any late-payment charge as may be fixed by RUS Regulations from time to time on the delinquent amount for the late-payment period.

Section 8.5. Filing Fees

To the extent permitted by Law, the Borrower agrees to pay all expenses of RUS (including the fees and expenses of its counsel) in connection with the filing or recordation of all financing statements and instruments as may be required by RUS in connection with this Agreement, including, without limitation, all documentary stamps, recordation and transfer taxes and other costs and taxes incident to recordation of any document or instrument in connection herewith. The Borrower agrees to save harmless and indemnify the RUS from and against any liability resulting from the failure to pay any required documentary stamps, recordation and transfer taxes, recording costs, or any other expenses incurred by the RUS in connection with this Agreement. The provisions of this Section 8.5 shall survive the execution and delivery of this Agreement and the payment of all other amounts due hereunder or due on the RUS Notes.

Section 8.6. No Waiver

No failure on the part of the RUS to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by the RUS of any right hereunder preclude any other or further exercise thereof or the exercise of any other right.

Section 8.7. Governing Law

EXCEPT TO THE EXTENT GOVERNED BY APPLICABLE FEDERAL LAW, THE LOAN DOCUMENTS SHALL BE DEEMED TO BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE COMMONWEALTH OF KENTUCKY.

Section 8.8. Holiday Payments

If any payment to be made by the Borrower hereunder shall become due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall be included in computing any interest in respect of such payment.

Section 8.9. Successors and Assigns

This Agreement shall be binding upon and inure to the benefit of the Borrower and the RUS and their respective successors and assigns, provided, however, that the Borrower may not assign or transfer its rights or obligations hereunder without the prior written consent of the RUS.

Section 8.10. Complete Agreement; Amendments

This Agreement and the other Loan Documents are intended by the parties to be a complete and final expression of their agreement. However, RUS reserves the right to waive its rights to compliance with any provision of this Agreement and the other Loan Documents. No amendment, modification, or waiver of any provision hereof or thereof, and no consent to any departure of the Borrower herefrom or therefrom, shall be effective unless approved in writing by RUS in the form of either a RUS Regulation or other writing signed by or on behalf of RUS, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

Section 8.11. Headings

The headings and sub-headings contained in the titling of this Agreement are intended to be used for convenience only and do not constitute part of this Agreement.

Section 8.12. Severability

If any term, provision or condition, or any part thereof, of this Agreement shall for any reason be found or held invalid or unenforceable by any governmental agency or court of competent jurisdiction, such invalidity or unenforceability shall not affect the remainder of such

term, provision or condition nor any other term, provision or condition, and this Agreement and the RUS Notes shall survive and be construed as if such invalid or unenforceable term, provision or condition had not been contained herein.

Section 8.13. Right of Set off

Upon the occurrence and during the continuance of any Event of Default, the RUS is hereby authorized at any time and from time to time, without prior notice to the Borrower, to exercise rights of set off or recoupment and apply any and all amounts held or hereafter held, by the RUS or owed to the Borrower or for the credit or account of the Borrower against any and all of the obligations of the Borrower now or hereafter existing hereunder or under the RUS Notes. The RUS agrees to notify the Borrower promptly after any such set off or recoupment and the application thereof, provided that the failure to give such notice shall not affect the validity of such set off, recoupment or application. The rights of the RUS under this Section 8.13 are in addition to any other rights and remedies (including other rights of set off or recoupment) which the RUS may have. The Borrower waives all rights of set off, deduction, recoupment or counterclaim.

Section 8.14. Schedules and Exhibits

Each Schedule and Exhibit attached hereto and referred to herein is each an integral part of this Agreement.

Section 8.15. Sole Benefit

The rights and benefits set forth in this Agreement are for the sole benefit of the parties thereto and may be relied upon only by them.

Section 8.16. Prior Loan Contracts

It is understood and agreed that with respect to all loan agreements previously entered into by and between RUS and the Borrower, including, without limitation, the Existing Loan Contract, (hereinafter being referred to as "Prior Loan Contracts") the Borrower shall be required, as of the date hereof, to meet affirmative and negative covenants as set forth in this Agreement rather than those set forth in any Prior Loan Contract. As of the date hereof, this Agreement replaces and supersedes any Prior Loan Contract. In the event of any conflict between any provision set forth in the Prior Loan Contract and any provision in this Agreement, the requirements as set forth in this Agreement shall apply.

Section 8.17. Authority of RUS Representatives

In the case of any consent, approval or waiver from the RUS that is required under this Agreement or any other Loan Document, such consent, approval or waiver must be in writing and signed by an authorized RUS representative to be effective. As used in this Section 8.17, "authorized RUS representative" means the Administrator of RUS, and also means a person to

whom the Administrator has officially delegated specific or general authority to take the action in question.

Section 8.18. Relation to RUS Regulations

(a) In case of any conflict between the terms of this Agreement and the provisions of the RUS Regulations, the terms of this Agreement shall control.

(b) The RUS Regulations shall apply to the Borrower to the extent and under the conditions expressly set forth in this Agreement (other than in Section 4.11). To the extent this the terms of this Agreement, the Indenture, and the RUS Regulations are silent on an issue relating to System operation, control, maintenance, and accounting, the Borrower will comply with Prudent Utility Practice.

(c) The Borrower recognizes that some RUS Regulations implement Federal statutes or regulatory policies that are not limited to rural electrification but apply to many types of Federal assistance. Nothing herein is intended to, or shall be deemed to, waive the requirements of any Federal statute or regulation that is applicable to the Borrower independently of any requirement made applicable solely by the RUS Regulations.

(d) Subject to paragraphs (b) and (c) above, if on the date of this Agreement, any RUS Regulation conflicts with the terms of this Agreement or the Indenture pursuant to 7 C.F.R. 1710.113(c)(2) (62 F.R. 7721 & 18037 (1997)), the RUS hereby waives compliance by the Borrower with such RUS Regulations.

Section 8.19. Term

This Agreement shall remain in effect until one of the following two events has occurred:

(a) The Borrower and the RUS replace this Agreement with another written agreement; or

(b) All of the Borrower's obligations under this Agreement and the RUS Notes have been discharged and paid.

Section 8.20. Relation to Indenture

The RUS is a party to this Agreement and a Holder of Outstanding Secured Obligations under the Indenture. Both this Agreement and the Indenture govern the relationship between the Borrower and the RUS, and the parties intend that the Indenture and this Agreement independently govern such relationship. Each provision of this Agreement is intended to and shall be fully operative and enforceable as written whether or not the subject matter of any such provision is or is not addressed by the Indenture, or, if so addressed, is addressed in a different way from that set forth in this Agreement.

(Signatures begin on next page.)

BIG RIVERS ELECTRIC CORPORATION

By: Mark A. Bailey
Name: Mark A. Bailey
Title: President and CEO

THE UNITED STATES OF AMERICA

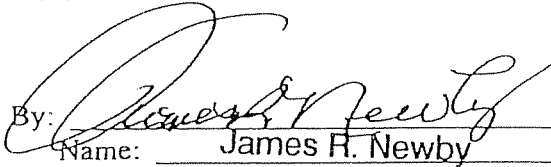
By: 
Name: James R. Newby
Title: Acting Administrator

EXHIBIT A

To the Amended and Consolidated Loan Contract, dated as of July 1, 2009
between Big Rivers Electric Corporation, Old National Bank,
U.S. Bank National Association, and the United States of America

LOCKBOX AGREEMENT

This **LOCKBOX AGREEMENT** (this "Agreement") is entered into as of [], 2009, by and among Big Rivers Electric Corporation, Old National Bank, as Lockbox Bank (the "Bank"), U.S. Bank National Association, not individually or personally but solely in its capacity as trustee (the "Trustee") under the Indenture (defined below) and the United States of America, acting by and through the Administrator of the Rural Utilities Service (together with any agency succeeding to the powers and rights of the Rural Utilities Service, the "RUS").

WHEREAS, the Company, as grantor, and the Trustee have entered into an Indenture, dated as of July 1, 2009 (such indenture, as from time to time amended, supplemented or restated, the "Indenture"), whereby, among other things, the Company has granted a security interest in certain contracts of the Company for the purchase or sale of, and transmission of, electric power and energy by or on behalf of the Company;

WHEREAS, the Company has entered into wholesale power contracts (the "Wholesale Power Contracts") as listed on Exhibit D to the Loan Contract (as hereinafter defined);

WHEREAS, under the Indenture, the Company has also granted a security interest in the proceeds of the "Trust Estate" (as defined in the Indenture), including all proceeds of the Wholesale Power Contract;

WHEREAS, the Company and the RUS, have entered into an Amended and Consolidated Loan Contract, dated as of July 1, 2009 (such loan contract, as from time to time amended, supplemented or restated, the "Loan Contract") in which the Company has agreed, upon the occurrence of certain conditions and at the request of the RUS, to deposit cash proceeds of the Trust Estate as provided in the Indenture, the Loan Contract and this Agreement.

NOW, THEREFORE, the parties hereto agree as follows:

Section 1. Definitions. Terms used in this Agreement with initial letters capitalized that are defined in the Indenture and are not otherwise defined herein have the meanings assigned to them in the Indenture. In addition, the following terms have the meanings assigned to them below:

(a) "Applicable Period" shall mean any period commencing on the date the Company receives notice from the RUS in writing pursuant to Section 4.12 of the Loan Contract, and ending on the date the Company receives notice from the RUS in writing that such period no longer exists; and

(b) "Pledged Revenues" shall mean all cash proceeds (as defined in the Uniform Commercial Code) of the Trust Estate received or receivable by the Company in which the Indenture creates a security interest pursuant to the Uniform Commercial Code that are not deposited or required to be deposited with the Trustee pursuant to the Indenture; provided, however, to ease administrative burdens of the Company, Pledged Revenues shall not include cash proceeds (other than cash proceeds from the Wholesale Power Contracts) in an amount equal to or less than \$10,000 from any Person during any one month period.

Section 2. Lockbox Account. There is hereby created and established with the Bank a special account to be titled the "Big Rivers Electric Corporation Special Cash Account" (the "Lockbox Account"), account number []. The money deposited into the Lockbox Account, together with all investments thereof and investment income therefrom, shall be applied solely as provided in this Agreement.

Section 3. Account Subject to Pledge of the Indenture. Amounts deposited into the Lockbox Account shall constitute a portion of the Trust Estate pledged pursuant to the Indenture for the equal and ratable security of all the Outstanding Secured Obligations in accordance with and as provided by the terms of the Outstanding Secured Obligations and the Indenture. The Bank shall hold all such amounts deposited in the Lockbox Account pursuant to this Agreement as agent of the Trustee to perfect the lien of the Indenture therein. Except as otherwise permitted under Section 12, the Lockbox Account shall not be closed without the written consent of the RUS.

Section 4. Partial Waiver of Right of Set Off. Except to the extent of any amounts due to the Bank on account of items credited to the Lockbox Account prior to collection that are not subsequently collected, the Bank hereby waives, and agrees that it shall not exercise, any right of set off or any banker's lien with respect to the Lockbox Account; provided, however, that nothing in this Agreement shall be deemed to constitute a waiver by the Bank of its right of set off or any banker's lien with respect to any other account of the Company.

Section 5. Payments to Be Made to Account. During any Applicable Period, the Company shall direct each of its members and each other Person obligated to make any payment to the Company of Pledged Revenues to make such payments to the Bank at the address or in such other manner as specified in Section 6 for deposit into the Lockbox Account. The Company agrees not to make, cause or permit to be made any deposits of moneys other than Pledged Revenues into the Lockbox Account. The Company shall use its best efforts to cause its members and each other Person obligated to make any payment of Pledged Revenues to make such payments in accordance with the provisions of this Agreement.

Section 6. Manner of Payment

(a) During any Applicable Period, payments of Pledged Revenues made by mail shall be mailed to:

[]

Reference: Big Rivers Electric Corporation Special Cash Account

or to such other address as may be specified by the Bank to the Company at least thirty (30) days before the effective date of such change. During any Applicable Period, electronic payments of Pledged Revenues shall be made in the following manner:

{ }

All such payments of Pledged Revenues shall be accompanied by such references or other instructions to the Bank to deposit such payments in the Lockbox Account. The Bank shall have no responsibility or liability for failing to deposit any moneys in the Lockbox Account which are not accompanied by such references or other instructions to deposit such moneys in such account.

(b) All such payments received by the Bank shall be deposited into the Lockbox Account and held subject to the provisions hereof. The Bank is hereby authorized, empowered and directed by the Company to deposit all funds received as described in Section 6(a) into the Lockbox Account and to make all necessary endorsements and to take all other necessary actions to carry out the purposes of this Agreement. The Company hereby waives notice of presentment, protest and non-payment of any instrument so endorsed.

(c) During any Applicable Period, the Company shall promptly, and no event later than the Business Day following the receipt thereof, remit to the Bank in accordance with Section 6(a) for deposit into the Lockbox Account any Pledged Revenue that is received by the Company.

Section 7. Accounting. No less frequently than once each month, the Bank shall deliver by mail a statement to the Company, with copies to the Trustee, the RUS and such other Persons as may be designated by the Company, which shall identify the date, maker and amount of each deposit to the Lockbox Account, and the date, payee and amount of each withdrawal or other debit to the Lockbox Account.

Section 8. Disbursements.

(a) Upon written demand of the Trustee, accompanied by a statement that there has occurred and is continuing under the Indenture an Event of Default, and continuing until such demand is rescinded, the Bank shall pay to the Trustee all amounts then or thereafter on deposit in the Lockbox Account, to be applied by the Trustee as provided under the Indenture. Such amounts so paid shall be held and administered by the Trustee in accordance with general terms and conditions set forth in the Indenture.

(b) So long as the Bank shall not have received a written demand from the Trustee under paragraph (a) above, on the fifth (5th) Business Day preceding the end of each month during the Applicable Period, the Bank shall withdraw and pay (or deposit in another, unrestricted account, at the direction of the appropriate party listed below) from the amounts on deposit in the Lockbox Account the following amounts in the order indicated to the extent funds are available in the Lockbox Account:

(1) to the Bank, the amount of fees and expenses that are then payable to the Bank under Section 9;

(2) to the Trustee, the amount certified by the Trustee as the amount of any fees or expenses that are then payable to the Trustee under the Indenture;

(3) to the Company, the amount specified in a written request as the amount of ordinary and necessary payments due from the Company for the following month, including, without limitations, payments for operations and regularly scheduled debt service;

(4) to the Trustee, the amount certified by the Company as the amount necessary to provide for the payment of the principal and interest then due or (based on receipt by the Trustee on a monthly basis of a proportional amount of principal and accrued interest) becoming due on the Outstanding Secured Obligations during the following month, for deposit as Trust Moneys under the Indenture;

(5) to the Company, the amount specified in a written request as the amount of expenditures approved for the following month in accordance with a capital expenditure budget approved by the RUS;

(6) to the Company, the amount specified in a written request as the amount of expenditures for the following month approved in writing by the RUS for other purposes; and

(7) to the payment of any amounts due under Obligations to maintain the value of reserve funds established and maintained in connection with debt securities (A) secured by a pledge of certain Obligations, (B) issued on behalf of the Company and (C) with respect to which an opinion was delivered on the date of the issuance of such securities to the effect that the interest on such securities is excluded from the gross income of the holder of such securities pursuant to the Internal Revenue Code, as amended.

(c) Any amounts remaining on deposit in the Lockbox Account on the day following the end of the month in which (i) an Applicable Period no longer exists (as evidenced by an Officers' Certificate and a notice from the RUS to such effect) or (ii) this Agreement terminates pursuant to Section 13, shall be paid to the Company in accordance with, and upon receipt of, a written request, to be used for any lawful purpose.

(d) Pending disbursements of the amounts on deposit in the Lockbox Account, the Bank shall promptly invest and reinvest such amounts in the Defeasance Securities specified in any Company Order or in a mutual fund consisting of Defeasance Securities, or in such other investments as may be approved in writing by the RUS.

(e) Any amounts deposited in the Lockbox Account that do not constitute Pledged Revenues, as identified to the Bank in writing by either of the RUS or the Trustee, shall be promptly paid to the Company (provided that during any period described in paragraph (a) above, in which case such amounts so identified shall be paid to the Trustee). The Company

agrees to promptly notify both of the Trustee and the RUS of any deposits into the Lockbox Account of any amounts not constituting Pledged Revenues.

(f) The RUS agrees that, so long as an Applicable Period exists, it shall promptly respond to any request made by the Company for expenditures pursuant to this Section. If the RUS has not responded within five (5) days (during which the offices of the RUS are open) of the receipt by the RUS of a written request for expenditures, such request will be deemed to have been approved by the RUS. In disbursing any such amounts that are subject to RUS approval, the Bank shall be able to conclusively rely on the Company's statement in writing that the RUS has approved such expenditure in writing or has been deemed to have approved such expenditure.

Section 9. Fees and Expenses of Bank. The Company agrees

(a) to pay to the Bank from time to time such compensation as may be specifically agreed upon with the Bank and, absent specific agreement, reasonable compensation for 0 services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);

(b) except as otherwise expressly provided herein, to reimburse the Bank upon its request for all reasonable expenses, disbursements and advances incurred or made by the Bank in accordance with any provision of this Agreement (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to the Bank's negligence or bad faith; and

(c) to indemnify the Bank for, and to hold it harmless against, any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of this Agreement, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder.

All such payments and reimbursements shall be made with interest at the then prevailing prime rate of the Bank.

Section 10. Certain Rights of Bank.

(a) The Bank undertakes to perform such duties and only such duties as are specifically set forth in this Agreement and no implied covenants or obligations shall be read into this Agreement against the Bank. The Bank makes no representation or warranty as to the priority of any claim or the status, in the event of any insolvency, bankruptcy or other similar proceeding affecting the Company, of amounts held in the Lockbox Account or paid therefrom.

(b) In the absence of bad faith on its part, the Bank may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to the Bank and appearing to conform to the requirements of this Agreement. The Bank shall have no liability for actions taken pursuant to this Agreement other than as a result of its gross negligence or willful misconduct.

(c) The Bank may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order approval or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties and shall not be required to verify the accuracy of any information or calculations required to be included therein or attached thereto. Any request or direction of the Company mentioned herein shall be sufficiently evidenced by a written request and any resolution of the Board of Trustees may be sufficiently evidenced by a Board Resolution.

(d) Whenever in the administration of this Agreement, the Bank shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Bank (unless other evidence is herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officers' Certificate.

(e) The Bank may consult with counsel and the written advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

(f) The Bank may execute any of the powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and shall not be liable for the negligence or misconduct of such Persons appointed by the Bank with due care hereunder.

(g) The Bank shall not be liable for any errors of judgment made in good faith by it, unless it shall be proved that the Bank was grossly negligent or reckless in ascertaining the pertinent facts.

(h) The Bank shall not be required to give any bond or surety in respect of the execution of the obligations and trusts set forth in this Agreement or otherwise in respect hereof or of the Lockbox Account.

Section 11. Trustee's Rights, Obligations, Etc. The rights, duties, responsibilities and fees of the Trustee hereunder shall be governed by the provisions of Article IX of the Indenture relating to the Trustee and the indemnities provided for in the Indenture shall include all action by the Trustee taken hereunder.

Section 12. Removal, Resignation, Etc. The Bank may resign at any time upon thirty (30) days written notice to the Company, the Trustee and the RUS. The Company may remove the Bank, with the written consent of the RUS, upon thirty (30) days written notice to the Bank, the Trustee and the RUS. The RUS may remove the Bank upon thirty (30) days written notice to the Bank, the Company and the Trustee. Upon any such resignation or removal, the Company shall select another financial institution, with the approval of the RUS, with which to enter into a lockbox agreement substantially upon the terms contained in this Agreement and otherwise upon such terms as shall be permitted or required by the RUS. In the event the Company does not select a financial institution approved by the RUS, the RUS shall select such financial institution.

Section 13. Amendments with Consent of the RUS. Even though this Agreement establishes rights for the benefit of Holders of the Outstanding Secured Obligations, the terms, conditions and requirements of this Agreement are in addition to those found in the Indenture and have been required solely by the RUS. Accordingly, this Agreement can be terminated, amended, modified or supplemented in any way by the Company with the consent of only the RUS and without the consent of the Bank, the Trustee or the Holders of the Outstanding Secured Obligations; provided however that no amendment, modification or supplement to the obligations or rights of the Bank or the Trustee, or otherwise adversely affecting the Bank or the Trustee, shall be effective as to the Bank or the Trustee without the prior written consent of the Bank or the Trustee, or both, as the case may be. This Agreement shall automatically terminate on the date on which the RUS is no longer a Holder of any Outstanding Secured Obligation.

Section 14. Exculpation of the RUS. The RUS shall have no obligation or liability to any party to this Agreement.

Section 15. Benefits of Agreement. Nothing in this Agreement, express or implied, shall give to any Person, other than the parties hereto, and their successors hereunder and any separate trustee or co-trustee appointed under Section 9.14 of the Indenture, any benefit or any legal or equitable right, remedy or claim under this Agreement.

Section 16. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky.

Section 17. Counterparts. This Agreement may be executed in any number of counterparts, each of which so executed to be an original, but all such counterparts shall together constitute but one and the same instrument.

Section 18. Specific Performance. Each of the Trustee and the RUS is hereby, to the maximum extent permitted by applicable law, to demand specific performance of this Agreement at any time when the Company shall have failed to comply with any provision of this Agreement applicable to it. The Company hereby irrevocably waives, to the maximum extent permitted by applicable law, any defense based on the adequacy of a remedy at law that might be asserted as a bar to such remedy of specific performance.

Section 19. Waiver. No failure on the part of the Trustee, the Bank or the RUS to exercise, and no delay in exercising, any right hereunder, under the Indenture or under the Loan Contract, shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder or thereunder preclude any other or further exercise thereof. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

Section 20. Further Assurances. The Company agrees, at the cost and expense of the Company, to execute and deliver and file and record such further documents or instruments as the Trustee, the RUS or the Bank may reasonably request in order to carry out or confirm the respective rights of the Trustee, the RUS and the Bank under this Agreement.

Section 21. Entire Agreement. This written Agreement represents the final agreement between the parties and may not be contradicted by evidence of prior,

contemporaneous, or subsequent oral agreements of the parties. There are no unwritten oral agreements between parties.

[Signatures on next page.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

OLD NATIONAL BANK
as Lockbox Bank

By: _____
Name: _____
Title: _____

BIG RIVERS ELECTRIC CORPORATION

By: _____
Name: _____
Title: _____

U.S. BANK NATIONAL ASSOCIATION
as Trustee under the Indenture identified herein

By: _____
Name: _____
Title: _____

THE UNITED STATES OF AMERICA

By: _____
Name: _____
Title: _____

EXHIBIT B

To the Amended and Consolidated Loan Contract dated as of July 1, 2009 between Big Rivers Electric Corporation and United States of America

Equal Opportunity Contract Provisions

During the performance of this contract, the Borrower agrees as follows:

(a) The Borrower shall not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The Borrower shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Borrower agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

(b) The Borrower shall, in all solicitations or advertisements for employees placed by or on behalf of the Borrower, state that all qualified applicants shall receive consideration for employment without regard to race, color, religion, sex, or national origin.

(c) The Borrower shall send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representative of the Borrower's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(d) The Borrower shall comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.

(e) The Borrower shall furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and shall permit access to its books, records and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

(f) In the event of the Borrower's noncompliance with the non-discrimination clauses of this contract or with any of the said rules, regulations or orders, this contract may be canceled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in said Executive Order or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by law.

(g) The Borrower shall include the provisions of paragraphs (a) through (g) in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 12246, dated September 24, 1965, so that such provisions shall be binding upon each subcontractor or vendor. The Borrower shall take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

EXHIBIT C

To the Amended and Consolidated Loan Contract dated as of July 1, 2009
between Big Rivers Electric Corporation and United States of America

Description of Rating Agency Services

- (a) Comprehensive credit evaluation and assignment of an initial long term credit rating;
- (b) Ongoing surveillance of Big Rivers Electric Corporation's ("BR's") rating, including an annual meeting with senior ratings agency analysts, and a full credit report published annually;
- (c) Annual presentation by senior ratings agency analysts on BR's credit rating to BR's Board of Directors, if so requested;
- (d) Annual presentation by senior ratings agency analysts on BR's credit rating to the RUS, if so requested by the RUS; and
- (e) Furnish to the RUS copies of any written reports given to BR.

EXHIBIT D

Wholesale Power Contracts

1. Wholesale Power Contract made as of October 14, 1977, between the Borrower and Jackson Purchase Rural Electric Cooperative Corporation, as amended.
2. Wholesale Power Contract made as of June 11, 1962 between the Borrower and Meade County Rural Electric Cooperative Corporation, as amended.
3. Wholesale Power Contract made as of June 11, 1962 between the Borrower and Kenergy Corp. (successor by consolidation to Henderson Union Rural Electric Cooperative Corporation), as amended.
4. Wholesale Power Contract made as of June 11, 1962 between the Borrower and Kenergy Corp. (successor by consolidation to Green River Electric Corporation), as amended.
5. Agreement dated October 12, 1974 by and between the Borrower and Kenergy Corp. (successor by consolidation to Henderson-Union Electric Corporation), as amended.
6. Agreement dated October 12, 1974 by and between the Borrower and Kenergy Corp. (successor by consolidation to Green River Electric Corporation) as amended and restated by an Agreement dated February 16, 1988, as amended.
7. Agreement dated as of July 15, 1998 between the Borrower and Kenergy Corp. (successor by consolidation to Green River Electric Corporation and Henderson-Union Electric Cooperative Corp.). as amended.
8. Wholesale Electric Service Agreement (Alcan) dated July 16, 2009 by and between the Company and Kenergy Corp.
9. Wholesale Electric Service Agreement (Century) dated as of July 16, 2009 by and between the Company and Kenergy Corp.

COBANK, ACB
\$50,000,000 REVOLVING CREDIT LOAN FACILITY
TO
BIG RIVERS ELECTRIC CORPORATION

LOAN CLOSING DOCUMENTS

No. DOCUMENT

1. Loan Agreement
 - Exhibit A: Definitions and Rules of Interpretation
 - Exhibit B: Form of Request for Loan
 - Exhibit C: *Intentionally Deleted*
 - Exhibit D: Methodology for Calculating Premium
 - Exhibit E: Form of Promissory Note
 - Exhibit F: Big Rivers Electric Corporation Subsidiaries
 - Exhibit G. Big Rivers Material Litigation
2. Promissory Note
3. Articles of Incorporation, Bylaws, Board Resolutions and Incumbency Certificate
4. Evidence of All Consents and Approvals
5. Evidence of Insurance
6. Opinion of Counsel to Company
7. Good Standing Certificate
8. Delegation and Wire and Electronic Transfer Authorization

REVOLVING CREDIT AGREEMENT

THIS REVOLVING CREDIT AGREEMENT (this "Agreement") is entered into as of July 16, 2009 (the "Effective Date"), by and between **BIG RIVERS ELECTRIC CORPORATION**, a Kentucky corporation (the "Company"), and **CoBANK, ACB**, a federally chartered instrumentality of the United States ("CoBank").

In consideration of the agreements herein and in the other "Loan Documents" (as hereinafter defined) and in reliance upon the representations and warranties set forth herein and therein, the parties agree as follows:

ARTICLE 1

DEFINITIONS AND RULES OF INTERPRETATION

SECTION 1.01. Definitions. Capitalized terms used in this Agreement and defined in Exhibit A hereto shall have the meanings set forth in that Exhibit.

SECTION 1.02. Rules of Interpretation. The rules of interpretation set forth in Exhibit A shall apply to this Agreement.

ARTICLE 2

AMOUNT AND TERMS OF LOANS

SECTION 2.01. Commitment.

(A) **Amount of Commitment and Commitment Fee.** On the terms and subject to the conditions set forth herein, CoBank agrees to make senior unsecured loans to the Company (the "Loans") from time to time during the period commencing on the date hereof and ending on the third anniversary of the date hereof, in an aggregate principal amount not to exceed, at any one time outstanding \$50,000,000.00 (the "Commitment"). Within the limits and during the term of the Commitment, the Company may borrow, repay and reborrow. On the Effective Date, the Company shall pay a commitment fee to CoBank in the amount of \$250,000.

(B) **Reduction of Commitment.** The Company shall have the right, upon ten (10) Business Days' prior written notice to CoBank (which notice shall be irrevocable), to permanently cancel all or, subject to the next sentence hereof, a portion of the unused portion of the Commitment. Each reduction must be in a minimum amount of \$5,000,000, and, in the case of amounts in excess thereof, in \$1,000,000 increments.

SECTION 2.02. Purpose. The purpose of the Loans is for (a) interim financing of capital expenditures and (b) general corporate purposes.

SECTION 2.03. Availability. Subject to Article 3 hereof, the Loans will be made available from the closing of this Agreement until the Business Day immediately preceding the expiration of the Commitment or any extension thereof, upon the written request of the Company. Each request for a Loan (each a "Request for Loan") must be: (a) in the form attached hereto as Exhibit B; (b) duly executed and completed by the Company; and (c) be received by CoBank not later than 10:00 AM Mountain Time three (3) Business Days before the

date of the Loan. Requests for Loans shall be furnished by facsimile transmission to 303-740-4002. Loans will be made available by wire transfer of immediately available funds to such account or accounts as may be authorized by the Company on forms supplied or approved by CoBank.

SECTION 2.04. Interest.

(A) Interest Rate. The Company agrees to pay interest on the unpaid principal balance of the Loans at a fixed rate per annum equal to LIBOR plus the Applicable Margin. Rates may be fixed: (a) on three (3) Business Days' prior notice; (b) on balances of \$2,000,000 and in \$1,000,000 increments in excess thereof; and (c) for Interest Periods of 1, 2, 3, or 6 months, as selected by the Company; provided, however, in no event may rates be fixed for Interest Periods expiring after the Maturity Date.

(B) Calculation and Payment. In calculating interest, the date each Loan is made shall be included and the date each Loan or principal installment thereof is repaid shall, if received before 10:00 AM Mountain Time, be excluded. Interest on balances shall be calculated on the basis of the actual number of days elapsed in a year of 360 days and paid at the end of each Interest Period or, in the case of Interest Periods longer than three (3) months, at three (3) month intervals.

(C) Intentionally omitted.

(D) Applicable Margin and Unused Fee. For purposes hereof, the term "Applicable Margin" shall mean the percent per annum determined in accordance with the following:

1-3 Year Facility				
Level	S&P Rating	Moody's Rating	Unused Fee	LIBOR Margin
1	>A+	>A1	0.1750%	1.250%
2	A	A2	0.2000%	1.375%
3	A-	A3	0.2250%	1.500%
4	BBB+	Baa1	0.2500%	1.750%
5	BBB	Baa2	0.2750%	2.000%
6	< BBB-	< Baa3	0.3000%	2.500%

If the Credit Ratings from the Rating Agencies are different, then the higher Credit Rating shall be used in determining the Applicable Margin. If the Company does not have a Credit Rating, then if the Company has a senior secured credit rating, without credit enhancement, the Applicable Margin and unused fee shall be one level below that of that unenhanced senior secured credit rating. Otherwise, the Applicable Margin and unused fee shall be at Level 6.

The Company agrees to notify CoBank promptly after any change in the Company's Credit Rating. If as a result of any change, it is determined that a change to the Applicable Margin is warranted, then such change, if an increase, may be made at any time that is five (5) days after

the date of the change in the Company's Credit Rating, and, if a decrease, shall be made not later than five (5) days after written notice from the Company requesting CoBank to decrease the Applicable Margin.

For purposes hereof, the term "Unused Commitment Fee" shall mean the percent per annum determined in accordance with the pricing grid above. The Company shall pay CoBank an Unused Commitment Fee on the Commitment amount less the average amounts outstanding on the Loans during the preceding quarter. The Unused Commitment Fee is payable quarterly in arrears on the last day of each March, June, September and December, and on the Maturity Date, commencing on the date of the closing of this Agreement.

SECTION 2.05. Repayment. The Loans shall due and payable in full on the third anniversary of the date hereof (the "Maturity Date").

SECTION 2.06. Prepayment and Premium.

(A) **Voluntary.** The Company may prepay the Loans in whole or in part; provided, however, that in the case of partial prepayments, the minimum amount that may be prepaid at any one time shall be \$2,000,000 and amounts in excess thereof shall be in increments of \$1,000,000. In the event the Company desires to prepay the Loans, it shall notify CoBank thereof in writing not less than three (3) Business Days prior to the date on which the Company intends to prepay the Loans. Unless otherwise agreed to by CoBank in writing, all such notices shall be irrevocable. On the date fixed for prepayment, the Company shall prepay the Loans (or so much thereof as provided in the Company's notice), together with accrued interest thereon and, if applicable, any premium owing under Subsection (C) hereof.

(B) **Mandatory.** The Company shall prepay the Loans (i) if and to the extent that the unpaid principal balance of the Loans exceeds the maximum amount permitted to be outstanding under Section 2.01(A) hereof, (ii) if the Company sells assets subject to the Indenture, to the extent that there are excess proceeds after payments of the required amounts due under the Indenture, except that this subsection (ii) does not apply to any environmental credits or allowances that may be sold by the Company, and (iii) if there is a change of control of the Company. All such prepayments shall be due and payable on the date of the mandatory prepayment event, and shall be accompanied by a payment of all accrued interest thereon and, if applicable, any premium owing under Subsection (C) hereof.

(C) **Premium.** The Company agrees that in the event any Loan is repaid prior to its scheduled payment date (whether such payment is made voluntarily, as a result of a prepayment, as a result of an acceleration, or otherwise), or the Company fails to borrow any Loan on the date scheduled therefore (whether such failure is due to the inability to meet applicable conditions precedent, the suspension or termination of the Commitment, or otherwise), the Company shall pay to CoBank a premium in an amount calculated pursuant to Exhibit D hereto. Such premium shall be due and payable on the date such payment is made, the date on which the Loan was to commence, or at such other time as is contemplated herein.

SECTION 2.07. Note. The Company's obligation to repay the Loan shall be evidenced by a promissory note in substantially the form of Exhibit E hereto (the "Note"). The Note shall be duly completed, dated the date hereof, and in the amount of \$50,000,000 or such lesser amount as may from time to time be outstanding under this Agreement.

SECTION 2.08. Security. The Company's obligations hereunder and under the Note shall be secured by a statutory first priority Lien on all equity which the Company may now own or hereafter acquire or be allocated in CoBank.

SECTION 2.09. Payments.

(A) **Manner of Making Payments.** The Company shall make all payments to CoBank under this Agreement and the Note by wire transfer of immediately available funds in accordance with the following wire transfer instructions (or in accordance with such other wire transfer instructions as CoBank may direct by notice pursuant to Section 9.04):

Name of Bank:	CoBANK
Location:	Greenwood Village, CO
ABA No.:	307088754
Reference:	Big Rivers Electric Corporation Revolver

In addition, the Company agrees that CoBank need not present the Note as a condition for receiving payment thereon.

(B) **Late Payments; Default Rate.** In the event the Company fails to make any payment when due, then without limiting any other rights or remedies that CoBank may have for or on account of such failure, such payment shall be due and payable on demand and, at CoBank's option in each instance, shall accrue interest from the date due to the date paid at the Default Rate.

(C) **Business Days.** In the event any day on which principal, interest, premium, and/or fees is due and payable is not a Business Day, then such payment shall be made on the next Business Day and interest shall continue to accrue during such period on the principal balance of the Loans. Notwithstanding the preceding sentence, if the Maturity Date is not a Business Day, all payments due on the Maturity Date shall instead be due and payable on the last Business Day immediately preceding the Maturity Date.

(D) **Records.** CoBank shall keep a record of the unpaid principal balance of the Loans, the interest rate elections made with respect thereto, the interest accrued on the Loans, and all payments made with respect to the Loans, and such record shall, absent proof of error, be conclusive evidence of the outstanding principal and interest on the Loans.

Section 2.10. Increased Costs; Capital Requirements. If any change in Law shall impose, modify or deem applicable any reserve requirement, capital requirement, tax or other change and the result of any of the foregoing shall be to increase the cost to CoBank of making or maintaining any Loan (or of maintaining its obligation to make any such Loan), or to reduce the amount of any sum received or receivable by CoBank hereunder (whether of principal, interest or any other amount) then, upon request of CoBank, the Company shall pay to CoBank such additional amount or amounts as will compensate CoBank for such additional costs incurred or reduction suffered.

ARTICLE 3

CONDITIONS PRECEDENT

SECTION 3.01. Conditions Precedent to Closing. CoBank's obligation to close under this Agreement hereunder is subject to the following conditions precedent, which, in the case of instruments and documents, must be in form and content specified herein or otherwise acceptable to CoBank:

(A) **This Agreement.** CoBank shall have received a duly executed original copy of this Agreement.

(B) **Note.** CoBank shall have received an original copy of the Note, duly executed by the Company.

(C) **Evidence of Authority.** CoBank shall have received copies, certified by the Secretary-Treasurer or an Assistant Secretary of the Company as of the date hereof, of such board resolutions, evidence of incumbency, and other evidence as CoBank may require that this Agreement, the Note, and all Loan Documents executed in connection herewith or therewith have been duly authorized, executed and delivered.

(D) **Consents and Approvals.** CoBank shall have received such evidence as CoBank may require that any required consents and approvals referred to in Section 4.05 hereof have been obtained and are in full force and effect.

(E) **Insurance.** CoBank shall have received such evidence as CoBank may require that the Company is in compliance with Section 5.03 hereof.

(F) **Opinion of Counsel.** CoBank shall have received a duly executed original copy of an opinion of counsel to the Company.

(G) **Fees and Charges.** CoBank shall have received all fees and charges provided for herein.

(H) **Articles and Bylaws.** CoBank shall have received a copy of the Company's articles of incorporation and bylaws, certified by the Secretary-Treasurer or an Assistant Secretary of the Company as being in full force and effect as of the date hereof.

(I) **Good Standing Certificate.** CoBank shall have received a certificate of the Secretary of State of Kentucky dated within 30 days of the date hereof attesting to the due incorporation and good standing of the Company under the Laws of the State of Kentucky.

(J) **Unwind Transaction Financial Information.** CoBank shall have received financial information regarding the Company and its Subsidiaries as it may have reasonably requested, including confirmation of Unwind Transaction economics as detailed in the financial model provided to CoBank on October 21, 2008, and found such information satisfactory in its sole and absolute discretion.

(K) Closing of Unwind Transaction. The Unwind Transaction shall have closed and CoBank shall be satisfied in its sole and absolute discretion with the Final Order from the Kentucky Public Service Commission regarding the Unwind Transaction.

(L) Financial Covenants. The Company shall be in compliance with all Financial Covenants in Section 5.09 of this Agreement.

(M) Material Litigation. All material litigation involving the Company has been disclosed on Exhibit G hereto.

(N) Material Adverse Effect. There shall not have occurred a Material Adverse Effect since February 28, 2007.

(O) Defaults. There shall be not Defaults immediately after the closing of this Agreement.

SECTION 3.02. Conditions Precedent to Each Loan. CoBank's obligation to make each Loan to the Company hereunder (including the initial Loan) is subject to the following conditions precedent, which, in the case of instruments and documents, must be in form and content specified herein or otherwise acceptable to CoBank:

(A) Request for Loans. CoBank shall have received an original, duly executed copy of a Request for Loan and all instruments and documents contemplated thereby.

(B) Absence of Default. No Default or Event of Default or event which, with the giving of notice and/or passage of time and/or occurrence of any other condition, which would occasion a Default or Event of Default shall have occurred and be continuing.

(C) Representations and Warranties. Each of the representations and warranties of the Company set forth herein and in all other Loan Documents (other than any representation and warranty that refers to the date of this Agreement) shall be true and correct as of the date of the Loans.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES

To induce CoBank to enter into this Agreement and make the Loans contemplated hereby, the Company represents and warrants that:

SECTION 4.01. Organization, Etc. The Company and each Subsidiary: (A) is a corporation duly organized, validly existing, and in good standing under the Laws of its jurisdiction of incorporation; (B) has all requisite power and authority to own and operate its properties and to carry on its business as now conducted and as presently proposed to be conducted; and (C) is duly licensed or qualified and is in good standing as a foreign corporation in each jurisdiction wherein the nature of the business transacted by it or the nature of the property owned or leased by it makes such licensing or qualification necessary.

SECTION 4.02. Licenses, Permits, Etc. The Company and each Subsidiary has all licenses, permits, franchises, patents, copyrights, trademarks, tradenames, or rights thereto which are material to the conduct of its business or required by Law.

SECTION 4.03. Authority. The execution, delivery and performance by the Company of this Agreement and the other Loan Documents and the performance of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action and do not violate any provision of Law or of the articles of incorporation or bylaws of the Company or result in a breach of, or constitute a default under the Indenture or any other agreement to which the Company is a party or by which it may be bound.

SECTION 4.04. Binding Agreement. Each of the Loan Documents is, or when executed and delivered will be, the legal, valid, and binding obligation of the Company, enforceable in accordance with its terms, subject only to limitations on enforceability imposed in equity or by applicable bankruptcy, insolvency, reorganization, moratorium, or similar Laws affecting creditors' rights generally.

SECTION 4.05. Consents. No consent, permission, authorization, order, or license of any governmental authority or of any party to any agreement to which the Company is a party or by which it or any of its property may be bound or affected, is necessary in connection with the execution, delivery, or performance of the Loan Documents, except such as have been obtained and are in full force and effect.

SECTION 4.06. Compliance with Laws. Neither the Company nor any Subsidiary is in violation of any Law to which it is subject, which violation could reasonably be expected to have a Material Adverse Effect.

SECTION 4.07. Pending Litigation. Except as disclosed in the opinion furnished under Section 3.01(F) hereof, there are no actions, suits or proceedings pending, or to the knowledge of the Company, threatened against or affecting the Company or any Subsidiary in any court or before any governmental authority, arbitration board or tribunal, mediator, or the like, which could reasonably be expected to have a Material Adverse Effect. Neither the Company nor any Subsidiary is in default with respect to any judgment or any order of any court, governmental authority, arbitration board or tribunal, mediator or the like.

SECTION 4.08. Financial Statements. The audited consolidated balance sheets of the Company and its consolidated Subsidiaries as of December 31 for each of the years 2005, 2006, 2007 and 2008, and the audited statements of operations, changes in equity, and statements of cash flows for the years ended on such dates, each accompanied by a report thereon containing an opinion unqualified as to scope and otherwise without qualification, in each such case, have been prepared in accordance with GAAP consistently applied except as therein noted, are correct and complete and present fairly the financial position of the Company and its Subsidiaries as of such dates and the results of their operations and changes in their financial position or cash flows for such periods. Since December 31, 2008, there has been no change in the financial position of the Company which could reasonably be expected to have a Material Adverse Effect. Neither the financial statements referred to above nor this Agreement or any other written statement furnished by the Company to CoBank in connection herewith contains any untrue statement of a material fact or taken as a whole omits a material fact necessary to

make the statements contained therein or herein not misleading. There is no fact peculiar to the Company or its Subsidiaries which the Company has not disclosed to CoBank in writing which could reasonably be expected to have a Material Adverse Effect.

SECTION 4.09. Subsidiaries. Exhibit F hereto states the name of each of the Company's Subsidiaries, its jurisdiction of incorporation, and the percentage of its voting stock owned by the Company and/or its Subsidiaries. The Company and each Subsidiary has good and marketable title to all of the shares it purports to own of the stock of each Subsidiary free and clear in each case of any Lien (other than the Lien of the Indenture). All such shares have been duly issued and are fully paid and non-assessable.

SECTION 4.10. No Defaults. Neither the Company nor any Subsidiary is in default in the payment of principal or interest on any indebtedness for borrowed money, and is not in material default under any instrument or instruments or agreements under and subject to which any indebtedness for borrowed money has been issued, and no event has occurred and is continuing under the provisions of any such instrument or agreement which with the lapse of time or the giving of notice, or both, would constitute an event of default thereunder. In addition, the Company is not in default under any Wholesale Power Contract or any other agreement which, if terminated, could reasonably be expected to have a Material Adverse Effect.

SECTION 4.11. Title to Properties. The Company and each Subsidiary has good and marketable title in fee simple (or its equivalent under applicable Law) to all material parcels of real property and has good title to all the other material items of property it purports to own, including that reflected in the most recent balance sheet referred to in Section 4.08 hereof, except as sold or otherwise disposed of in the ordinary course of business and except for the Lien of the Indenture and Permitted Exceptions.

SECTION 4.12. Taxes. All tax returns required to be filed by the Company or any Subsidiary in any jurisdiction have, in fact, been filed, and all taxes, assessments, fees and other governmental charges upon the Company or any Subsidiary or upon any of their respective properties, income or franchises, which are shown to be due and payable in such returns have been paid. The Company does not know of any proposed material additional tax assessment against it for which adequate provision has not been made on its accounts, and no material controversy in respect of additional Federal or state income taxes due since said date is pending or to the knowledge of the Company threatened. The provisions for taxes on the books of the Company and each Subsidiary are adequate for all open years, and for its current fiscal period.

SECTION 4.13. Compliance with Environmental Laws. Neither the Company nor any Subsidiary is in material violation of any applicable Laws relating to public health, safety or the environment (including, without limitation, relating to releases, discharges, emissions or disposals to air, water, land or ground water, to the withdrawal or use of ground water, to the use, handling or disposal of polychlorinated biphenyls (PCB's), asbestos or urea formaldehyde, to the treatment, storage, disposal or management of hazardous substances (including, without limitation, petroleum, crude oil or any fraction thereof, or other hydrocarbons), pollutants or contaminants, to exposure to toxic, hazardous or other controlled, prohibited or regulated substances), which violation could reasonably be expected to have a Material Adverse Effect. The Company does not know of any liability or class of liability of the Company or any Subsidiary under the Comprehensive Environmental Response, Compensation

and Liability Act of 1980, as amended (42 U.S.C. Section 9601 et seq.), or the Resource Conservation and Recovery Act of 1976, as amended (42 U.S.C. Section 6901 et seq.).

SECTION 4.14. ERISA. The Company and each of its ERISA Affiliates is in compliance with all requirements of ERISA, the Company and each ERISA Affiliate have met their minimum funding requirements under ERISA with respect to each plan governed thereby, no grounds exist entitling the Pension Benefit Guaranty Corporation to institute proceedings to terminate a plan maintained by the Company or any ERISA Affiliate this is subject to ERISA, and neither the Company nor any ERISA Affiliate has any liability arising from the withdrawal or termination of any plan subject to ERISA.

SECTION 4.15. Conflicting Agreements. None of the Loan Documents conflicts with, or constitutes (with or without the giving of notice and/or the passage of time and/or the occurrence of any other condition) a default under, any other agreement to which the Company or any Subsidiary is or expects to become a party or by which the Company, any Subsidiary, or any of its or their properties may be bound or affected.

ARTICLE 5

AFFIRMATIVE COVENANTS

Unless otherwise agreed to in writing by CoBank, while this Agreement is in effect, the Company agrees to:

SECTION 5.01. Compliance with Indenture. Comply with all of the terms of the Indenture.

SECTION 5.02. Compliance With Laws. Comply in all material respects, and cause each Subsidiary to comply in all material respects, with all applicable Laws (including all Laws relating to ERISA and the environment), which, if not complied with, could reasonably be expected to have a Material Adverse Effect.

SECTION 5.03. Insurance. Maintain insurance with such companies, in such amounts, and covering such risks as is required to be maintained by the Company under the terms of the Indenture. In addition, the Company agrees to cause each Subsidiary to maintain insurance in such amounts and covering such risks as are usually carried by companies engaged in the same business and similarly situated. The Company agrees to furnish to CoBank such proof of compliance with this Section as CoBank may from time to time reasonably require.

SECTION 5.04. Property Maintenance. Maintain the System in accordance with Prudent Utility Practice.

SECTION 5.05. Books and Records. Keep, and cause each Subsidiary to keep, adequate records and books of account in which complete entries will be made in accordance with Accounting Requirements.

SECTION 5.06. Reports and Notices. Furnish to CoBank:

(A) Annual Financial Statements. As soon as available, but in no event more than 120 days after the end of each fiscal year of the Company occurring during the term hereof, annual consolidated and consolidating financial statements of the Company and its consolidated Subsidiaries prepared in accordance with GAAP consistently applied. Such financial statements shall: (a) in the case of the consolidated statements, be audited by a firm of nationally recognized independent certified public accountants selected by the Company; (b) in the case of the consolidated statements, be accompanied by a report of such accountants containing an unqualified opinion to the effect that the financial statements: (i) were audited in accordance with generally accepted auditing standards; and (ii) present fairly, in all material respects, the financial position of the Company as at the end of the year and the results of its operations for the year then ended, in conformity with GAAP; (c) be prepared in reasonable detail and in comparative form; and (d) include a balance sheet, a statement of operations, a statement of changes in equity, a statement of cash flows, and all notes and schedules (including consolidating schedules) relating thereto.

(B) Interim Financial Statements. As soon as available, but in no event more than 60 days after the end of the first three fiscal quarters of the Company of each year occurring during the term hereof, a consolidated balance sheet of the Company and its consolidated Subsidiaries as of the end of such quarter and a consolidated statement of operations for the Company and its consolidated Subsidiaries for such period and for the period year to date, all prepared in reasonable detail and in comparative form in accordance with GAAP consistently applied.

(C) Officer's Certificate. Together with each set of financial statements delivered to CoBank pursuant to Subsections (A) and (B) of this Section 5.06, a certificate of the Chief Financial Officer of the Company (or other officer of the Company acceptable to CoBank): (1) stating the Debt Service Coverage Ratio achieved by the Company for the fiscal year covered by such financial statements and setting forth the calculations used in computing such Ratio; (2) setting forth a comparison of how the Company's actual financial results compared to its budget, (3) setting forth Big Rivers' Credit Rating from each Rating Agency which has issued a Credit Rating; and (4) certifying that, to the best knowledge of such officer, no Default or Event of Default occurred during the period covered by such statements or, if a Default or Event of Default did occur during such period, a statement as to the nature thereof, whether such Default or Event of Default is continuing, and if continuing, the action which is proposed to be taken with respect thereto.

(D) Annual Financial Information and Budgets.

(1) RUS Form 12; FERC Form 1. As soon as available, but in no event more than 120 days after each fiscal year end, a copy of either the Company's Form 12 submitted to RUS or FERC Form 1 submitted to Federal Energy Regulatory Commission.

(2) Budgets. As soon as available, but in no event more than 60 days after each fiscal year end, annual budgets and forecasts of operations for the Company and its Subsidiaries for the ensuing year and for an additional two (2) year period, in such detail as CoBank may from time to time reasonably require.

(E) Notice of Litigation, Material Matters, Etc. Promptly after becoming aware thereof, notice of: (1) the commencement of any action, suit or proceeding against the Company or any Subsidiary before any court, governmental instrumentality, arbitrator, mediator or the like which, if adversely decided, could reasonably be expected to have a Material Adverse Effect; (2) the receipt of any notice, indictment, pleading, or other communication alleging a condition that: (a) may require the Company or any Subsidiary to undertake or to contribute to a clean-up or other response under any Environmental Law, or which seeks penalties, damages, injunctive relief, or other relief as a result of an alleged violation of any such Law, or which claims personal injury or property damage as a result of environmental factors or conditions; and (b) if true or proven, could reasonably be expected to have a Material Adverse Effect or result in criminal sanctions; (3) the occurrence of any other event or matter (including the rendering of any order, judgment, ruling and the like) which could reasonably be expected to have a Material Adverse Effect; (4) the occurrence of any event under the Indenture that could cause the Trustee to resign; and (5) the breach by the Trustee of any provision of the Indenture.

(F) Notice of Default. Promptly after becoming aware thereof, notice of the occurrence of a Default, or an Event of Default.

(G) Notice of Certain Events. Notice of each of the following at least 30 days prior thereto: (1) any change in the name or structure of the Company; or (2) any change in the Trustee; (3) the sale by the Company or any Subsidiary of all or a portion of the equity interests held by the Company or any Subsidiary; and (4) the discontinuance of any material part of the operations of the Company or any Subsidiary.

(H) Ratings. Promptly after receipt thereof by the Company, a copy of each Credit Rating received by the Company, together with all reports issued in connection therewith.

(I) Other Information. Such other information regarding the condition or operations, financial or otherwise, of the Company and its Subsidiaries as CoBank may from time to time reasonably request, including copies of all pleadings, notices and communications referred to in Section 5.06(E) hereof.

SECTION 5.07. Capital. Acquire voting stock in CoBank in such amounts and at such times as CoBank may from time to time require in accordance with its bylaws and capital plan (as each may be amended from time to time). The rights and obligations of the parties with respect to such stock and any patronage or other distributions made by CoBank shall be governed by CoBank's bylaws and capital plan (as each may be amended from time to time).

SECTION 5.08. Inspection. Permit CoBank or its agents, upon reasonable notice and during normal business hours or at such other times as the parties may agree, to examine the properties, books and records of the Company and its Subsidiaries, and to discuss its affairs, finances and accounts with its officers, directors, and independent certified public accountants.

SECTION 5.09. Financial. Meet the following financial ratios and maintain the following reserves:

(A) Debt Service Coverage Ratio: The Company will have at the end of each fiscal year a Debt Service Coverage Ratio of not less than 1.20 to 1.00.

(B) **Equity to Assets Ratio:** The Company will have, on both a consolidated and unconsolidated basis, at the end of each fiscal quarter, a ratio of equity to total assets (as determined in accordance with GAAP) of not less than 0.15 to 1.00.

(C) **Maintenance of Transition Reserve:** The Company will maintain a \$35.0 million transition reserve which will be utilized to offset any costs and expenses related to a termination of a Smelter Power Contract.

ARTICLE 6

NEGATIVE COVENANTS

Unless otherwise agreed to in writing by CoBank, while this Agreement is in effect:

SECTION 6.01. Consolidations, Mergers and Corporate Reorganizations. The Company shall not consolidate or merge with or into any other Person, or convey or transfer all or any material portion of its assets to any Person, or otherwise reorganize its corporate structure to transfer functions or any part of its assets to any other Person.

SECTION 6.02. Material Contracts. The Company shall not: (A) enter any contract for the management or operation of all or any material portion of its assets; (B) breach or terminate any Wholesale Power Contract; or (C) amend, supplement, modify, or waive any provision of a Wholesale Power Contract, if the effect thereof could reasonably be expected to have a Material Adverse Effect.

SECTION 6.03. Other Businesses, Fiscal Year, Etc. The Company shall not: (A) engage in any business that is substantially different from or unrelated to the business conducted by the Company on the date hereof; or (B) change its fiscal year; or (C) change any material provision of its articles of incorporation or bylaws that alters the basic purpose of the Company.

SECTION 6.04. Total Unsecured Indebtedness. The Company will shall not incur more than \$125,000,000 in total unsecured indebtedness, exclusive of trade payables incurred in the ordinary course of the Company's business.

ARTICLE 7

EVENTS OF DEFAULT

Each of the following shall constitute an "Event of Default" hereunder:

SECTION 7.01. Payment Default. The Company should fail to make any payment to CoBank hereunder or under the Note within three (3) days of the due date, except that the three (3) day grace period shall not apply to all payments due on the Maturity Date.

SECTION 7.02. Indenture. An Indenture Event of Default shall have occurred and be continuing.

SECTION 7.03. Representations and Warranties, Etc. Any opinion, certificate or like document furnished to CoBank by or on behalf of the Company, or any representation or warranty made or deemed made by the Company herein or in any other Loan Document, shall prove to have been false or misleading in any material respect on or as of the date furnished, made or deemed made.

SECTION 7.04. Covenants. The Company should fail to perform or comply with any covenant set forth herein in any material respect and such failure continues for 30 days after written notice thereof shall have been given by CoBank to the Company.

SECTION 7.05. Change of Control. The Company shall cease to be an electric generation and transmission cooperative owned by its existing members.

SECTION 7.06. Cross Default. The Company should, after any applicable grace period, breach or be in default in the repayment of any other outstanding indebtedness with a balance in excess of \$5,000,000.

SECTION 7.07 Insolvency Proceedings, Etc. The Company or any of its Subsidiaries institutes or consents to the institution of any proceeding under any debtor relief Law; or makes an assignment for the benefit of creditors; or becomes unable to pay its indebtedness as they become due or otherwise become insolvent; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer for it or for all or any material part of its property; or any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer is appointed without the application or consent of such Person and the appointment continues undischarged or unstayed for sixty (60) calendar days; or an order for relief is entered in any such proceeding.

SECTION 7.08 Judgments. There is entered against the Company or any of its Subsidiaries (i) one or more final judgments or orders for the payment of money in an aggregate amount (as to all such judgments or orders) exceeding \$5,000,000 (to the extent not covered by independent third-party insurance as to which the insurer does not dispute coverage), or (ii) any one or more non-monetary final judgments that have, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect and, in either case, (A) enforcement proceedings are commenced by any creditor upon such judgment or order, or (B) there is a period of ten (10) consecutive Business Days during which a stay of enforcement of such judgment, by reason of a pending appeal or otherwise, is not in effect.

ARTICLE 8

REMEDIES UPON DEFAULT

SECTION 8.01. Remedies. Upon the occurrence and during the continuance of an Event of Default, CoBank may terminate the Commitment, declare the unpaid principal balance of the Note, all accrued interest thereon, and all other amounts payable under this Agreement, the Note, and all other Loan Documents to be immediately due and payable, and take such other action as may be permitted by Law or in equity, including an action or proceeding to specifically

enforce any covenant contained herein or to restrain the breach thereof. The Company hereby waives any defense to any such action that an adequate remedy at law exists.

SECTION 8.02. Default Rate. Upon the occurrence and during the continuance of any Event of Default, CoBank may, at its option in each instance and automatically following acceleration, charge interest on the unpaid principal balance of the Note at the Default Rate.

SECTION 8.03. Miscellaneous. Each and every one of CoBank's rights and remedies shall be cumulative and may be exercised from time to time, and no failure on the part of CoBank to exercise, and no delay in exercising, any right or remedy shall operate as a waiver thereof, and no single or partial exercise of any right or remedy shall preclude any future or other exercise thereof, or the exercise of any other right. Without limiting the foregoing, CoBank may hold and/or set off and apply against the Company's obligations to CoBank the proceeds of any equity in CoBank, any cash collateral held by CoBank, or any other balances held by CoBank for the Company's account (whether or not such balances are then due).

SECTION 8.04. Application of Funds. Upon the occurrence and during the continuance of an Event of Default, CoBank may apply all payments received by it to the Company's obligations to CoBank in such order and manner as CoBank may elect in its sole and absolute discretion.

ARTICLE 9

MISCELLANEOUS

SECTION 9.01. Complete Agreement, Amendments, Etc. The Loan Documents are intended by the parties to be a complete and final expression of their agreement. No amendment, modification, or waiver of any provision of the Loan Documents, and no consent to any departure by the Company herefrom or therefrom, shall be effective unless approved by CoBank and contained in a writing signed by or on behalf of CoBank, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

SECTION 9.02. Governing Law; Jurisdiction; Etc.

(A) GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

(B) SUBMISSION TO JURISDICTION. THE COMPANY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK SITTING IN THE BOROUGH OF MANHATTAN AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE

HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT COBANK MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST THE COMPANY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(C) WAIVER OF VENUE. THE COMPANY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (B) OF THIS SECTION. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(D) SERVICE OF PROCESS. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 9.04. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

SECTION 9.03. Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 9.04. Notices. All notices hereunder shall be in writing and shall be deemed to have been duly given upon delivery if personally delivered or sent by overnight mail or by facsimile or similar transmission, or three (3) days after mailing if sent by express, certified or registered mail, to the parties at the following addresses (or such other address as either party may specify by like notice):

If to CoBank, as follows:

CoBank, ACB
550 South Quebec Street
Greenwood Village, Colorado 80111
Facsimile: (303) 704-4002
Attention: Communications and
Energy Banking Group, and
Power Supply Section Manager

with a copy to:

Stephoe & Johnson LLP
750 Seventh Avenue, Suite 1800
New York, New York 10019
Facsimile: (212) 506-3950
Attention: Greg R. Yates, Esq.

If to the Company, as follows:

Big Rivers Electric Corporation
201 Third Street
Henderson, Kentucky 42420
Facsimile: (270) 827-2558
Attention: President and Chief Executive
Officer

with a copy to:

Sullivan, Mountjoy, Stainback & Miller
100 St. Ann Building
Owensboro, Kentucky
Facsimile: (270) 683-6694
Attention: James M. Miller, Esq.

SECTION 9.05. Costs, Expenses, and Taxes. To the extent allowed by Law, the Company agrees to pay all reasonable out-of-pocket costs and expenses (including the fees and expenses of counsel retained by CoBank) incurred by CoBank in connection with the origination, administration, interpretation, collection, and enforcement of this Agreement and the other Loan Documents, including, without limitation: (A) all costs and expenses incurred in determining compliance with the Company's obligations hereunder and other the other Loan Documents; (B) all costs and expenses (including all court costs) incurred in connection with any action or proceeding brought by CoBank under the terms hereof; and (C) any stamp, intangible, transfer or like tax incurred in connection with this Agreement or any other Loan Document or the recording hereof or thereof.

SECTION 9.06. Effectiveness and Severability. This Agreement shall continue in effect until all indebtedness and obligations of the Company under this Agreement and the Note shall have been paid or satisfied. Any provision of this Agreement or the Note which is prohibited or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or thereof.

SECTION 9.07. Successors and Assigns. This Agreement and the other Loan Documents shall be binding upon and inure to the benefit of the Company and CoBank and their respective successors and assigns, except that the Company may not assign or transfer its rights or obligations under this Agreement or the other Loan Documents without the prior written consent of CoBank. From time to time, consistent with the subsequent paragraph, CoBank may sell and assign its rights and/or participations in its rights under this Agreement, the Note, and all instruments and documents executed in connection with, or relating hereto (collectively, "Participations"): provided, however, that: (1) no such sale shall alter CoBank's obligations hereunder; and (2) any agreement pursuant to which CoBank may sell a Participation: (a) shall provide that CoBank shall retain the responsibility to exercise CoBank's rights hereunder and to

enforce the obligations of the Company; and (b) may provide that the approval of CoBank and participants holding more than 50% of the aggregate amount of the Loans and Commitments (or, in the event CoBank holds more than 50%, CoBank and at least one other participant) shall be required in order to approve any amendment, modification or waiver of any provision of this Agreement or any other Loan Document or to take action to have the Loans declared due and payable pursuant to the terms of this Agreement; provided, however, that such agreement may provide that each of the participants may have rights to approve or disapprove: (i) any increase in the Commitments, or any reduction, modification or forgiveness in the principal amount, interest rates or prepayment premiums owing on the Loans; (ii) any change in the dates on which interest or principal is due; or (iii) the release of any material collateral for the Loans. In connection with the foregoing, CoBank may disclose information concerning the Company and its affiliates to all prospective purchasers.

CoBank shall be permitted to make assignments in acceptable minimum amounts of \$5,000,000 to other financial institutions approved by the Company (so long as no Default or Event of Default), which approval shall not be unreasonably withheld; provided, however, that the approval of the Company shall not be required in connection with Participations and assignments to any Farm Credit institution. CoBank may participate the facility only to other Farm Credit institutions that pay patronage and as such, 100% of the commitment is eligible for patronage to the extent payable under CoBank's and the other institution's governance documents. In connection with any assignment or participation, CoBank shall continue to pay patronage on the portion of the Loans that it continues to hold and the assignee or participant shall pay patronage at its then current rate, if any, on the portion of the Loans assigned or participated. CoBank shall not be responsible for paying any difference in patronage on the portion of the Loans that it assigns or participates.

SECTION 9.08. Indemnification by the Company. The Company shall indemnify CoBank and its affiliates, officers, directors, employees, attorneys, agents and advisors against, and hold CoBank and its affiliates, officers, directors, employees, attorneys, agents and advisors harmless from, any and all losses, claims (including all reasonable out-of-pocket costs and expenses, including reasonable counsel fees and disbursements incurred in connection with defense thereof by CoBank) as a result of the funding of Loans, or the acceptance of payments due under the Loan Documents, damages, liabilities and related expenses (including the reasonable fees, charges and disbursements of any counsel for CoBank), and shall indemnify and hold harmless CoBank from all reasonable fees and time charges and disbursements for attorneys who may be employees of CoBank, incurred by CoBank or asserted against CoBank by any third party or by the Company arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder, the consummation of the transactions contemplated hereby or thereby, or the administration of this Agreement and the other Loan Documents, (ii) any Loan or the use or proposed use of the proceeds therefrom, (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Company or any of its Subsidiaries, or any Environmental Liability related in any way to the Company or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Company, and regardless of whether

CoBank is a party thereto; provided that such indemnity shall not, as to CoBank, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of CoBank or (y) result from a claim brought by the Company against CoBank for breach in bad faith of CoBank's obligations hereunder or under any other Loan Document, if the Company has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction. In no event shall either the Company or CoBank be responsible for consequential, punitive, indirect or special damages

SECTION 9.09. Headings. Captions and headings used in this Agreement are for reference and convenience of the parties only, and shall not constitute a part of this Agreement.

SECTION 9.10. USA Patriot Act Notice. CoBank hereby notifies the Company that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies the Company, which information includes the name and address of the Company and other information that will allow CoBank to identify the Company in accordance with the Act.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized officers as of the date shown above.

[Signatures on next page.]

COBANK, ACB

By: _____

Its: Todd E. Telesz
Vice President

BIG RIVERS ELECTRIC CORPORATION

By: _____

Its: Mark C. T. Bailey
President and CEO

[Revolving Credit Agreement]

EXHIBIT A

DEFINITIONS AND RULES OF INTERPRETATION

SECTION 1.01 Definitions. As used in the Agreement or any amendment thereto, the following terms shall have the following meanings:

Accounting Requirements shall have the meaning set forth in the Indenture.

Agreement shall mean the Revolving Credit Agreement dated as of July 16, 2009, by and between the Company and CoBank, as it may be amended or modified from time to time.

Applicable Margin shall have the meaning set forth in Section 2.04(D) hereof.

Business Day means: (1) any day other than a Saturday, Sunday, or other day on which CoBank is, or the Federal Reserve Banks are, closed for business; and (2) when used with respect to any Loan balance bearing or to bear interest based upon LIBOR, a day which is also a day on which dealings in US Dollar deposits are being carried out in the London interbank market and banks are open for business in New York and London.

CoBank shall mean CoBank, ACB and its successors and assigns.

Commitment shall have the meaning set forth in Section 2.01(A) hereof.

Company shall mean Big Rivers Electric Corporation and its permitted successors and assigns.

Credit Rating shall mean a rating assigned by a Rating Agency to unsecured corporate indebtedness issued by or on behalf of the Company that is not subject to credit enhancement.

Debt Service Coverage Ratio shall mean, for the fiscal year being measured: (a) the sum of that year's net income (after taxes and after eliminating any gain or loss on the sale of assets or other extraordinary gain or loss), plus depreciation expense, plus amortization expense, plus total interest expense, plus income taxes minus non-cash patronage, and minus non-cash income from subsidiaries and/or joint ventures; divided by (b) the sum of all scheduled payments of principal required to be made during that year on account of Total Long Term Debt plus total interest expense (all as calculated for the Company and its consolidated subsidiaries on a consolidated basis in accordance with GAAP consistently applied).

Default shall mean the occurrence of any event which with the giving of notice or the passage of time or the occurrence of any other condition would become an Event of Default.

Default Rate shall mean 4% per annum in excess of the rate or rates that would otherwise be in effect under the terms of the Note.

Dollars and the sign "\$" shall mean lawful money of the United States of America.

Environmental Laws shall mean any and all Federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the

protection of the environment or the release of any materials into the environment, including those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

Environmental Liability shall mean any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Company or any of its Subsidiaries directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

ERISA shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations and published interpretations thereof.

ERISA Affiliate shall mean any trade or business, whether or not incorporated, which is a member of a controlled group with the Company within the meaning of Section 4001(a)(14) of ERISA.

Event of Default shall mean any of the events specified in Article 7 of this Agreement.

GAAP shall mean generally accepted accounting principles in the United States.

Hazardous Materials shall mean all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

Indenture shall mean that certain Indenture dated as of July 1, 2009, between the Company and U.S. Bank National Association, as Trustee, as amended, supplemented or restated from time to time.

Indenture Default shall mean the occurrence of an event which, with the giving of notice and/or the passage of time and/or the occurrence of any other condition would become an Indenture Event of Default.

Indenture Event of Default shall mean an Event of Default (as defined in the Indenture).

Interest Period shall mean a period commencing on the day the Loan becomes effective and ending on the numerically corresponding day in the next calendar month or the month that is 2, 3, or 6 months thereafter, as the case may be; provided, however, that: (1) in the event such ending day is not a Business Day, such period shall be extended to the next Business Day unless such next Business Day falls in the next calendar month, in which case it shall end on the preceding Business Day; and (2) if there is no numerically corresponding day in the month, then such period shall end on the last Business Day in the relevant month.

Laws shall mean all laws, rules, regulations, codes, orders and the like.

LIBOR shall mean the rate per annum (rounded upward to the nearest thousandth and adjusted for any reserves required on "Eurocurrency Liabilities" (as hereinafter defined) for banks subject to "FRB Regulation D" (as hereinafter defined) or required by any other federal Law) equal to the rate quoted by the British Bankers Association (the "BBA") at 11:00 AM London time two (2) Business Days before the commencement of the Interest Period for the offering of U.S. Dollar deposits in the London interbank market for the Interest Period designated by the Company, as published by Bloomberg or another major information vendor listed on BBA's official website. For purposes hereof: (1) "FRB Regulation D" shall mean Regulation D as promulgated by the Board of Governors of the Federal Reserve System, 12CFR Part 204, as amended; and (2) "Eurocurrency Liabilities" shall have the meaning set forth in FRB Regulation D.

Lien shall mean any lien, mortgage, pledge, security interest, charge or encumbrance of any kind, whether voluntary or involuntary (including any conditional sale or other title retention agreement or any lease in the nature thereof).

Loans shall have the meaning set forth in Section 2.01(A) hereof.

Loan Documents shall mean this Agreement, the Note, and all instruments or documents relating to this Agreement or the Note to which the Company is a party.

Material Adverse Effect shall mean a material adverse effect on the condition, financial or otherwise, operations, properties, margins or business of the Company and its Subsidiaries taken as a whole, or on the ability of the Company or any Subsidiary to perform its obligations under the Loan Documents, the Indenture, any loan or other agreement with CoBank, or any loan or other agreement governing any material indebtedness of the Company.

Maturity Date shall have the meaning set forth in Section 2.05 hereof.

Moody's shall mean Moody's Investors Service, Inc.

Note shall mean the Promissory Note dated as of July 16, 2009, as it may be amended or restated from time to time.

Obligation shall have the meaning set forth in the Indenture.

Permitted Exceptions shall have the meaning set forth in the Indenture.

Person shall mean an individual, partnership, corporation, business trust, joint stock company, trust, unincorporated association, joint venture, governmental authority, or other entity of whatever nature.

Prudent Utility Practice shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry in the region during the relevant time period, or any of the practices, methods and acts that, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at lowest reasonable cost consistent with good business practices, reliability, safety and expedition. Prudent Utility Practice is not intended to be limited

to the optimum practice, method or act, to the exclusion of all others, but rather to include a spectrum of possible practices, methods or acts generally in acceptance in the region in light of the circumstances.

Rating Agency shall mean S&P and Moody's, and any successor to any of the above.

Request for Loan shall have the meaning set forth in Section 2.03 hereof.

RUS shall mean the Rural Utilities Service of the United States Department of Agriculture, or any entity that assumes and succeeds to the rights and obligations of RUS.

RUS Loan Agreement shall mean all loan and other credit agreements between the Company and RUS.

S&P shall mean Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies, Inc.

Smelter Power Contracts shall mean all of the Company's contracts for the supply of power to Alcan and Century Aluminum.

Subsidiary shall mean, as to the Company, a corporation, partnership, limited liability company, joint venture, or other Person of which shares of stock or other equity interests having ordinary voting power to elect a majority of the board of directors or other managers of such corporation, partnership, limited liability company, joint venture, or other Person are at the time owned, or the management of which is otherwise controlled, directly or indirectly, through one or more intermediaries, or both, by the Company.

System shall have the meaning set forth in the Indenture.

Total Long Term Debt shall mean the sum of (a) all indebtedness for borrowed money, (b) obligations which are evidenced by notes, bonds, debentures or similar instruments, and (c) that portion of obligations with respect to capital leases or other capitalized agreements that are properly classified as a liability on the balance sheet in conformity with GAAP or which are treated as operating leases under regulations applicable to them but which otherwise would be required to be capitalized under GAAP, in each case having a maturity of more than one year from the date of its creation or having a maturity within one year from such date but that is renewable or extendible, at the Company's option, to a date more than one year from such date or that arises under a revolving credit or similar agreement that obligates the lender(s) to extend credit during a period of more than one year from such date, including all current maturities in respect of such indebtedness whether or not required to be paid within one year from the date of its creation.

Trustee shall mean the Trustee under the Indenture.

Trust Estate shall have the meaning set forth in the Indenture.

Unused Commitment Fee shall have the meaning set forth in Section 2.04(D) hereof.

Unwind Transaction shall mean the transaction as detailed in the documents and financial model provided to CoBank on October 21, 2008, and approved by Final Order from the Kentucky Public Service Commission.

Wholesale Power Contracts shall mean the contracts listed on item 1 of Exhibit D to the Indenture, and all amendments, supplements, extensions and replacements thereto.

SECTION 1.02 Rules of Interpretation. The following rules of interpretation shall apply to the Agreement, the Note, and all amendments to either of the foregoing:

Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with Accounting Requirements, and all financial data submitted pursuant to this Agreement shall be prepared in accordance with such principles.

Number. All terms stated in the singular shall include the plural, and all terms stated in the plural shall include the singular.

Including. The term “including” shall mean including, but not limited to.

Default. The expression “while any Default or Event of Default shall have occurred and be continuing” (or like expression) shall be deemed to include the period following any acceleration of the Obligations (unless such acceleration is rescinded).

Incorporation. All Exhibits to the Agreement shall form a part of, and shall be fully incorporated by reference into, the Agreement as if set forth in full therein.

EXHIBIT B

REQUEST FOR LOAN

TO: CoBANK, ACB
FROM: BIG RIVERS ELECTRIC CORPORATION
DATE: _____, 200__
SUBJECT: REQUEST FOR LOAN

Reference is hereby made to that certain Revolving Credit Agreement dated as of July 16, 2009 (the "Loan Agreement") between **BIG RIVERS ELECTRIC CORPORATION** (the "Company") and **CoBANK, ACB** ("CoBank"). All capitalized terms used herein and not defined herein shall have the meanings given to those terms in the Loan Agreement.

Pursuant to Section 2.03 of the Loan Agreement, the undersigned, on behalf of the Company, hereby requests that CoBank make a Loan to the Company on _____, 20__ in the aggregate amount of \$ _____.

The Loan is to bear interest in accordance with the provisions of the Revolving Credit Agreement. Please wire transfer the proceeds of the Loans to the account shown in our Delegation And Wire And Electronic Authorization Form (the "Form") or, if more than one account is shown in the Form, to the following account:

To induce CoBank to make the Loan, I hereby certify as follows: (1) the Company has satisfied all conditions precedent set forth in the Loan Agreement to CoBank's obligation to make the Loans; and (2) without limiting (1) above: (a) each of the representations and warranties set forth in the Loan Agreement (other than those that relate to a specific date) is true and correct as of the date hereof; and (b) no Default or Event of Default exists.

BIG RIVERS ELECTRIC CORPORATION

By: _____

Its: _____

(Must be signed by an authorized employee or officer)

EXHIBIT C

RESERVED

EXHIBIT D

PREMIUM METHODOLOGY

The premium shall be an amount equal to the present value of any funding losses imputed by CoBank to have been incurred as a result of a repayment, prepayment, or failure to borrow. Such premium shall be determined and calculated in accordance with the methodology set forth below:

(A) Determine the difference between: (1) the rate estimated by CoBank on the date the rate was fixed to be its cost to fund the loan in the manner set forth in its then current methodology; minus (2) the rate estimated by CoBank on the date the premium is calculated to be its cost, less dealer concessions and other issuance costs, to fund a new fixed rate loan in accordance with its then current methodology having the remaining fixed rate period and repayment characteristics as the balance being repaid. If such difference is negative, there is no premium. If positive, continue to (B).

(B) Divide the result determined in (A) above by the number of times interest is payable during the year.

(C) For each interest period (or portion thereof) during which interest was scheduled to accrue at the fixed rate, multiply the amount determined in (B) above by the principal balance scheduled to have been outstanding during such period (such that there is a calculation for each interest period during which the amount repaid was scheduled to have been outstanding at the fixed rate).

(D) Determine the present value of each calculation made under (C) above as of the date of calculation based upon the scheduled time that interest on the amount repaid would have been payable and a discount rate equal to the rate set forth in (A)(2) above.

(E) Add all of the calculations made under (D) above. The result is the premium.

Nothing contained herein shall prevent CoBank from funding its loans in any manner as it may, in its sole discretion, elect, and the premiums provided for herein shall not be increased or decreased based on the actual methods chosen by CoBank to fund or hedge the loan being repaid.

EXHIBIT E
PROMISSORY NOTE

\$50,000,000

July 16, 2009

FOR VALUE RECEIVED, BIG RIVERS ELECTRIC CORPORATATION, a Kentucky corporation (the "Company"), hereby promises to pay to the order of **CoBANK, ACB** ("CoBank"), at the times, in the manner and with interest at the rate or rates hereinafter provided, the principal sum of **FIFTY MILLION DOLLARS** (\$50,000,000), or such lesser amount as from time to time may be outstanding under the Loan Agreement (as defined below). This Note has been given to evidence the Company's obligation to repay loans (the "Loans") made by CoBank, ACB to the Company pursuant to Section 2.01(A) of that certain Revolving Credit Agreement dated as of July 16, 2009, between the Company and CoBank (as amended or restated from time to time, the "Loan Agreement").

1. Repayment of Principal. The principal balance of this Note shall be due and payable in full on the Maturity Date (as such term is defined in the Loan Agreement).

2. Interest.

(A) Interest Rate. The Company agrees to pay interest on the unpaid principal balance of the Loans at a fixed rate per annum equal to LIBOR plus the Applicable Margin. Rates may be fixed: (a) on three (3) Business Days' prior notice; (b) on balances of \$2,000,000 and in \$1,000,000 increments in excess thereof; and (c) for Interest Periods of 1, 2, 3, or 6 months, as selected by the Company; provided, however, in no event may rates be fixed for Interest Periods expiring after the Maturity Date.

(B) Calculation and Payment. In calculating interest, the date each Loan is made shall be included and the date each Loan or principal installment thereof is repaid shall, if received before 10:00 AM Mountain Time, be excluded. Interest on balances shall be calculated on the basis of the actual number of days elapsed in a year of 360 days and paid at the end of each Interest Period or, in the case of Interest Periods longer than three (3) months, at three (3) month intervals.

(C) Default Rate. Notwithstanding the foregoing, in the event the Company fails to make any payment of principal or interest hereunder when due and payable, then without limiting any other rights and remedies, such payment shall, at CoBank's option in each instance, bear interest from the date when due to the date paid at 4% per annum in excess of the rate in effect on the Loans. In addition, upon the occurrence and during the continuance of any Event of Default, CoBank may, at its option in each instance and automatically following acceleration, charge interest on the unpaid principal balance of this Note at 4% per annum in excess of the rate or rates that would otherwise be in effect on the Loans. All such interest shall be payable upon demand.

3. Prepayment.

(A) Optional Prepayment. The Company shall have the right to prepay this Note in whole or in part provided, however, that in the case of partial prepayments, the minimum amount that may be prepaid at any one time shall be \$2,000,000 and amounts in excess thereof shall be in increments of \$1,000,000. In the event the Company desires to prepay this Note, it shall furnish written notice thereof to CoBank not less than three Business Days prior to the date thereof, specifying the date on which this Note is to be prepaid and the amount thereof. On such date, unless CoBank otherwise agrees, the portion thereof designated for prepayment shall become due and payable together with: (A) accrued interest on the amount prepaid to the date of payment; and (B) in the event any fixed rate balance is prepaid, a prepayment premium in an amount calculated pursuant to the Loan Agreement. All partial prepayments shall be applied to such fixed and variable rate balances outstanding on this Note as shall be designated by the Company. Unless otherwise agreed by CoBank and except as provided in Subsection (B) hereof, the Company may not prepay this Note in any other manner.

(B) Mandatory Prepayment. The Company shall prepay this Note in full, together with all accrued interest and, if required by Section 2.06(C) of the Loan Agreement, a prepayment premium in an amount calculated pursuant to the Loan Agreement, in the event repayment hereof is accelerated in accordance with the terms of the Loan Agreement. In addition, the Company shall prepay the Note in part, together with accrued interest and, if required by Section 2.06(C) of the Loan Agreement, a prepayment premium, if and to the extent required by Section 2.06(B) of the Loan Agreement.

4. Payments. All payments made hereunder shall be made in lawful money of the United States of America by wire transfer of immediately available funds. Wire transfers shall be made to such account or accounts as shall be designated by CoBank in accordance with the terms of the Loan Agreement. CoBank shall not be obligated to present this Note as a condition for obtaining any payment of principal or interest required to be made hereunder. Upon payment of this Note in full, CoBank will mark this Note as cancelled and return it as directed by this Company. If the date on which any installment of principal and interest are due is not a Business Day, such installment shall be due and payable on the next Business Day and interest shall continue to accrue on the principal amount thereof until paid. Notwithstanding the preceding sentence, if the Maturity Date is not a Business Day, all payments due on the Maturity Date shall instead be due and payable on the last Business Day immediately preceding the Maturity Date.

5. Reference. Reference to the Loan Agreement should be made for a complete statement of the rights of the holder hereof and the nature and extent of the security for this Note, including the right to accelerate repayment of this Note. In addition, reference to the Loan Agreement should be made for the meaning of all capitalized terms used herein and not defined herein.

6. Governing Law. This Note shall be governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, Big Rivers Electric Corporation has caused this Note to be duly executed by one of its officers thereunto duly authorized as of the date first written above.

BIG RIVERS ELECTRIC CORPORATION

By: _____

Its: _____

Attest:

By: _____

Title: _____

EXHIBIT F
BIG RIVERS ELECTRIC CORPORATION SUBSIDIARIES

None

EXHIBIT G
BIG RIVERS ELECTRIC MATERIAL LITIGATION

None

PROMISSORY NOTE

\$50,000,000

July 16, 2009

FOR VALUE RECEIVED, BIG RIVERS ELECTRIC CORPORATION, a Kentucky corporation (the "Company"), hereby promises to pay to the order of CoBANK, ACB ("CoBank"), at the times, in the manner and with interest at the rate or rates hereinafter provided, the principal sum of **FIFTY MILLION DOLLARS** (\$50,000,000), or such lesser amount as from time to time may be outstanding under the Loan Agreement (as defined below). This Note has been given to evidence the Company's obligation to repay loans (the "Loans") made by CoBank, ACB to the Company pursuant to Section 2.01(A) of that certain Revolving Credit Agreement dated as of July 16, 2009, between the Company and CoBank (as amended or restated from time to time, the "Loan Agreement").

1. Repayment of Principal. The principal balance of this Note shall be due and payable in full on the Maturity Date (as such term is defined in the Loan Agreement).

2. Interest.

(A) Interest Rate. The Company agrees to pay interest on the unpaid principal balance of the Loans at a fixed rate per annum equal to LIBOR plus the Applicable Margin. Rates may be fixed: (a) on three (3) Business Days' prior notice; (b) on balances of \$2,000,000 and in \$1,000,000 increments in excess thereof; and (c) for Interest Periods of 1, 2, 3, or 6 months, as selected by the Company; provided, however, in no event may rates be fixed for Interest Periods expiring after the Maturity Date.

(B) Calculation and Payment. In calculating interest, the date each Loan is made shall be included and the date each Loan or principal installment thereof is repaid shall, if received before 10:00 AM Mountain Time, be excluded. Interest on balances shall be calculated on the basis of the actual number of days elapsed in a year of 360 days and paid at the end of each Interest Period or, in the case of Interest Periods longer than three (3) months, at three (3) month intervals.

(C) Default Rate. Notwithstanding the foregoing, in the event the Company fails to make any payment of principal or interest hereunder when due and payable, then without limiting any other rights and remedies, such payment shall, at CoBank's option in each instance, bear interest from the date when due to the date paid at 4% per annum in excess of the rate in effect on the Loans. In addition, upon the occurrence and during the continuance of any Event of Default, CoBank may, at its option in each instance and automatically following acceleration, charge interest on the unpaid principal balance of this Note at 4% per annum in excess of the rate or rates that would otherwise be in effect on the Loans. All such interest shall be payable upon demand.

3. Prepayment.

(A) Optional Prepayment. The Company shall have the right to prepay this Note in whole or in part provided, however, that in the case of partial prepayments, the minimum amount that may be prepaid at any one time shall be \$2,000,000 and amounts in excess thereof shall be in increments of \$1,000,000. In the event the Company desires to prepay this Note, it shall furnish written notice thereof to CoBank not less than three Business Days prior to the date thereof, specifying the date on which this Note is to be prepaid and the amount thereof. On such date, unless CoBank otherwise agrees, the portion thereof designated for prepayment shall become due and payable together with: (A) accrued interest on the amount prepaid to the date of payment; and (B) in the event any fixed rate balance is prepaid, a prepayment premium in an amount calculated pursuant to the Loan Agreement. All partial prepayments shall be applied to such fixed and variable rate balances outstanding on this Note as shall be designated by the Company. Unless otherwise agreed by CoBank and except as provided in Subsection (B) hereof, the Company may not prepay this Note in any other manner.

(B) Mandatory Prepayment. The Company shall prepay this Note in full, together with all accrued interest and, if required by Section 2.06(C) of the Loan Agreement, a prepayment premium in an amount calculated pursuant to the Loan Agreement, in the event repayment hereof is accelerated in accordance with the terms of the Loan Agreement. In addition, the Company shall prepay the Note in part, together with accrued interest and, if required by Section 2.06(C) of the Loan Agreement, a prepayment premium, if and to the extent required by Section 2.06(B) of the Loan Agreement.

4. Payments. All payments made hereunder shall be made in lawful money of the United States of America by wire transfer of immediately available funds. Wire transfers shall be made to such account or accounts as shall be designated by CoBank in accordance with the terms of the Loan Agreement. CoBank shall not be obligated to present this Note as a condition for obtaining any payment of principal or interest required to be made hereunder. Upon payment of this Note in full, CoBank will mark this Note as cancelled and return it as directed by this Company. If the date on which any installment of principal and interest are due is not a Business Day, such installment shall be due and payable on the next Business Day and interest shall continue to accrue on the principal amount thereof until paid. Notwithstanding the preceding sentence, if the Maturity Date is not a Business Day, all payments due on the Maturity Date shall instead be due and payable on the last Business Day immediately preceding the Maturity Date.

5. Reference. Reference to the Loan Agreement should be made for a complete statement of the rights of the holder hereof and the nature and extent of the security for this Note, including the right to accelerate repayment of this Note. In addition, reference to the Loan Agreement should be made for the meaning of all capitalized terms used herein and not defined herein.

6. Governing Law. This Note shall be governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, Big Rivers Electric Corporation has caused this Note to be duly executed by one of its officers thereunto duly authorized as of the date first written above.

BIG RIVERS ELECTRIC CORPORATION

By: Mark A. T. Bailey

Its: President & CEO

THIS FIRST SUPPLEMENTAL INDENTURE, dated as of June 1, 2010 (this "First Supplemental Indenture"), is between **BIG RIVERS ELECTRIC CORPORATION**, a cooperative corporation organized under the laws of the Commonwealth of Kentucky, as Grantor (hereinafter called the "Company"), whose post office address is 201 Third Street, Henderson, Kentucky 42420, and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association, as trustee (in such capacity, the "Trustee"), whose post office address is 225 Asylum Street, Hartford, Connecticut 06103;

WHEREAS, the Company has heretofore executed and delivered to the Trustee an Indenture, dated as of July 1, 2009 (the "Original Indenture"), for the purpose of securing its Existing Obligations and providing for the authentication and delivery of Additional Obligations (capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Original Indenture) by the Trustee from time to time under the Original Indenture, which Original Indenture is filed of record as shown on Exhibit A hereto;

WHEREAS, the Company is the owner of the D.B. Wilson Plant Unit No. 1, a coal-fired steam electric generating plant (the "Plant") located within the geographical limits of the County of Ohio, Kentucky (the "County"), and pursuant to a resolution adopted by the Fiscal Court of the County on September 9, 1980 and the provisions of the Industrial Building Revenue Bond Act (Sections 103.200 through 103.285, inclusive) of the Kentucky Revised Statutes, as amended (the "Act"), the County agreed to finance the air and water pollution and sewage and solid waste facilities located at the Plant (the "Facilities") as an authorized project under the Act, by issuing its "Pollution Control Refunding Revenue Bonds, Series 2010A (Big Rivers Electric Corporation Project)" (the "Series 2010A Bonds") pursuant to a Trust Indenture, dated as of June 1, 2010, between the County and U.S. Bank National Association, as trustee (the "2010 Indenture") and loaning the proceeds thereof to the Company pursuant to the Loan Agreement, dated as of June 1, 2010, between the County and the Company (the "2010 Financing Agreement"); and

WHEREAS, in order to evidence its obligation to repay the loan of the proceeds of the Series 2010A Bonds, the Company will issue to the County its note (the "First Mortgage Note, Series 2010A"), which First Mortgage Note, Series 2010A will be secured under the Indenture; and

WHEREAS, the Company desires to execute and deliver this First Supplemental Indenture, in accordance with the provisions of the Original Indenture, for the purpose of providing for the creation and designation of the First Mortgage Note, Series 2010A as an Additional Obligation and specifying the form and provisions of the First Mortgage Note, Series 2010A;

WHEREAS, Section 12.1 of the Original Indenture provides that, without the consent of the Holders of any of the Obligations at the time Outstanding, the Company, when authorized by a Board Resolution, and the Trustee, may enter into Supplemental

Indentures for the purposes and subject to the conditions set forth in said Section 12.1;
and

WHEREAS, all acts and proceedings required by law and by the Articles of Incorporation and Bylaws of the Company necessary to secure the payment of the principal of and interest on the First Mortgage Note, Series 2010A, to make the First Mortgage Note, Series 2010A issued hereunder, when executed by the Company, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal obligation of the Company, and to constitute the Indenture a valid and binding lien for the security of the First Mortgage Note, Series 2010A, in accordance with its terms, have been done and taken; and the execution and delivery of this First Supplemental Indenture has been in all respects duly authorized;

NOW, THEREFORE, THIS FIRST SUPPLEMENTAL INDENTURE WITNESSES, that, to secure the payment of the principal of (and premium, if any) and interest on the Outstanding Secured Obligations, including, when issued, the First Mortgage Note, Series 2010A, to confirm the lien of the Indenture upon the Trust Estate, including property purchased, constructed or otherwise acquired by the Company since the date of execution of the Original Indenture, to secure performance of the covenants therein and herein contained, to declare the terms and conditions on which the First Mortgage Note, Series 2010A is secured, and in consideration of the premises thereof and hereof, the Company by these presents does grant, bargain, sell, alienate, remise, release, convey, assign, transfer, mortgage, hypothecate, pledge, set over and confirm to (and does create a security interest in favor of) the Trustee, in trust with power of sale, all property, rights, privileges and franchises of the Company (except any Excepted Property) of the character described in the Granting Clauses of the Original Indenture, including all such property, rights, privileges and franchises acquired since the date of execution of the Original Indenture subject to all exceptions, reservations and matters of the character therein referred to, and subject in all cases to Sections 5.2 and 11.2 B of the Original Indenture and to the rights of the Company under the Original Indenture, including the rights set forth in Article V thereof; but expressly excepting and excluding from the lien and operation of the Indenture all properties of the character specifically excepted as "Excepted Property" in the Original Indenture to the extent contemplated thereby.

PROVIDED, HOWEVER, that if, upon the occurrence of an Event of Default under the Indenture, the Trustee, or any separate trustee or co-trustee appointed under Section 9.14 of the Original Indenture or any receiver appointed pursuant to statutory provision or order of court, shall have entered into possession of all or substantially all of the Trust Estate, all the Excepted Property described or referred to in Paragraphs A through H, inclusive, of "Excepted Property" in the Original Indenture then owned or thereafter acquired by the Company, shall immediately, and, in the case of any Excepted Property described or referred to in Paragraphs I, J and L of "Excepted Property" in the Original Indenture, upon demand of the Trustee or such other trustee or receiver, become subject to the lien of the Indenture to the extent permitted by law, and the Trustee or such other trustee or receiver may, to the extent permitted by law, at the same time likewise take possession thereof, and whenever all Events of Default shall

have been cured and the possession of all or substantially all of the Trust Estate shall have been restored to the Company, such Excepted Property shall again be excepted and excluded from the lien of the Indenture to the extent and otherwise as hereinabove set forth and as set forth in the Indenture.

The Company may, however, pursuant to the Granting Clause Third of the Original Indenture, subject to the lien of the Indenture any Excepted Property, whereupon the same shall cease to be Excepted Property.

TO HAVE AND TO HOLD all such property, rights, privileges and franchises hereby and hereafter (by Supplemental Indenture or otherwise) granted, bargained, sold, alienated, remised, released, conveyed, assigned, transferred, mortgaged, hypothecated, pledged, set over or confirmed (or in which a security interest is granted) as aforesaid, together with all the tenements, hereditaments and appurtenances thereto appertaining (said properties, rights, privileges and franchises, including any cash and securities hereafter deposited or required to be deposited with the Trustee (other than any such cash which is specifically stated in the Original Indenture not to be deemed part of the Trust Estate) being part of the Trust Estate), unto the Trustee, and its successors and assigns in the trust herein created, forever.

SUBJECT, HOWEVER, to (i) Permitted Exceptions and (ii) to the extent permitted by Section 13.6 of the Original Indenture as to property hereafter acquired (a) any duly recorded or perfected Prior Lien that may exist thereon at the date of the acquisition thereof by the Company and (b) purchase money mortgages, other purchase money liens, chattel mortgages, conditional sales agreements or other title retention agreements created by the Company at the time of acquisition thereof.

BUT IN TRUST, NEVERTHELESS, with power of sale, for the equal and proportionate benefit and security of the Holders from time to time of all the Outstanding Secured Obligations without any priority of any Outstanding Secured Obligation over any other Outstanding Secured Obligation and for the enforcement of the payment of Outstanding Secured Obligations in accordance with their terms.

UPON CONDITION that, until the happening of an Event of Default under the Indenture and subject to the provisions of Article V of the Original Indenture, and not in limitation of the rights elsewhere provided in the Original Indenture, including the rights set forth in Article V of the Original Indenture, the Company shall have the right to (i) possess, use, manage, operate and enjoy the Trust Estate (other than cash and securities constituting part of the Trust Estate that are deposited with the Trustee), (ii) explore for, gather, cut, mine and produce crops, timber, coal, ore, gas, oil, minerals or other natural resources and products, and to use, consume and dispose of any thereof, and (iii) collect, receive, use, make payments from, transfer, invest, otherwise utilize or employ amounts constituting or derived from the rents, issues, tolls, earnings, profits, revenues, products and proceeds from the Trust Estate or the operation of the property constituting part of the Trust Estate.

Should the indebtedness secured by the Indenture be paid according to the tenor and effect thereof when the same shall become due and payable and should the Company perform all covenants therein and herein contained in a timely manner, then the Indenture shall be canceled and surrendered.

AND IT IS HEREBY COVENANTED AND DECLARED that the First Mortgage Note, Series 2010A is to be authenticated and delivered and the Trust Estate is to be held and applied by the Trustee, subject to the covenants, conditions and trusts set forth herein and in the Original Indenture, and the Company does hereby covenant and agree to and with the Trustee, for the equal and proportionate benefit of all Holders of the Outstanding Secured Obligations, as follows:

ARTICLE I

THE FIRST MORTGAGE NOTE, SERIES 2010A AND CERTAIN PROVISIONS RELATING THERETO

SECTION 1.01. Definitions.

All words and phrases defined in Article I of the Original Indenture shall have the same meaning in this First Supplemental Indenture, including any exhibit hereto, except as otherwise appears herein or unless the context clearly requires otherwise.

SECTION 1.02. Authorization and Terms of the First Mortgage Note, Series 2010A.

There shall be established an Additional Obligation in the form of the promissory note known as and entitled the "First Mortgage Note, Series 2010A" (hereinafter referred to as the "First Mortgage Note, Series 2010A"), the form, terms and conditions of which shall be substantially as set forth in this Section and Section 1.03. The First Mortgage Note, Series 2010A is the same Note described and defined in the 2010 Indenture and the 2010 Financing Agreement as the "Note." The aggregate principal face amount of the First Mortgage Note, Series 2010A which shall be authenticated and delivered and Outstanding at any one time is limited to \$83,300,000.

The First Mortgage Note, Series 2010A shall be dated the date of its authentication and shall mature on July 15, 2031. The First Mortgage Note, Series 2010A shall bear interest computed in the same manner and payable at the same time as the interest on the Series 2010A Bonds is computed and paid as described and computed in accordance with the terms of the 2010 Indenture. The First Mortgage Note, Series 2010A shall be subject to optional prepayment as more particularly set forth in such First Mortgage Note, Series 2010A. The First Mortgage Note, Series 2010A shall be authenticated and delivered to, and made payable to, U.S. Bank National Association, as trustee for the Series 2010A Bonds (in such capacity, the "Bond Trustee"), as assignee and pledgee of the County pursuant to the 2010 Indenture.

All payments made on the First Mortgage Note, Series 2010A shall be made to the Bond Trustee at its principal office in St. Paul, Minnesota in lawful money of the United States of America which will be immediately available on the date payment is due.

SECTION 1.03. Form of the First Mortgage Note, Series 2010A.

The First Mortgage Note, Series 2010A and the Trustee's authentication certificate to be executed on the First Mortgage Note, Series 2010A shall be substantially in the form of Exhibit B attached hereto, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted in the Original Indenture.

SECTION 1.04. Payments on First Mortgage Note, Series 2010A.

Payments by the Company on the First Mortgage Note, Series 2010A shall be used to make payments required under the 2010 Financing Agreement.

ARTICLE II

MISCELLANEOUS

SECTION 2.01. Supplemental Indenture.

This First Supplemental Indenture is executed and shall be construed as an indenture supplemental to the Original Indenture, and shall form a part thereof, and the Original Indenture, as hereby supplemented, is hereby confirmed. Except to the extent inconsistent with the express terms of this First Supplemental Indenture, the 2010 Indenture, the 2010 Financing Agreement and the Series 2010A Bonds, all of the provisions, terms, covenants and conditions of the Original Indenture shall be applicable to the First Mortgage Note, Series 2010A to the same extent as if specifically set forth herein.

SECTION 2.02. Recitals.

All recitals in this First Supplemental Indenture are made by the Company only and not by the Trustee; and all of the provisions contained in the Original Indenture, in respect of the rights, privileges, immunities, powers and duties of the Trustee shall be applicable in respect hereof as fully and with like effect as if set forth herein in full.

SECTION 2.03. Successors and Assigns.

Whenever in this First Supplemental Indenture any of the parties hereto is named or referred to, this shall, subject to the provisions of Articles IX and XI of the Original Indenture, be deemed to include the successors and assigns of such party, and all the covenants and agreements in this First Supplemental Indenture contained by or on behalf of the Company, or by or on behalf of the Trustee shall, subject as aforesaid,

bind and inure to the respective benefits of the respective successors and assigns of such parties, whether so expressed or not.

SECTION 2.04. No Rights, Remedies, Etc.

Nothing in this First Supplemental Indenture, expressed or implied, is intended, or shall be construed, to confer upon, or to give to, any person, firm or corporation, other than the parties hereto and the Holders of the Outstanding Secured Obligations, any right, remedy or claim under or by reason of this First Supplemental Indenture or any covenant, condition, stipulation, promise or agreement hereof, and all the covenants, conditions, stipulations, promises and agreements in this First Supplemental Indenture contained by or on behalf of the Company shall be for the sole and exclusive benefit of the parties hereto, and of the Holders of Outstanding Secured Obligations.

SECTION 2.05. Counterparts.

This First Supplemental Indenture may be executed in several counterparts, each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts, or as many of them as the Company and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

SECTION 2.06. Security Agreement; Mailing Address.

To the extent permitted by applicable law, this First Supplemental Indenture shall be deemed to be a security agreement and financing statement whereby the Company grants to the Trustee a security interest in all of the Trust Estate that is personal property or fixtures under the Uniform Commercial Code.

The mailing address of the Company, as debtor is:

Big Rivers Electric Corporation
201 Third Street
Henderson, Kentucky 42420

and the mailing address of the Trustee, as secured party is:

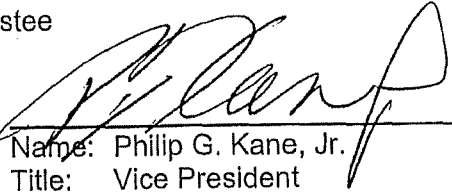
U.S. Bank National Association
225 Asylum Street
Hartford, Connecticut 06103

Additionally, this First Supplemental Indenture shall, if appropriate, be an amendment to the financing documents originally filed in connection with the Original Indenture. The Company is authorized to execute and file as appropriate instruments under the Uniform Commercial Code to either create a security interest or amend any security interest heretofore created.

[Signatures on Next Page.]

Trustee:

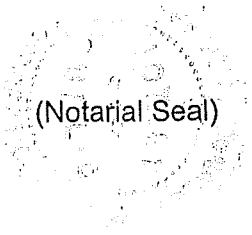
**U.S. BANK NATIONAL ASSOCIATION, as
Trustee**

By: 
Name: Philip G. Kane, Jr.
Title: Vice President

STATE OF CONNECTICUT)
)
COUNTY OF HARTFORD)

THE FOREGOING instrument was acknowledged before me this 28 day of May, 2010, by Philip G. Kane, Jr., Vice President of U.S. Bank National Association, a national banking association, for and on behalf of said association.

WITNESS my hand and official seal.



(Notarial Seal)

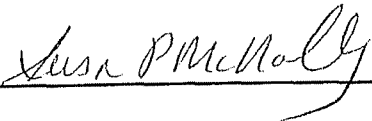




EXHIBIT A

**RECORDING INFORMATION FOR
INDENTURE DATED AS OF JULY 1, 2009**

Breckinridge County	Mortgage Book 354, page 533
Caldwell County	Mortgage Book 258, page 1
Crittenden County	Mortgage Book 184, page 457
Daviess County	Mortgage Book 1707, page 562
Hancock County	Mortgage Book 177, page 259
Henderson County	Mortgage Book 1032, page 1
Hopkins County	Mortgage Book 965, page 227
Livingston County	Mortgage Book 262, page 305
Marshall County	Mortgage Book 672, page 592
McCracken County	Mortgage Book 1232, page 329
Meade County	Mortgage Book 627, page 222
Ohio County	Mortgage Book 435, page 500
Union County	Mortgage Book 373, page 152
Webster County	Mortgage Book 283, page 578

EXHIBIT B

THIS FIRST MORTGAGE NOTE, SERIES 2010A IS NONTRANSFERABLE EXCEPT AS MAY BE REQUIRED TO EFFECT ANY TRANSFER TO ANY SUCCESSOR TRUSTEE UNDER THE TRUST INDENTURE, DATED AS OF JUNE 1, 2010, BETWEEN THE COUNTY OF OHIO, KENTUCKY AND U.S. BANK NATIONAL ASSOCIATION, AS BOND TRUSTEE.

No. R-

\$83,300,000

BIG RIVERS ELECTRIC CORPORATION FIRST MORTGAGE NOTE, SERIES 2010A

BIG RIVERS ELECTRIC CORPORATION ("Big Rivers"), a cooperative corporation organized under the laws of the Commonwealth of Kentucky, for value received, promises to pay to U.S. Bank National Association, as trustee (the "Bond Trustee"), or its successors in trust, the principal sum of \$83,300,000 and interest thereon as follows: Big Rivers shall pay, during the term of the Loan Agreement, dated as of June 1, 2010 (the "Financing Agreement"), between the County of Ohio, Kentucky (the "County") and Big Rivers, for deposit into the Bond Fund, (i) on or prior to each date on which interest is due on the County's Pollution Control Refunding Revenue Bonds, Series 2010A (Big Rivers Electric Corporation Project), (the "Series 2010A Bonds") issued by the County under the Trust Indenture, dated as of June 1, 2010 (the "Bond Indenture"), between the County and the Bond Trustee, as the same may be amended and supplemented from time to time, the amount of interest due on the Series 2010A Bonds on such date, computed in the manner described in the Bond Indenture, (ii) on the stated maturity date of the Series 2010A Bonds (or earlier date to which the maturity of the Series 2010A Bonds has been accelerated as a result of an event of default), a sum which will equal the principal amount of the Series 2010A Bonds which will become due on such date and (iii) on or prior to any redemption date for the Series 2010A Bonds, an amount equal to the principal of (premium, if any) and interest on the Series 2010A Bonds which are to be redeemed on such date.

This First Mortgage Note, Series 2010A is issued under, is described in and is subject to the Financing Agreement, and is secured by an Indenture, dated as of July 1, 2009 (the "Big Rivers Indenture"), between Big Rivers and U.S. Bank National Association, as trustee (the "Indenture Trustee"), as supplemented and amended.

All payments required pursuant hereto shall be made to the Bond Trustee at its principal office in St. Paul, Minnesota, in lawful money of the United States of America. As set forth in Section 5.7 of the Financing Agreement, the obligation of Big Rivers to make the payments required hereunder shall be absolute and unconditional.

This First Mortgage Note, Series 2010A may be prepaid upon the terms and conditions set forth in Article X of the Financing Agreement.

Big Rivers shall be entitled to credits against payments required hereby as provided in Section 5.2 of the Financing Agreement.

If the maturity date of the Series 2010A Bond shall be accelerated as a result of an event of default, the principal of this First Mortgage Note, Series 2010A shall become due and payable in the manner and with the effect provided in the Financing Agreement. The Financing Agreement provides that, under certain conditions, such acceleration shall be rescinded.

No recourse shall be had for the payments required hereby or for any claim based herein or on the Financing Agreement or on the Big Rivers Indenture against any officer, director or stockholder, past, present or, future, of Big Rivers as such, either directly or through Big Rivers, or under any constitution and provision, statute or rule of law or by the enforcement of any assessment or by any legal or equitable proceedings or otherwise.

This First Mortgage Note, Series 2010A shall not be entitled to any benefit under the Big Rivers Indenture and shall not become valid or obligatory for any purpose until the Indenture Trustee shall have signed the form of authentication certificate endorsed hereon.

All terms use in this First Mortgage Note, Series 2010A which are not defined herein shall have the meanings assigned to them in the Financing Agreement or the Bond Indenture.

IN WITNESS WHEREOF, Big Rivers has caused this First Mortgage Note, Series 2010A to be duly executed, attested and delivered the 8th day of June, 2010.

(SEAL)

BIG RIVERS ELECTRIC CORPORATION

Mark A. Bailey
President and Chief Executive Officer

Attest:

C. William Blackburn
Senior Vice President of Financial
& Energy Services and Chief Financial Officer

This is one of the Obligations of the series designated therein referred to in within-mentioned Big Rivers Indenture.

U.S. BANK NATIONAL ASSOCIATION, as
Indenture Trustee

By: _____
Philip G. Kane, Jr.
Vice President

Date of Authentication: June 8, 2010

FORM OF NOTE

\$[_____]

_____, 2012

FOR VALUE RECEIVED, BIG RIVERS ELECTRIC CORPORATION, a Kentucky cooperative corporation (the "Borrower") HEREBY PROMISES TO PAY to [LENDER] (the "Lender"), or its assigns, in lawful money of the United States and in immediately available funds, the principal amount of [_____] DOLLARS (\$[_____]), or, if less, the aggregate unpaid principal amount of the Loans (as defined in the Credit Agreement referred to below) made by Lender to the Borrower pursuant to the Credit Agreement and outstanding on the Commitment Termination Date (as defined in the Credit Agreement), whichever is less. The Borrower also promises to pay interest on the unpaid principal balance of the Loans for the period such balance is outstanding in like money, at the rates of interest, at the times, and calculated in the manner, set forth in Credit Agreement. Any amount of principal and, to the extent provided by law, interest, hereof which is not paid when due, whether at stated maturity, by acceleration, or otherwise, shall bear interest from the date when due until said principal amount is paid in full, payable on demand, at a rate per annum equal at all times to the rates set forth in Section 2.09 of the Credit Agreement. All payments made hereunder shall be made at the times and in the manner set forth in the Credit Agreement.

The Borrower hereby authorizes the Lender to endorse on the schedule annexed to this Note: (i) the amount and Type of all Loans; (ii) in the case of LIBOR Loans, the applicable Interest Periods; and (iii) all renewals, conversions and payments of principal and interest in respect of such Loans, which endorsements shall be presumed correct absent manifest error as to the outstanding principal amount of, and accrued and unpaid interest on, the Loans; provided however, that the failure to make such notation with respect to any Loan or payment shall not limit or otherwise affect the obligation of the Borrower under the Credit Agreement or this Note.

This is a Note referred to in that certain Credit Agreement, dated as of [____], 2012, by and among the Borrower, the several financial institutions or entities from time to time parties thereto, including the Lender, and COBANK, ACB, a federally chartered instrumentality of the United States, as administrative agent, lead arranger and book runner, as amended, supplemented or modified from time to time (the "Credit Agreement"), to evidence the Loans made by the Lender thereunder, all of the terms and provisions of which are hereby incorporated by reference. All capitalized terms used herein and not defined herein shall have the meanings given to them in the Credit Agreement.

The Credit Agreement provides for the acceleration of the maturity of principal upon the occurrence of an Event of Default and for prepayments on the terms and conditions specified therein.

The Borrower hereby waives presentment for payment, demand, notice of protest, notice of dishonor, and any other notice or formality with respect to this Note, and all defenses on the ground of delay or of any extension of time for payment hereof which may, without obligation, hereafter be given by the holder hereof.

Except to the extent governed by applicable federal law, this Note shall be governed by, and interpreted and construed in accordance with, the laws of the State of New York, without reference to choice of law doctrine.

BIG RIVERS ELECTRIC CORPORATION

By: _____
Name:
Title:

SECURED CREDIT AGREEMENT

BETWEEN

BIG RIVERS ELECTRIC CORPORATION
AS BORROWER,

THE SEVERAL LENDERS FROM TIME TO TIME PARTIES
HERETO,

AND

COBANK, ACB,
AS ADMINISTRATIVE AGENT, LEAD ARRANGER AND BOOK RUNNER,

DATED AS OF _____, 2012

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Schedule 5.17	Member Wholesale Power Contracts and Direct Serve Contracts
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Schedule 12.06	Voting Participants

SECURED CREDIT AGREEMENT

This Secured Credit Agreement (this "Agreement") dated as of _____, 2012, is entered into by and between Big Rivers Electric Corporation, a Kentucky cooperative corporation (the "Borrower"), the several financial institutions or entities from time to time parties to this Agreement (the "Lenders") and CoBank, ACB, a federally chartered instrumentality of the United States ("CoBank") as administrative agent (in such capacity, the "Administrative Agent"), lead arranger, and book runner.

BACKGROUND

WHEREAS, the Lenders have agreed to extend a term loan to the Borrower, in an aggregate amount not to exceed \$235,000,000, for the purposes, and upon the terms and conditions, set forth herein;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows.

ARTICLE 1 DEFINITIONS AND ACCOUNTING TERMS

SECTION 1.01 Definitions. Capitalized terms used in this Agreement and defined in Exhibit A hereto shall have the meanings set forth in that Exhibit.

SECTION 1.02 Rules of Interpretation. The rules of interpretation set forth in Exhibit A shall apply to this Agreement.

ARTICLE 2 LOAN AMOUNT AND TERM

SECTION 2.01 Term Loan Commitment.

(a) Subject to the terms and conditions hereof, each Lender severally agrees to make available to the Borrower on the Closing Date an amount in Dollars not to exceed its Commitment and, when taken together with all other amounts made available by the other Lenders on the Closing Date, not to exceed the total Commitment (the "Loan").

(b) The Borrower's obligation to repay the Loan shall be evidenced by one or more notes, each in substantially the form of Exhibit B hereto, duly executed, dated the Closing Date, and each payable to a Lender in an aggregate principal amount of such Lender's Loan (each a "Note" and together, the "Notes").

SECTION 2.02 Procedure for Borrowing.

(a) The Borrower shall give the Administrative Agent (i) an irrevocable Notice of Borrowing (which notice must be received by the Administrative Agent prior to 10:00 AM, Denver, Colorado time, at least three (3) Banking Days prior to the Closing Date), and (ii) a funding indemnity letter executed by the Borrower and reasonably acceptable to the Administrative Agent.

(b) Upon receipt of a Notice of Borrowing from the Borrower, the Administrative Agent will promptly notify each Lender thereof. Each Lender will make an amount equal to its Commitment available to the Administrative Agent, in immediately available funds, for the account of the Borrower at the Funding Office prior to 11:00 AM Denver, Colorado time on the Closing Date. The

Loan will then be made available (after the Administrative Agent has received the same from each Lender as provided for in the preceding sentence) to the Borrower by the Administrative Agent by no later than 1:00 PM Denver, Colorado time by crediting the Borrower's account (Account No. 00050949) at CoBank, ACB (ABA Routing No. 307088754), or to such other account as the Borrower shall direct the Administrative Agent in writing, by wire transfer of immediately available funds.

SECTION 2.03 Method of Payment. The Borrower shall make all payments to the Administrative Agent under this Agreement and all other Loan Documents by wire transfer of immediately available funds, by check, or, if specified by separate agreement between the Borrower and the Administrative Agent, by automated clearing house or other similar cash handling processes. Wire transfers shall be made to the following account (or to such other account as the Lender may direct by notice):

CoBank, ACB, as Administrative Agent
Bank Location: Englewood, Colorado
ABA Routing No. 307088754
Short Name: CoBank
Beneficiary: Big Rivers Electric Corporation
Account Number: 00050949
Attention: agencybank@cobank.com

Checks shall be mailed to CoBank, Department 167, Denver, Colorado 80291-0167 or to such other place as the Administrative Agent may direct by notice from time to time (the "Funding Office").

SECTION 2.04 Repayment of the Loan.

(a) The Borrower hereby unconditionally promises to repay the Loan in accordance with the repayment schedule set forth in Exhibit C (or on such earlier date on which the Loan becomes due and payable pursuant to Article 10). Amounts repaid pursuant to this Agreement may not be re-borrowed. Any unpaid principal amounts of the Loan outstanding as of the Maturity Date shall be due and payable on the Maturity Date. The Borrower hereby further agrees to pay interest on the unpaid principal amount of the Loan outstanding from the Closing Date until payment in full thereof at the rate per annum, and on the dates, set forth in Section 2.08.

(b) The Administrative Agent, on behalf of the Borrower, shall maintain the Register in accordance with Section 12.06(c), in which shall be recorded (i) the amount of the Loan made hereunder, any Note evidencing the Loan, (ii) the amount of any principal, interest and fees, as applicable, due and payable or to become due and payable from the Borrower to each Lender hereunder, and (iii) the amount of any sum received by the Administrative Agent hereunder from the Borrower.

(c) The entries made in the Register shall, to the extent permitted by applicable Requirement of Law, be presumed correct absent manifest error as to the existence and amounts of the Obligations of the Borrower therein recorded; provided, that the failure of the Administrative Agent to maintain the Register, or any error therein, shall not in any manner affect the obligation of the Borrower to repay (with applicable interest) the Loan or any other obligation in accordance with the terms of this Agreement.

(d) All payments (including prepayments) to be made by the Borrower hereunder, whether on account of principal, interest or otherwise, shall be made without setoff, deduction or counterclaim to the extent permitted by applicable Requirements of Law and shall be made prior to 12:00

PM Denver, Colorado time, on the due date thereof to the Administrative Office at the Funding Office, and funds received after such time shall be credited on the next Banking Day. If any payment hereunder becomes due and payable on a day other than a Banking Day, such payment shall be extended to the next succeeding Banking Day. In the case of any extension of any payment of principal pursuant to the preceding sentence, interest thereon shall be payable at the then applicable rate during such extension. Credit for any payment made by check will not be given until the later of the next Banking Day after receipt of the check or the day on which the Administrative Agent receives immediately available funds.

SECTION 2.05 Voluntary Prepayments.

Subject to Section 2.07 and Section 3.03, the Borrower may at any time and from time to time prepay the Loan in whole or in part, without premium or penalty, upon irrevocable notice delivered to the Administrative Agent no later than 11:00 AM, Denver, Colorado time on five (5) Banking Days prior thereto, which notice shall specify (i) the amount of the Loan to be prepaid, (ii) the date (which shall be a Banking Day) of prepayment, and (iii) whether such payments should be applied ratably or in inverse order of maturity, provided that the Borrower shall also pay any amounts owing pursuant to Section 3.03. If any such notice is given, the amount specified in such notice shall be due and payable on the date specified therein together with accrued interest to such date on the amount prepaid. Partial prepayments of the Loan shall be in an aggregate principal amount of \$1,000,000 or a whole multiple of \$500,000 in excess thereof. Any payments of the Loan made pursuant to this Section 2.05 may not be reborrowed.

SECTION 2.06 Mandatory Prepayments.

Subject to Section 2.07 and Section 3.03, the Borrower shall prepay the Loan in full immediately upon the occurrence of a Change of Control, without the need for any demand or notification by any Person.

- (a) Any payments made under this Section 2.06 shall be applied in inverse order of maturity.
- (b) Any payments made under this Section 2.06 may not be reborrowed.

SECTION 2.07 Prepayment Surcharge. Prepayments of the Loan under Section 2.05 and Section 2.06 (whether such prepayment is the result of a voluntary prepayment, acceleration or otherwise) are subject to a surcharge (the “Prepayment Surcharge”) on any such prepayment equal to a per annum rate of one-half (1/2) of one percent (1%) on the principal balance of the Loan being prepaid (calculated through the Maturity Date). Such Prepayment Surcharge shall be in addition to any compensation payable pursuant to Section 3.03 hereof.

SECTION 2.08 Interest Rates and Payment Dates.

- (a) The Loan shall bear interest at a rate per annum equal to the Quoted Fixed Rate.
- (b) Notwithstanding the foregoing, if an Event of Default has occurred and is continuing, interest shall accrue at a rate per annum on Loan, fees and all other amounts due and payable pursuant to this Agreement at a rate per annum equal to the Quoted Fixed Rate plus two percent (2%) (the “Default Rate”).

(c) Interest shall be payable by the Borrower in arrears on each Interest Payment Date; provided that interest accruing pursuant to Section 2.08(b) shall be payable from time to time on demand.

SECTION 2.09 Computation of Interest. Interest and fees payable pursuant hereto shall be calculated on the basis of a 360-day year for the actual days elapsed.

SECTION 2.10 Fees. The Borrower agrees to pay such fees as provided in the Fee Letter.

SECTION 2.11 Security.

(a) Each party hereto acknowledges that CoBank has a statutory first Lien pursuant to the Farm Credit Act of 1971 (as amended from time to time) on all CoBank Equities that the Borrower may now own or hereafter acquire, which statutory Lien shall be for CoBank's sole and exclusive benefit. The CoBank Equities shall not constitute security for the obligations arising hereunder due to any other Person. To the extent that any of the Loan Documents create a Lien on the CoBank Equities or on patronage accrued by CoBank for the account of the Borrower (including, in each case, proceeds thereof except to the extent any such proceeds not themselves constituting CoBank Equities are part of the Trust Estate), such Lien shall be for CoBank's sole and exclusive benefit. Neither the CoBank Equities nor any accrued patronage shall be offset against such obligations except that, in the event of an Event of Default, CoBank may elect to apply the cash portion of any patronage distribution or retirement of equity to amounts due under this Agreement. The Borrower acknowledges that any corresponding tax liability associated with such application is the sole responsibility of the Borrower. CoBank shall have no obligation to retire the CoBank Equities upon any Event of Default, Default or any other default by the Borrower or any other Person, or at any other time, either for application to such obligations or otherwise.

(b) Each of the Notes at all times shall be secured under the Company's Indenture, shared equally and ratably with all other Outstanding Obligations (as defined in the Indenture) and shall be authenticated by the Trustee pursuant thereto.

SECTION 2.12 Pro Rata Treatment and Payments.

(a) Each payment (including prepayments) to be made by the Borrower on account of principal of and interest on the Loan shall be made pro rata according to the respective Outstanding Amounts of the Loan then held by the Lenders.

(b) Unless the Administrative Agent shall have been notified in writing by the Borrower prior to the date of any payment due to be made by the Borrower hereunder that the Borrower will not make such payment to the Administrative Agent, the Administrative Agent may assume that the Borrower is making such payment, and the Administrative Agent may, but shall not be required to, in reliance upon such assumption, make available to the relevant Lenders their respective pro rata shares of a corresponding amount. If such payment is not made to the Administrative Agent by the Borrower within three (3) Banking Days after such due date, the Administrative Agent shall be entitled to recover, on demand, from each relevant Lender to which any amount was made available pursuant to the preceding sentence, such amount with interest thereon at the rate per annum equal to the daily average Federal Funds Effective Rate. Nothing herein shall be deemed to limit the rights of the Administrative Agent or any Lender against the Borrower.

(c) If any Lender makes available to the Administrative Agent funds for the Loan to be made by such Lender, and such funds are not made available to the Borrower by the Administrative Agent because the conditions to the Loan set forth in Sections 2.01 or 4.01 are not satisfied or waived in accordance with the terms hereof, the Administrative Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest, without prejudice to such Lender's rights against the Borrower under Section 3.03

(d) The obligations of the Lenders hereunder to make available its Commitment for the Loan are several and not joint. The failure of any Lender to make available its Commitment on the Closing Date hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Commitment available on the Closing Date.

SECTION 2.13 Sharing of Payments. If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on the Loan or other obligations hereunder resulting in such Lender receiving payment of a proportion of the aggregate amount of the Loan and accrued interest thereon or other such obligations greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the portion of the Loan held by the other Lenders and such other obligations of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective amounts of the Loan and other amounts owing them; provided that:

(i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of this paragraph shall not be construed to apply to (x) any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement, or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in the Loan to any assignee or participant, other than to the Borrower or any Subsidiary thereof (as to which the provisions of this paragraph shall apply).

The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation. Notwithstanding anything in this Section 2.13 to the contrary, CoBank may exercise its rights against any CoBank Equities held by the Borrower without complying with this Section 2.13.

ARTICLE 3 ADDITIONAL PROVISIONS REGARDING THE LOAN

SECTION 3.01 Additional Loan Provisions.

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender;

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes, and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender any other condition, cost or expense (other than Taxes) affecting this Agreement or the Loan made by such Lender;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making, converting to, continuing or maintaining the Loan or of maintaining its obligation to make the Loan, or to increase the cost to such Lender or such other Recipient, or to reduce the amount of any sum received or receivable by such Lender or other Recipient hereunder (whether of principal, interest or any other amount) then, upon request of such Lender or other Recipient, the Borrower will pay to such Lender or other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender or other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender determines that any Change in Law affecting such Lender or any lending office of such Lender or such Lender's holding company, if any, regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Commitment of such Lender or the amount of the Loan made by such Lender, to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company as specified in paragraph (a) or (b) of this Section 3.01 and delivered to the Borrower, shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender to demand compensation pursuant to this Section 3.01 shall not constitute a waiver of such Lender's right to demand such compensation; provided, that, the Borrower shall not be required to compensate a Lender pursuant to this Section 3.01 for any increased costs incurred or reductions suffered more than six (6) months prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions, and of such Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the six (6) month period referred to above shall be extended to include the period of retroactive effect thereof).

SECTION 3.02 Illegality.

Notwithstanding any other provision of this Agreement, in the event that on or after the date hereof any Change in Law shall make it unlawful for any Lender to make or maintain the Loan, then such

Lender shall promptly notify the Borrower thereof (with a copy to the Administrative Agent), following which, if such law shall so mandate, an amount of the outstanding principal of the Loan held by such Lender shall be prepaid by the Borrower, together with accrued and unpaid interest thereof and all other amounts payable by the Borrower under this Agreement (including, without limitation, amounts owing pursuant to Section 3.03), on or before such date as shall be mandated by such law.

SECTION 3.03 Compensation.

The Borrower promises to indemnify the Administrative Agent and the Lenders and to hold the Administrative Agent and the Lenders harmless from any loss or expense which the Administrative Agent or the Lenders may sustain or incur as a consequence of (a) default by the Borrower in making a borrowing of the Loan after the Borrower has given a notice requesting the same in accordance with the provisions of this Agreement, (b) default by the Borrower in making any prepayment of the Loan after the Borrower has given a notice thereof in accordance with the provisions of this Agreement, (c) the making of any prepayment of the Loan, (d) the failure to repay the Loan when required by the terms of this Agreement, and (e) receiving payments pursuant to Section 3.06(a)(2) with respect to any assignments. Such indemnification may include an amount equal to (i) an amount of interest calculated at the Quoted Fixed Rate which would have accrued on the amount in question, for the period from the date of such prepayment or of such failure to borrow or repay to the last day of the Maturity Date minus (ii) the amount of interest (as reasonably determined by the Administrative Agent) which would have accrued to the Lenders on such amount by placing such amount on deposit for a comparable period with leading banks in the interbank market. The Borrower shall pay to the Administrative Agent for the benefit of the Lenders such compensation as may be due under this Section 3.03 within ten (10) days after receipt of a certificate of the Administrative Agent claiming such compensation and identifying with reasonable specificity the basis for and amount thereof. Each determination by Administrative Agent of amounts owing under this Section 3.03 shall, absent manifest error, be conclusive and binding on the parties hereto. This Section 3.03 shall survive the termination of this Agreement, the other Loan Documents, and the Indenture and the payment of the Loan and all other amounts payable hereunder.

SECTION 3.04 Taxes.

(a) Payment Free of Taxes. Any and all payments by or on account of any obligation of the Borrower under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the Borrower shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section 3.04) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b) Payment of Other Taxes by the Borrower. The Borrower shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(c) Indemnification by the Borrower. The Borrower shall indemnify each Recipient, within ten (10) days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 3.04)

payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(d) Indemnification by the Lenders. Each Lender shall severally indemnify the Administrative Agent, within ten (10) days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that the Borrower has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Borrower to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 12.06 relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this paragraph (d).

(e) Evidence of Payments. As soon as practicable and in any event within ten (10) Banking Days after any payment of Taxes by the Borrower to a Governmental Authority pursuant to this Section 3.04, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(f) Status of Lenders. (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Sections 3.04(f)(ii)(a), (ii)(b) and (ii)(d) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Borrower,

(a) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the

Administrative Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(b) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable;

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed originals of IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “interest” article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “business profits” or “other income” article of such tax treaty;

(2) executed originals of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit D-1 to the effect that such Foreign Lender is not a “bank” within the meaning of Section 881(c)(3)(A) of the Code, a “10 percent shareholder” of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Code (a “U.S. Tax Compliance Certificate”) and (y) executed originals of IRS Form W-8BEN;

(4) to the extent a Foreign Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, a U.S. Tax Compliance Certificate substantially in the form of Exhibit D-2 or Exhibit D-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit D-4 on behalf of each such direct and indirect partner;

(c) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(d) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably

requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (d), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(g) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 3.04 (including by the payment of additional amounts pursuant to this Section 3.04), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (g) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (g), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (g) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the indemnification payments or additional amounts giving rise to such refund had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(h) Survival. Each party's obligations under this Section 3.04 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

SECTION 3.05 Change of Lending Office. If any Lender requests compensation under Sections 3.01, 3.02 or 3.03, or requires the Borrower to pay additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.04, then such Lender shall (at the request of the Borrower) use reasonable efforts to designate a different lending office for funding or booking the Loan hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.01, 3.02, 3.03 or Section 3.04, as the case may be, in the future, and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

SECTION 3.06 Replacement of Lender or Reduction of Commitments.

(a) If any Lender requests compensation under Sections 3.01, 3.02 or 3.03, or if the Borrower is required to pay additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.04 and, in each case, such Lender has declined or is unable to designate a different lending office in accordance with Section 3.05 (each such Lender a "Specified

Lender”), or if any Lender is Non-Consenting Lender, then the Borrower may, so long as no Default or Event of Default shall have occurred and be continuing, at its sole expense and effort, upon notice to such Lender and the Administrative Agent require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 12.06), all of its interests, rights and obligations under this Agreement and the related Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if such Lender accepts such assignment); provided, that:

(i) the Borrower shall have paid to the Administrative Agent the assignment fee (if any) specified in Section 12.06;

(ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loan, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);

(iii) in the case of any such assignment resulting from a claim for compensation under Sections 3.02 or 3.03 or payments required to be made pursuant to Section 3.04, such assignment will result in a reduction in such compensation or payments thereafter;

(iv) such assignment does not conflict with applicable law; and

(v) in the case of any assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

(b) Borrower may not exercise its rights under this Section 3.06 if, as a result of a waiver by a Lender, the circumstances giving rise to the Borrower’s rights under this Section 3.06 cease to apply or if a Default or Event of Default has occurred and is continuing.

ARTICLE 4 CONDITIONS PRECEDENT

SECTION 4.01 Conditions to Closing. The obligation of the Lenders to enter into this Agreement and to provide the Loan to be made on the Closing Date is subject to the satisfaction (or waiver) of the following conditions precedent:

(a) Loan Documents. The Administrative Agent shall have receive for delivery to each Lender (i) this Agreement, executed and delivered by the Borrower, and (ii) each of the Notes accompanied by [a Certificate of Authentication executed by the Trustee and dated as of the Closing Date]¹ indicating that the Notes have been authenticated pursuant to the Indenture and are secured thereunder.

(b) Legal Opinions. The Administrative Agent shall have received for delivery to each Lender an executed legal opinion of (i) Sullivan, Mountjoy, Stainback & Miller, P.S.C., counsel to the Borrower, and (ii) Orrick, Herrington & Sutcliffe LLP, special New York counsel to the Borrower, both as reasonably satisfactory to the Administrative Agent.

¹ ORRICK/BIG RIVERS: PLEASE CONFIRM APPROACH.

(c) Secretary's Certificate. The Administrative Agent shall have received for delivery to each Lender a certificate of the Borrower, dated as of the Closing Date, substantially in the form of Exhibit E, with appropriate insertions and attachments.

(d) Closing Certificate. The Administrative Agent shall have received for delivery to each Lender a certificate dated as of the Closing Date signed by a Responsible Officer of the Borrower certifying that (i) there has not occurred a Material Adverse Effect since December 31, 2011, (ii) all facts or information represented to the Administrative Agent are correct except as would not reasonably be expected to have a Material Adverse Effect, and (iii) the representations and warranties in Article 5 are true and accurate in all material respects, except to the extent any representation or warranty is already qualified by materiality or Material Adverse Effect, in which case such representation or warranty is true and correct in all respects.

(e) Financial Statements. The Administrative Agent shall have received for delivery to each Lender and be satisfied with (i) the audited financial statements of the Borrower for fiscal year ending December 31, 2011 (ii) unaudited financial statements of the Borrower for each quarterly period ended (a) after December 31, 2011 and (b) at least 45 days prior to the Closing Date, and (iii) such other financial information, including without limitation financial projections, as the Administrative Agent may reasonably request.

(f) Fees and Other Charges. The Administrative Agent, for its own benefit and the benefit of the Lenders, shall have received all fees or other charges provided for herein and in the Fee Letter to be paid on or prior to the Closing Date.

(g) Litigation. [Except as set forth in Schedule 4.01(g)]², there shall be no litigation, investigation or proceeding of or before any arbitrator or Governmental Authority pending that, singly or in the aggregate, materially impairs the transactions contemplated by this Agreement or that would reasonably be expected to have a Material Adverse Effect.

(h) Financial Obligations. The Borrower shall be in compliance with all agreements governing Material Indebtedness.

(i) Member Wholesale Power Contracts; Material Direct Serve Contracts. The Administrative Agent shall have received true and correct copies of the Member Wholesale Power Contracts and Material Direct Serve Contracts listed on Schedule 5.17, including all material amendments, supplements or modifications thereto.

(j) Solvency Certificate. The Administrative Agent shall have received for delivery to each Lender a solvency certificate signed by the chief financial officer or equivalent officer on behalf of the Borrower, substantially in the form of Exhibit F.

(k) USA Patriot Act. The Administrative Agent shall have received for delivery to each Lender from the Borrower documentation and other information required by the Lenders' regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including, without limitation, the USA Patriot Act.

(l) Material Adverse Effect. There shall not have occurred a Material Adverse Effect since December 31, 2011.

² NTD: SUBJECT TO REVIEW OF LITIGATION TO BE DISCLOSED BY BIG RIVERS.

(m) Flood Insurance. The Administrative Agent shall have been permitted to conduct any diligence it deems necessary with respect to any real property owned or used by the Borrower which may be subject to any Requirement of Law pertaining to flood insurance and have received for delivery to each Lender proof of flood insurance in an amount satisfactory to the Administrative Agent and otherwise sufficient to comply with any Requirements of Law.

(n) Indenture. (i) The Administrative Agent shall have received for delivery to each Lender a correct and complete copy of the Indenture and all amendments and supplements thereto, including that certain Supplemental Indenture, executed and delivered by the Trustee and the Borrower, dated on or before the Closing Date (the "Supplemental Indenture"), and be reasonably satisfied therewith, and (ii) the Borrower shall have completed any authentication requirements under the terms of the Indenture and taken the necessary steps to ensure the Notes are, to the satisfaction of the Administrative Agent in its sole discretion, secured thereunder (the "Collateral Requirements").

(o) Member Wholesale Power Contracts; Material Direct Serve Contracts. (i) No Member shall have terminated or contested in writing the validity or enforceability of its Member Wholesale Power Contract or, after any applicable grace period, failed to make any payment thereunder and (ii) no Person party to a Material Direct Serve Contract shall have terminated or contested in writing the validity or enforceability of its Material Direct Serve Contract or, after any applicable grace period, failed to make any payment thereunder.

(p) Additional Documents. The Administrative Agent shall have received such additional documents as the Administrative Agent may reasonably request.

(q) Written Request. The Administrative Agent shall have a Notice of Borrowing as required pursuant to the terms hereof.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES

To induce the Administrative Agent and the Lenders to enter into this Agreement and to make the Loan, the Borrower represents and warrants to the Administrative Agent and the Lenders, which representations and warranties shall be deemed made on the Closing Date hereunder that:

SECTION 5.01 Existence. The Borrower (i) is duly organized (or incorporated), validly existing and in good standing under the laws of the jurisdiction of its organization or incorporation; (ii) has the corporate or organizational power and authority, and the legal right, to own and operate its Property, to lease the Property it operates as lessee and to conduct the business in which it is currently engaged, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect; and (iii) is duly qualified and in good standing (where such concept is relevant) under the Requirements of Law of each jurisdiction where its ownership, lease or operation of Property or the conduct of its business requires such qualification except, in each case, to the extent that the failure to be so qualified or in good standing (where such concept is relevant) would not reasonably be expected to have a Material Adverse Effect.

SECTION 5.02 Compliance with Law, Member Wholesale Power Contracts, Material Direct Serve Contracts, and Organizational Documents. The Borrower is in compliance with (i) all Requirements of Law except to the extent that any such failure to comply therewith would not reasonably be expected to have a Material Adverse Effect, (ii) all anti-corruption and anti-money laundering laws, rules, and regulations, including, without limitation, the USA Patriot Act and all other anti-terrorism financing laws, rules, and regulations, (iii) the Member Wholesale Power Contracts and Material Direct Serve Contracts except to the extent that any such failure to comply therewith would not reasonably be expected to have a Material Adverse Effect, and (iv) its Organizational Documents.

SECTION 5.03 Consents and Approvals. No consent, permission, authorization, filings, notices, order or license of any Governmental Authority or of any party to any agreement to which the Borrower is a party or by which it or any of its Property may be bound or affected, is necessary in connection with the execution, delivery, performance or enforcement of any Loan Document, except consents, permission, authorizations, filings, notices, orders or licenses described in Schedule 5.03³, which have been obtained and are in full force or the failure of which to obtain would not reasonably be expected to have a Material Adverse Effect.

SECTION 5.04 Taxes. The Borrower (i) has filed or caused to be filed all Federal, state, provincial and other tax returns that are required to be filed and (ii) has paid all Taxes that are due and payable and all other Taxes, fees, assessments or other governmental charges or levies imposed on it or any of its Property by any Governmental Authority except in each case to the extent that (i) the failure to do so would not reasonably be expected to result in a Material Adverse Effect or (ii) where the amount or validity thereof is currently being contested in good faith by appropriate proceedings and reserves required in conformity with GAAP with respect thereto have been provided on the books of the Borrower.

SECTION 5.05 Corporate Power; Authorization; Enforceable Obligations.

(a) The Borrower has the corporate or organizational power and authority to execute, deliver and perform the Loan Documents to which it is a party, to borrow the Loan hereunder, and to fulfill the Collateral Requirements.

(b) The Borrower has taken all necessary corporate or other action to authorize the execution, delivery and performance of the Loan Documents to which it is a party, to authorize the extensions of credit on the terms and conditions of this Agreement, and to fulfill the Collateral Requirements.

(c) Each Loan Document has been duly executed and delivered on behalf of the Borrower. This Agreement constitutes, and each other Loan Document upon execution will constitute, a legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar Requirements of Law affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law) and the implied covenants of good faith and fair dealing.

³ NTD: Schedule 5.03 should list any filings or other actions that are required to be taken pursuant to the Indenture that cannot be completed prior to the Closing Date.

SECTION 5.06 No Conflict. The execution, delivery and performance of this Agreement and the other Loan Documents by the Borrower, the borrowings hereunder and the use of the proceeds thereof do not and will not (a) violate the Organizational Documents of the Borrower, (b) except as would not reasonably be expected to have a Material Adverse Effect, violate any Requirements of Law, (c) result in, or require, the creation or imposition of any Lien on any of its respective properties or revenues pursuant to any Requirements of Law or any such Contractual Obligation (other than the Liens permitted by Section 7.01), or (d) result in a breach of, or constitute a default under, the Indenture or any other indenture, loan agreement, credit agreement, or other material agreement to which the Borrower is a party or by which it or any of its necessary properties are bound.

SECTION 5.07 ERISA. All plans (“ERISA Plans”) of a type described in Section 3(3) of ERISA in respect of which the Borrower is an “Employer”, as defined in Section 3(5) of ERISA, are, to the best knowledge of the Borrower, in substantial compliance with ERISA, and none of such ERISA Plans is insolvent or in reorganization, or has a material accumulated or waived funding deficiency within the meaning of Section 412 of the Internal Revenue Code, except to the extent that any such non-compliance, insolvency, reorganization or deficiency would not reasonably be expected to have a Material Adverse Effect. The Borrower has not incurred any material liability (including any material contingent liability) to or on account of any such ERISA Plan pursuant to Sections 4062, 4063, 4064, 4201 or 4204 of ERISA. No proceedings have been instituted to terminate any such ERISA Plan.

SECTION 5.08 No Change. Since December 31, 2011, there has been no event, circumstance, development, change or effect that would reasonably be expected to have a Material Adverse Effect.

SECTION 5.09 No Material Litigation. [Except as disclosed on Schedule 4.01(g)]⁴, no litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of the Borrower, likely to be commenced within a reasonable time period against the Borrower which, taken as a whole, would reasonably be expected to have a Material Adverse Effect.

SECTION 5.10 Ownership of Property; Liens. The Borrower has title to, or a valid leasehold interest in, all its material real property, and good title to, or a valid leasehold interest in, all its other material Property comprising the Trust Estate, and none of such Property comprising the Trust Estate is subject to any Lien except as permitted by Section 7.01.

SECTION 5.11 Federal Regulations. No part of the proceeds of the Loan will be used for “buying” or “carrying” any “margin stock” within the respective meanings of each of the quoted terms under Regulation U as now and from time to time hereafter in effect or for any purpose that violates the provisions of the regulations of the Board. If requested by the Administrative Agent, the Borrower will furnish to the Administrative Agent a statement to the foregoing effect in conformity with the requirements of FR Form G-3 or FR Form U 1 referred to in Regulation U.

SECTION 5.12 Investment Company Act. The Borrower is not an “investment company,” or a company “controlled” by an “investment company,” within the meaning of the Investment Company Act of 1940, as amended.

SECTION 5.13 Subsidiaries, Affiliates and Members. There are no direct or indirect Subsidiaries of the Borrower, Affiliates, or Members, other than as disclosed on Schedule 5.13.

⁴ NTD: SUBJECT TO REVIEW OF LITIGATION DISCLOSURES TO BE PROVIDED BY BIG RIVERS.

SECTION 5.14 Solvency. The Borrower is, and after giving effect to the making of the Loan hereunder will be, Solvent.

SECTION 5.15 Environmental Matters. [Except as disclosed on Schedule 5.15]⁵, the Borrower has obtained all environmental, health and safety permits, licenses and other authorizations required under all Environmental Laws to carry on its business as now being or as proposed to be conducted, which if not obtained would reasonably be expected to result in a Material Adverse Effect. Each of such permits, licenses and authorizations is in full force and effect and the Borrower is in compliance with the terms and conditions thereof, and is also in compliance with all other limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules and timetables contained in any applicable Environmental Law or in any regulation, code, plan, order, decree, judgment, injunction, notice or demand letter issued, entered into, promulgated or approved thereunder, that, in each case, if not in effect or not in compliance would reasonably be expected to result in a Material Adverse Effect.

SECTION 5.16 Accuracy of Information, etc. No written, factual statement or information (excluding the projections and pro forma financial information referred to below) contained in this Agreement, any other Loan Document or any financial statement or certificate furnished to any Lender, by or on behalf of the Borrower, for use in connection with the transactions contemplated by this Agreement or the other Loan Documents, when taken as a whole, contained, as of the date such statement, information, or certificate was so furnished, any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements contained herein or therein not materially misleading. The projections and pro forma financial information contained in the materials referenced above are based upon good faith estimates and assumptions believed by management of the Borrower to be reasonable at the time made, it being recognized by the Administrative Agent and the Lenders that such financial information as it relates to future events is not to be viewed as fact and that actual results during the period or periods covered by such financial information may differ from the projected results set forth therein by a material amount.

SECTION 5.17 Member Wholesale Power Contracts; Material Direct Serve Contracts.

(a) The Borrower has heretofore delivered to the Administrative Agent complete and correct copies of the Member Wholesale Power Contracts and Material Direct Serve Contracts in effect on the Closing Date. Identified on Schedule 5.17 are the Member Wholesale Power Contracts and the Material Direct Serve Contracts in effect as of the Closing Date. Each such Member Wholesale Power Contract and Material Direct Serve Contract are (i) legal, valid and binding upon the Borrower and enforceable against the Borrower in accordance with their respective terms and (ii) to the Borrower's actual knowledge without investigation, legal, valid and binding upon each Counterparty thereto and enforceable against each Counterparty thereto in accordance with their respective terms.

(b) The Borrower has not received a "Notice of Termination for Closure" under Section 7.3.1(a) of either of the Borrower's smelter contracts from any Counterparty indicating its intention to terminate such Direct Serve Contract pursuant to the terms thereunder ("Notice of Cancellation").

SECTION 5.18 Insurance. The Borrower maintains insurance in accordance with the Indenture.

⁵ NTD: SUBJECT TO REVIEW OF ENVIRONMENTAL MATTERS TO BE DISCLOSED BY BIG RIVERS.

SECTION 5.19 Franchises, Licenses, Etc. The Borrower possesses all franchises, certificates, licenses, permits and other authorizations necessary for the operation of its Business, except such as the failure to possess would not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.20 Indebtedness. As of the Closing Date, the Borrower has no Material Indebtedness other than as set forth on Schedule 5.20.

SECTION 5.21 Certain Indenture Items.

(a) The Notes constitute “Additional Obligations” as such term is defined in the Indenture.

(b) The Notes have been and remain authenticated pursuant to the requirements set forth in Section 4.1 of the Indenture.

(c) The terms of the Loan Documents do not conflict with the provisions of the Indenture.

(d) The Borrower’s obligations under the Notes when delivered will rank *pari passu* in right of payment, without preference or priority, with all other “Obligations” as defined in the Indenture.

ARTICLE 6
AFFIRMATIVE COVENANTS

The Borrower hereby agrees that, so long as the Loan or other amount is owing to the Lenders hereunder, the Borrower shall:

SECTION 6.01 Financial Reports. Furnish to the Administrative Agent:

(a) Annual Financial Statements. No later than one hundred twenty (120) days after the end of each fiscal year of the Borrower occurring during the term hereof, annual financial statements of the Borrower prepared in accordance with GAAP consistently applied. Such financial statements shall: (a) be audited by a nationally recognized firm of independent certified public accountants selected by the Borrower or such other firm of independent certified public accountants reasonably acceptable to the Administrative Agent (b) be accompanied by a report of such accountants containing an opinion which is not limited as to going concern or scope to the effect that the financial statements: (i) were audited in accordance with generally accepted auditing standards; and (ii) present fairly, in all material respects, the financial position of the Borrower as at the year then ended and the results of its operations for the year then ended, in conformity with GAAP; (c) be prepared in reasonable detail and in comparative form and (d) include consolidated balance sheets, a statement of equity, a statement of operations, a statement of cash flows, and all notes and schedules relating thereto.

(b) Quarterly Financial Statements. No later than sixty (60) days after the end of the first three quarterly periods of each fiscal year of the Borrower, commencing with the fiscal quarter ending June 30, 2012, the unaudited consolidated balance sheets of the Borrower as of the end of such quarter and a related statement of operations for the Borrower for the portion of the fiscal year through the end of such quarter, and such other interim statements as the Administrative Agent may reasonably request, all prepared on a consolidated basis, in reasonable detail, and in comparative form in accordance

with GAAP consistently applied and certified by the chief financial officer of the Borrower (or another Responsible Officer acceptable to the Administrative Agent) as being fairly stated in all material respects (subject to normal year end audit adjustments and the lack of notes).

(c) Annual Budgets and Financial Plans. No later than ninety (90) days after the end of each fiscal year of the Borrower, copies of the annual budgets and financial plans of the Borrower and its Subsidiaries covering for at least the three year period following the end of such fiscal year.

(d) Annual RUS Form 12. Promptly after furnishing the same to RUS, a copy of the RUS Form 12a (or equivalent replacement thereof) filed by the Borrower with RUS for December 31 of each year.

(e) Compliance Certificate. Together with each set of financial statements delivered pursuant to Sections 6.01(a) and (b), a certificate of the chief financial officer of the Borrower substantially in the form of Exhibit G (or another Responsible Officer acceptable to the Administrative Agent): (i) certifying that no Default or Event of Default occurred during the period covered by such statements or, if a Default or Event of Default did occur during such period, a statement as to the nature thereof, whether such Default or Event of Default is continuing, and, if continuing, the action which is proposed to be taken with respect thereto and (ii) together with each set of financial statements delivered pursuant to Section 6.01(a) only, calculating the Borrower's Margin For Interest Ratio (as defined in the Indenture).

(f) Other Information. Such other information and reports regarding the condition or operations, financial or otherwise (including copies of any amendments or supplements to the Indenture, Member Wholesale Power Contracts, or Material Direct Serve Contracts) of the Borrower as the Administrative Agent may from time to time reasonably request.

SECTION 6.02 Notices. Upon a Responsible Officer of the Borrower obtaining knowledge thereof, furnish to the Administrative Agent for delivery to each Lender:

(a) Notice of Default; Material Adverse Event. Promptly, and in any event within ten (10) Banking Days after becoming aware thereof, notice of the occurrence of a Default or an Event of Default or any event, circumstance, change or effect that would reasonably result in a Material Adverse Effect.

(b) Notice of Litigation, Governmental Proceedings, & Environmental Events. Promptly, and in any event within ten (10) Banking Days after a Responsible Officer becoming aware thereof, notice of: (1) the commencement of any action, suit or proceeding before or by any court, governmental instrumentality, arbitrator, mediator or the like which, if adversely decided, would reasonably be expected to have a Material Adverse Effect; and (2) the receipt of any notice, indictment, pleading, or other communication alleging a condition that both: (a) may reasonably be expected to require the Borrower to undertake or to contribute to a clean-up or other response under any Environmental Law, or which seeks penalties, damages, injunctive relief, or other relief as a result of an alleged violation of any such Requirements of Law, or which claims personal injury or property damage as a result of environmental factors or conditions; and (b) would reasonably be expected to have a Material Adverse Effect or result in criminal sanctions.

(c) Notice of Certain Events. Promptly, and in any event within fifteen (15) Banking Days, written notice of each of the following: (1) any change in the name, structure, jurisdiction of organization, or organizational identification number (if any) of Borrower; or (2) any change in the

principal place of business of the Borrower or the office where its records concerning its accounts are kept.

(d) Notices with Respect to Material Contracts. Promptly, and in any event within ten (10) Banking Days after a Responsible Officer becoming aware thereof, the Borrower shall notify the Administrative Agent of (i) any material modification to any of the Material Contracts or entering into any new Material Contracts, (ii) any default in the performance of any Counterparty's or Counterparties' payment obligations where the aggregate principal amount of such default or defaults exceeds \$10,000,000 under any Material Contract that has continued unremedied for thirty (30) or more days beyond the applicable grace period, if any, (iii) its receipt of a judicial or regulatory filing made by a Member, in either case (a) requesting to withdraw from, or make a material modification to, any of its obligations under its Material Contract, (b) seeking consent to assign any of its rights and obligations under its Material Contract, or (c) contesting the validity or enforceability of its Material Contract, (iv) any release or termination of a Counterparty's payment obligations under a Material Contract (v) any decree, order, filing, petition, or similar action regarding the insolvency or bankruptcy of a Counterparty or regarding any such Counterparty's inability to meet its future obligations under its Material Contract, or (vi) its receipt of a Notice of Cancellation from a Counterparty to a Material Direct Serve Contract and shall provide a copy of such Notice of Cancellation to the Administrative Agent.

(e) Subsidiaries. Promptly, and in any event within fifteen (15) Banking Days after (i) the formation of any material Subsidiary or (ii) any immaterial Subsidiary becoming a material Subsidiary, such information as the Administrative Agent may reasonably request with respect to such Subsidiary, including, without limitation, the name, chief executive office, and jurisdiction of formation.

(f) Governmental Reports. Promptly, and in any event within ten (10) Banking Days upon Borrower's receipt of a written notice, request for information, order, complaint or report of any Governmental Authority regarding any matter that would reasonably be expected to have a Material Adverse Effect.

SECTION 6.03 Compliance with Laws, Member Wholesale Power Contracts, Direct Serve Contracts, and Indenture. Comply with (A) all Requirements of Law (including without limitation Environmental Laws and ERISA matters) and each Member Wholesale Power Contract and Direct Serve Contract, except, in each case, to the extent that failure to comply therewith would not reasonably be expected to have a Material Adverse Effect, and (B) the Indenture.

SECTION 6.04 Inspection. Permit any Lender (coordinated through the Administrative Agent or its agents), upon reasonable notice and during normal business hours or at such other times as the parties may agree, to examine the properties, books and records of the Borrower, and to discuss its or their affairs, finances and accounts with its or their officers, directors, and independent certified public accountants.

SECTION 6.05 Use of Proceeds. Use the proceeds of the Loan for debt refinancing, funding of the Transition Reserve in the amount of \$35,000,000, and capital expenditures.

SECTION 6.06 CoBank Equity.

(a) So long as CoBank is a Lender hereunder, the Borrower will acquire equity in CoBank in such amounts and at such times as CoBank may require in accordance with CoBank's ByLaws and Capital Plan (as each may be amended from time to time), except that the maximum amount of equity that the Borrower may be required to purchase in CoBank in connection with the amount of the Loan held

by CoBank may not exceed the maximum amount permitted by the ByLaws and the Capital Plan at the time this Agreement is entered into. The Borrower acknowledges receipt of a copy of (i) CoBank's most recent annual report, and if more recent, CoBank's latest quarterly report, (ii) CoBank's Notice to Prospective Stockholders and (iii) CoBank's ByLaws and Capital Plan, which describe the nature of all of the Borrower's stock and other equities in CoBank acquired in connection with its patronage loan from CoBank (the "CoBank Equities") as well as capitalization requirements, and agrees to be bound by the terms thereof.

(b) Each party hereto acknowledges that CoBank's ByLaws and Capital Plan (as each may be amended from time to time) shall govern (i) the rights and obligations of the parties with respect to the CoBank Equities and any patronage refunds or other distributions made on account thereof or on account of the Borrower's patronage with CoBank, (ii) the Borrower's eligibility for patronage distributions from CoBank (in the form of CoBank Equities and cash) and (iii) patronage distributions, if any, in the event of a sale of a participation interest. CoBank reserves the right to assign or sell participations in all or any part of its Commitments or outstanding amounts of the Loan hereunder on a non-patronage basis.

SECTION 6.07 Further Assurances. From time to time execute and deliver, or cause to be executed and delivered, such additional instruments, certificates or documents, and take all such actions, as the Administrative Agent may reasonably request for the purposes of implementing or effectuating the provisions of this Agreement, the other Loan Documents and the Collateral Requirements.

ARTICLE 7 NEGATIVE COVENANTS

The Borrower hereby agrees that, for the period so long as Loan or other amount is owing to the Lenders hereunder, the Borrower shall not:

SECTION 7.01 Liens. Create, incur, assume or suffer to exist any Lien upon the Trust Estate (as defined in the Indenture) except as permitted under the Indenture (which Liens not prohibited by the Indenture include the statutory first Lien in favor of CoBank on the CoBank Equities).

SECTION 7.02 Restricted Payments. Directly or indirectly declare or pay any dividend or make any payments of, distributions of, or retirements of patronage capital to its Members, except to the extent permitted by Section 13.15 of the Indenture.

SECTION 7.03 Accounting Changes. Make or permit any change in accounting policies or reporting practices, except as required or permitted by applicable law or as otherwise in compliance with GAAP.

SECTION 7.04 Member Wholesale Power Contracts, Material Direct Serve Contracts and Organizational Documents.

(a) Consent to any modification, supplement or waiver of any of the provision of its Member Wholesale Power Contracts or Material Direct Serve Contracts, if the effect thereof, either individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

(b) Consent to any modification, supplement or waiver of any of the provisions of its Organizational Documents if the effect thereof, either individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

SECTION 7.05 Negative Pledge and Prohibition Clauses. Enter into any Contractual Obligation that prohibits or limits the ability of the Borrower to (a) create, incur, assume or suffer to exist CoBank's statutory first Lien on the CoBank Equities or (b) perform its obligations under any Loan Document.

ARTICLE 8 FINANCIAL COVENANT

The Borrower shall comply with Section 13.14 of its Indenture.

ARTICLE 9 EVENTS OF DEFAULT

If any of the following events shall occur and be continuing:

SECTION 9.01 Payment. The company shall fail to pay (a) any principal of the Loan due hereunder, or (b) any interest owed by it on the Loan or any fee or other amount payable by it hereunder or under any other Loan Document, within five (5) Banking days after any such interest or other amount becomes due in accordance with the terms hereof.

SECTION 9.02 Misrepresentation. Any representation or warranty made or deemed made by the Borrower herein or in any other Loan Document or that is contained in any certificate, document or financial or other statement furnished by it at any time under or in connection with this Agreement or any such other Loan Document, shall in either case prove to have been inaccurate in any material respect on or as of the date made or deemed made or furnished; provided that, with respect to representations and warranties made after the Closing Date only, the interest rate shall return to the Quoted Fixed Rate (and the Loans shall not bear interest at the Default Rate) immediately upon the Borrower's provision of accurate information in writing to the Administrative Agent.

SECTION 9.03 Covenant Violations. The Borrower shall default in the observance or performance of any agreement contained in Section 6.01, 6.02(a), and (d), 6.05, 6.06, Article 7, Article 8, or Article XIII of the Indenture (subject to the applicable cure provisions, if any, contained therein).

SECTION 9.04 Other Violations. The Borrower shall default in the observance or performance of (i) any agreement contained in Section 6.02(b), (c), (e), and (f) and such default shall continue unremedied for a period of five (5) days or (ii) any other agreement contained in this Agreement or any other Loan Document (other than as provided in Section 9.01, 9.02 or 9.03), and such default shall continue unremedied for a period of thirty (30) days, in each case, after the earlier of (A) the date the Borrower receives from the Administrative Agent notice of the existence of such default or (B) the date a Responsible Officer of the Borrower obtains knowledge of such default, provided, that in the case of (ii) above, if remedial action has been taken and Borrower is diligently pursuing a cure, such remedial action has not succeeded within an additional thirty (30) day period after Borrower receives notice (pursuant to clause (ii)(A) above) or obtains knowledge (pursuant to clause (ii)(B) above), as applicable.

SECTION 9.05 CoBank Indebtedness.

(a) With respect to any Indebtedness owed to CoBank, (i) the Borrower shall default in any payment (beyond the applicable grace period with respect thereto, if any), or (ii) any such Indebtedness shall be declared due and payable, or required to be prepaid, other than by a regularly scheduled required prepayment or other prepayments of such Indebtedness prior to the stated maturity thereof.

(b) CoBank's commitment to lend to the Borrower under any other agreement existing between CoBank and the Borrower as of the Closing Date shall be terminated due to a default thereunder.

SECTION 9.06 Member Wholesale Power Contracts and Material Direct Serve Contracts. In the course of one fiscal year of the Borrower (i) any one or more Members shall default in the performance of any payment obligations under its or their Member Wholesale Power Contracts or any one Person party to a Material Direct Serve Contract shall default in its performance of any payment obligations under such Material Direct Serve Contract, where the aggregate principal amount of such default or defaults exceeds 20% of the Borrower's prior fiscal year's revenues and such default or defaults have continued for thirty-five (35) days beyond any applicable cure period, (ii) any one or more Members or any one Person party to a Material Direct Serve Contract shall contest the validity or enforceability of its or their Member Wholesale Power Contracts or Material Direct Serve Contracts, as the case may be, representing, individually or in the aggregate, 20% or more of the Borrower's prior fiscal year's revenues by filing any judicial or regulatory action, suit or proceeding seeking as a remedy the declaration of the unenforceability or the material modification of its or their Member Wholesale Power Contracts or Material Direct Serve Contracts, as the case may be, and such judicial or regulatory body shall have issued a final and non-appealable order either (A) declaring unenforceable all or a material portion of such Member Wholesale Power Contracts or such Material Direct Serve Contracts, as the case may be, representing, individually or in the aggregate, 20% or more of the Borrower's prior fiscal year's revenues or (B) adversely modifying any material portion of such Wholesale Power Contracts or Material Direct Serve Contracts representing, as the case may be, individually or in the aggregate, 20% or more of the Borrower's prior fiscal year's revenues, or (iii) release or termination of Borrower's Member Wholesale Power Contracts or Material Direct Serve Contracts together representing 20% or more of the Borrower's prior fiscal year's revenues.

SECTION 9.07 Invalidity of Loan Documents. Any Loan Document shall be deemed invalid by order, judgment or decree of any Governmental Authority or arbitrator, or the Borrower shall assert that any such Loan Document is invalid.

SECTION 9.08 Indenture. An Event of Default (as defined in the Indenture) shall exist or the Notes shall cease to be secured under the terms of the Indenture.

ARTICLE 103 REMEDIES UPON DEFAULT

SECTION 10.01 Remedies.

(a) Subject in all cases to clause (b) of this Section 10.01, if an Event of Default has occurred and is continuing, (i) if such event is an Event of Default specified in the Indenture with respect to the Borrower, the Lenders, as Holders of "Obligations" under the Indenture, shall have the rights and remedies set forth in the Indenture and (ii) if such event is any other Event of Default, any of the following actions may be taken: the Administrative Agent may, or at the request of the Required Lenders, shall, enforce any and all rights and remedies as may be provided by this Agreement, any other Loan

Document, or under applicable Requirement of Law, including without limitation, set off and application against the Borrower's obligation to Lender then due and payable the proceeds of any equity in CoBank, any cash held by CoBank, or any other balances held by CoBank for the Borrower's account (whether or not such balances are then due). Each of such rights and remedies shall be cumulative and may be exercised from time to time, and no failure on the part of any Lender to exercise, and no delay in exercising, any right or remedy shall preclude any other future exercise thereof, or the exercise of any other right. Presentment, demand and protest of any kind are hereby expressly waived by the Borrower. In addition to the rights and remedies set forth above, upon the occurrence and during the continuance of an Event of Default, at Administrative Agent's option in each instance (and automatically following an acceleration), the unpaid principal balance of the Loan (and all overdue payments of interest and fees) shall bear interest at the Default Rate. All such interest, together with all overdue amounts, shall be payable on demand.

(b) The Loan may only be accelerated as provided in, and subject to the terms of, the Indenture.

SECTION 10.02 Allocation of Payments after Acceleration. Notwithstanding any other provisions of this Agreement, all amounts collected or received by the Administrative Agent or any Lender on account of amounts owed pursuant to the Notes (including any principal (and premium, if any) and interest thereunder) and secured by the Indenture shall be paid to the Administrative Agent for the benefit of the Lenders pursuant to Section 2.12 and any additional amounts shall then be paid or delivered as follows:

FIRST, to the payment of all reasonable out-of-pocket costs and expenses (including without limitation fees and disbursements of any law firm or other external counsel and all disbursements of internal legal counsel) of the Administrative Agent or any of the Lenders in connection with enforcing the rights of the Lenders under the Loan Documents, pro rata, as set forth below;

SECOND, to payment of any fees owed to the Administrative Agent or any Lender, pro rata as set forth below;

THIRD, to all other obligations which shall have become due and payable under the Loan Documents and not repaid pursuant to clauses "FIRST" or "SECOND" above; and

FOURTH, to the payment of the surplus, if any, to whoever may be lawfully entitled to receive such surplus.

In carrying out the foregoing, (a) amounts received shall be applied in the numerical order provided until exhausted prior to application to the next succeeding category and (b) each of the Lenders shall receive an amount equal to its pro rata share (based on the proportion that the then outstanding amount of the Loan held by such Lender bears to the aggregate then outstanding amount of the Loan) of amounts available to be applied.

ARTICLE 11 ADMINISTRATIVE AGENT

SECTION 11.01 Appointment. Each of the Lenders hereby irrevocably appoints the Administrative Agent to act on its behalf as the Administrative Agent hereunder and under the Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with

such actions and powers as are reasonably incidental thereto. The provisions of this Section are solely for the benefit of the Administrative Agent, the Lenders and the Borrower shall not have rights as a third party beneficiary of any of such provisions. It is understood and agreed that the use of the term “agent” herein or in any other Loan Documents (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

SECTION 11.02 Delegation of Duties. The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Section shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and non-appealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

SECTION 11.03 Exculpatory Provisions.

(a) The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Administrative Agent:

(i) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default or Event of Default has occurred and is continuing;

(ii) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable Requirement of Law including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law; and

(iii) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

(b) The Administrative Agent shall not be liable for any action taken or not taken by it (a) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Article 10 and Section 12.01) or (b) in the absence of its own gross negligence or willful misconduct as determined by a final, nonappealable judgment of a court of competent jurisdiction. The Administrative Agent shall be deemed not to have knowledge of any

Default unless and until notice describing such Default is given to the Administrative Agent by the Borrower, a Lender.

(c) The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Sections 4.01 or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

SECTION 11.04 Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan that by its terms must be fulfilled to the satisfaction of a Lender or the Administrative Agent may presume that such condition is satisfactory to such Lender unless the Administrative Agent shall have received notice to the contrary from such Lender prior to the making of such Loan. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

SECTION 11.05 Notice of Default. Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default unless Administrative Agent has received notice from a Lender or the Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a “notice of default.” In the event that Administrative Agent receives such a notice, Administrative Agent promptly shall give notice thereof to the Borrower and the Lenders. The Administrative Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders; provided, that unless and until Administrative Agent shall have received such directions, Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Lenders. Notwithstanding anything else to the contrary in this Agreement, the Administrative Agent shall not be required to take, or to omit to take, any action (a) unless, upon demand, the Administrative Agent receives an indemnification satisfactory to it from the Lenders against all liabilities that, by reason of such action or omission, may be imposed on, incurred by or asserted against the Administrative Agent or any of its Affiliates or (b) that is, in the opinion of the Administrative Agent, contrary to any Loan Document or applicable Requirement of Law.

SECTION 11.06 Non-Reliance on Administrative Agent and Other Lenders. Each Lender acknowledges that it has, independently and without reliance on the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based

upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

SECTION 11.07 Indemnification. The Lenders agree to indemnify Administrative Agent and Agent Parties (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower to do so), ratably according to their respective Aggregate Exposure Percentages in effect on the date on which indemnification is sought under this Section 11.07 (or, if indemnification is sought after the date upon which the Commitments shall have terminated and the Loan shall have been paid in full, ratably in accordance with such Aggregate Exposure Percentages immediately prior to such date), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever that may at any time (whether before or after the payment of the Loan) be imposed on, incurred by or asserted against Administrative Agent or Agent Parties in any way relating to or arising out of, the Commitments, this Agreement, any of the other Loan Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by Administrative Agent or Agent Parties under or in connection with any of the foregoing; provided, that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements that are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from Administrative Agent's or Agent Parties' gross negligence or willful misconduct. The agreements in this Section 11.07 shall survive the payment of the Loan and all other amounts payable hereunder.

SECTION 11.08 Right as a Lender. The Person serving as Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

SECTION 11.09 Resignation of Administrative Agent.

(a) The Administrative Agent may at any time give notice of its resignation to the Lenders and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Borrower (so long as no Default or Event of Default has occurred and is continuing), to appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders) (the "Resignation Effective Date"), then the retiring Administrative Agent may (but shall not be obligated to) on behalf of the Lenders appoint a successor Administrative Agent. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(b) With effect from the Resignation Effective Date (1) the retiring or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents and (2) all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender directly, until such time, if any, as the Required Lenders appoint a successor Administrative Agent as provided for above. Upon the

acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring or removed Administrative Agent, and the retiring or removed Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents. The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring or removed Administrative Agent's resignation or removal hereunder and under the other Loan Documents, the provisions of this Article and Section 11.07 shall continue in effect for the benefit of such retiring or removed Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring or removed Administrative Agent was acting as Administrative Agent.

SECTION 11.10 No Other Duties, etc. Anything herein to the contrary notwithstanding, no Bookrunner or Arranger listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent or a Lender hereunder.

ARTICLE 12 MISCELLANEOUS

SECTION 12.01 Amendments and Waivers.

(a) Neither this Agreement, any other Loan Document (except the Notes, the Indenture and the Second Supplemental Indenture), nor any terms hereof or thereof may be amended, supplemented or modified except in accordance with the provisions of this Section 12.01. The Required Lenders and the Borrower may or, with the written consent of the Required Lenders, the Administrative Agent and the Borrower may, from time to time, (a) enter into written amendments, supplements or modifications hereto and to the other Loan Documents for the purpose of adding any provisions to this Agreement or the other Loan Documents or changing in any manner the rights or obligations of the Administrative Agent, the Lenders or of the Borrower hereunder or thereunder or (b) waive, on such terms and conditions as the Required Lenders or the Administrative Agent may specify in such instrument, any of the requirements of this Agreement or the other Loan Documents or any Default or Event of Default and its consequences; provided, however, that no such waiver and no such amendment, supplement or modification shall (x)(i) forgive or reduce the principal amount or extend the final scheduled date of maturity of the Loan, (ii) reduce the stated rate of any interest or fee payable hereunder or extend the scheduled date of any payment thereof, (iii) increase the amount or extend the expiration date of any Lender's Commitments, (iv) modify the definition of "Required Lender," or (v) modify Section 2.12, in each case without the written consent of each Lender directly adversely affected thereby; or (y) eliminate or reduce the voting rights of any Lender or Participant under this Section 12.01 without the written consent of such Lender or Participant; or (z) amend, modify or waive any provision of Article 11 without the written consent of the Administrative Agent. The Notes, the Indenture and the Supplemental Indenture, may be amended, supplemented or modified pursuant to the terms of the Indenture. Any such waiver and any such amendment, supplement or modification shall apply equally to each of the Lenders and shall be binding upon the Borrower, the Lenders, the Administrative Agent and all future holders of Loan. In the case of any waiver, the Borrower, the Lenders and the Administrative Agent shall be restored to their former position and rights hereunder and under the other Loan Documents, and any Default or Event of Default waived shall be deemed to be cured and not continuing unless limited by the terms of such waiver; but no such waiver shall extend to any subsequent or other Default or Event of Default, or impair any right consequent thereon.

(b) If any Lender does not consent to a proposed amendment, waiver, consent or release with respect to any Loan Document that requires the consent of each Lender and that has been approved by the Required Lenders, the Borrower may replace such non-consenting Lender in accordance with Section 3.06; provided that such amendment, waiver, consent or release can be effected as a result of the assignment contemplated by such Section (together with all other such assignments required by the Borrower to be made pursuant to this paragraph).

SECTION 12.02 Notices Generally.

(a) Notices. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile as follows:

If to the Administrative Agent, as follows:

CoBank, ACB
5500 South Quebec Street
Greenwood Village, Colorado 80111
Facsimile: (303) 740-4002
Attention: Power Supply Division

With a copy to:
CoBank, ACB
5500 South Quebec Street
Greenwood Village, Colorado 80111
Facsimile: (303) 740-4002
Attention: Legal Division

Latham & Watkins LLP
555 Eleventh Street, NW
Suite 1000
Washington, DC 20004-1304
Fax: +1.202.637.2201
Attention: Paul J. Hunt

If to a Lender, to it at its address (of facsimile number) set forth in its Administrative Questionnaire.

If to the Borrower, as follows:

Big Rivers Electric Corporation
201 Third Street
Henderson, Kentucky 42420
Facsimile: (270) 827-2558
Attention: President and Chief Executive Officer

With a copy to:
Big Rivers Electric Corporation
201 Third Street
Henderson, Kentucky 42420
Facsimile: (270) 827-2558
Attention: Chief Financial Officer

James M. Miller, Esq.
Sullivan, Mountjoy, Stainback & Miller, P.S.C.
100 St. Ann Building
Owensboro, KY 42303

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Banking Day for the recipient). Notices delivered through electronic communications, to the extent provided in paragraph (b) below, shall be effective as provided in said paragraph (b).

(b) Electronic Communication. Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent, provided, that the foregoing shall not apply to notices to any Lender pursuant to Article 2 if such Lender has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing clause (i), of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii) above, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Banking Day for the recipient.

(c) Change of Address, etc. Any party hereto may change its address or facsimile number for notices and other communications hereunder by notice to the other parties hereto.

(d) Platform.

(i) The Borrower agrees that the Administrative Agent may, but shall not be obligated to, make the Communications (as defined below) available to the Lenders by posting the Communications on Debt Domain, Intralinks, Syndtrak or a substantially similar electronic transmission system (the "Platform").

(ii) The Platform is provided "as is" and "as available." The Agent Parties (as defined below) do not warrant the adequacy of the Platform and expressly disclaim liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including, without limitation, any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made by any Agent Party in connection with the Communications or the Platform. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to the Borrower, any Lender or any other Person or entity for damages of any kind, including, without limitation, direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of the Borrower's or the Administrative Agent's transmission of communications through the Platform except to the extent that such losses, damages, liabilities or related expenses are determined by a final, nonappealable judgment of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of the Agent Parties. "Communications" means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of the Borrower pursuant to any Loan Document or the transactions contemplated therein which is distributed to the Administrative Agent or any Lender by means of electronic communications pursuant to this Section, including through the Platform.

SECTION 12.03 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Administrative Agent or any Lender, any right, remedy, power or privilege hereunder or under the other Loan Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by any Requirement of Law.

SECTION 12.04 Survival of Representations and Warranties. All representations and warranties made hereunder, in the other Loan Documents and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the making of the Loan and other extensions of credit hereunder.

SECTION 12.05 Costs and Expenses; Indemnification.

(a) **Costs and Expenses.** The Borrower shall pay (i) all reasonable out of pocket expenses incurred by the Administrative Agent and its Affiliates (including the reasonable fees, charges and disbursements of counsel for the Administrative Agent), in connection with the syndication of the Loan, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents, or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated) and (ii) all out of pocket expenses incurred by the Administrative Agent or any Lender (including the fees, charges and disbursements of any counsel for the Administrative Agent or any Lender), and shall pay all fees and time charges for attorneys who may be employees of the Administrative Agent or any Lender or any, in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (B) in connection with the Loan made hereunder, including all such out of pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loan.

(b) **Indemnification by the Borrower.** The Borrower shall indemnify the Administrative Agent (and any sub-agent thereof), each Lender and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnatee") against, and hold each Indemnatee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the fees, charges and disbursements of any counsel for any Indemnatee), and shall indemnify and hold harmless each Indemnatee from all fees and time charges and disbursements for attorneys who may be employees of any Indemnatee, incurred by any Indemnatee or asserted against any Indemnatee by any Person (including the Borrower) other than such Indemnatee and its Related Parties arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (ii) the Loan or use of the proceeds therefrom, (iii) any actual or alleged presence or Release of Materials of Environmental Concern on or from any property owned or operated by the Borrower or any of its Subsidiaries, or any Environmental Liability related in any way to the Borrower or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrower, and regardless of whether any Indemnatee is a party thereto; provided that such indemnity shall not, as to any Indemnatee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnatee or (y) result from a claim brought by the Borrower against an Indemnatee for breach in bad

faith of such Indemnitee's obligations hereunder or under any other Loan Document, if the Borrower has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction. This Section 12.05(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(c) Reimbursement by Lenders. To the extent that the Borrower for any reason fails to indefeasibly pay any amount required under paragraph (a) or (b) of this Section to be paid by it to the Administrative Agent (or any sub-agent thereof) or any Related Party thereof, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent) or such Related Party, as the case may be, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender's share of the Total Credit Exposure at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender); provided, that, the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent) or against any Related Party thereof acting for the Administrative Agent (or any such sub-agent) in connection with such capacity.

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable law, no party hereto shall assert, and each hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, the Loan or the use of the proceeds thereof. No Indemnitee referred to in paragraph (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

(E) Payments. All amounts due under this Section shall be payable not later than ten (10) days after demand therefor.

(F) Survival. Each party's obligations under this Section shall survive the termination of the Loan Documents and payment of the obligations hereunder.

SECTION 12.06 Successors and Assigns; Participations and Assignments.

(a) Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender, and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of paragraph (b) of this Section, (ii) by way of participation in accordance with the provisions of paragraph (d) of this Section, or (iii) by way of pledge or assignment of a security interest subject to the restrictions of paragraph (f) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in paragraph (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the principal amount of the Loan at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and/or the principal amount of the Loan at the time owing to it or contemporaneous assignments to related Approved Funds that equal at least the amount specified in paragraph (B)(1)(b) of this Section in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in paragraph (B)(1)(a) of this Section, the aggregate amount of the Commitment (which for this purpose includes principal amount of the Loan outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Loan of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than \$5,000,000, unless each of the Administrative Agent and, so long as no Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loan or the Commitment assigned.

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by paragraph (b)(i)(B) of this Section and, in addition:

(A) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (x) a Default or Event of Default has occurred and is continuing at the time of such assignment, or (y) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; provided that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within five (5) Banking Days after having received notice thereof and provided, further, that the Borrower's consent shall not be required during the primary syndication of the Loan;

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld, delayed or conditioned) shall be required for assignments in respect of the Loan or any unfunded Commitments if such assignment is to a Person that is not a Lender, an Affiliate of such Lender or an Approved Fund with respect to such Lender; and

(iv) Assignment and Assumption; Transfer Notice. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500; provided that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire. The assigning Lender shall deliver the applicable Note(s) representing a right to payment of the obligations being assigned together with a Transfer Notice executed by such assigning Lender to the

Administrative Agent. Upon receipt of such Note and Transfer Notice, the Administrative Agent shall countersign the Transfer Notice and deliver the Note and Transfer Notice to the Trustee to register the new holder of the Note in accordance with the terms of the Indenture. The Administrative Agent shall deliver the Note to the assignee Lender following registration by the Trustee.

(v) No Assignment to Certain Persons. No such assignment shall be made to the Borrower or any of the Borrower's Affiliates or Subsidiaries or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (v).

(vi) No Assignment to Natural Persons. No such assignment shall be made to a natural Person.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to paragraph (c) of this Section and the submission of the Transfer Notice by the Administrative Agent to the Trustee pursuant to paragraph (b)(iv) of this paragraph, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 3.03 and 12.05 with respect to facts and circumstances occurring prior to the effective date of such assignment. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (d) of this Section.

(c) Register. The Administrative Agent, acting solely for this purpose as an agent of the Borrower, shall maintain at one of its offices in Colorado a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Loan owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other than a natural Person or the Borrower or any of the Borrower's Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loan owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and (iii) the Borrower, the Administrative Agent, and Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 12.05(c) with respect to any payments made by such Lender to its Participant(s).

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any

amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the proviso of Section 12.01(a) that affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 3.01, 3.03 and 3.04 (subject to the requirements and limitations therein, including the requirements under Section 3.04(g) (it being understood that the documentation required under Section 3.04(G) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided that such Participant (A) agrees to be subject to the provisions of Section 3.06 as if it were an assignee under paragraph (B) of this Section; and (B) shall not be entitled to receive any greater payment under Sections 3.01, 3.03 and 3.04, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrower's request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 3.06 with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 12.07 as though it were a Lender; provided that such Participant agrees to be subject to Section 2.13 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as an agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loan or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(e) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(f) Farm Credit Lenders. Notwithstanding anything in this Section 12.06 to the contrary, any institution that is a member of the Farm Credit System (a "Farm Credit Lender") that (i) has purchased a participation in the minimum aggregate amount of \$5,000,000 on or after the Closing Date, (ii) is, by written notice to the Borrower and the Administrative Agent ("Voting Participant Notification"), designated by the selling Lender (including any existing Voting Participant) as being entitled to be accorded the rights of a Voting Participant hereunder and (iii) receives the prior written consent of the Administrative Agent, in its sole discretion, to become a Voting Participant (such consent to be required only to the extent and under the circumstances it would be required if such Voting Participant were to become a Lender pursuant to an assignment in accordance with Section 12.06(a)) (any such Farm Credit Lender so designated and consented to being called a "Voting Participant"), shall be entitled to vote for so long as such Farm Credit Lender owns such participation and notwithstanding any subparticipation by such Farm Credit Lender (and the voting rights of the selling Lender (including any existing Voting Participant) shall be correspondingly reduced), on a dollar for dollar basis, as if such

participant were a Lender, on any matter requiring or allowing a Lender to provide or withhold its consent, or to otherwise vote on any proposed action. To be effective, each Voting Participant Notification shall, with respect to any Voting Participant, (x) state the full name, as well as all contact information required of an assignee in an Assignment and Assumption and (y) state the dollar amount of the participation purchased in its Commitment or any or all of its Loan. Notwithstanding the foregoing, each Farm Credit Lender designated as a Voting Participant on Schedule 12.06(f) hereto shall be deemed a Voting Participant without delivery of a Voting Participant Notification and without the prior written consent of the Administrative Agent. The selling Lender (including any existing Voting Participant) and the purchasing Voting Participant shall notify the Administrative Agent and the Borrower within three (3) Banking Days' of any termination of, or reduction or increase in the amount of, such participation. The Borrower and the Administrative Agent shall be entitled to conclusively rely on information contained in notices delivered pursuant to this paragraph. The voting rights hereunder are solely for the benefit of the Voting Participant and shall not inure to any assignee or participant of the Voting Participant that is not a Farm Credit Lender.

SECTION 12.07 Set off. If an Event of Default shall have occurred and be continuing, each Lender and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held, and other obligations (in whatever currency) at any time owing, by such Lender or any such Affiliate to or for the credit or the account of the Borrower against any and all of the obligations of the Borrower now or hereafter existing under this Agreement or any other Loan Document to such Lender or their respective Affiliates, irrespective of whether or not such Lender or Affiliate shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Borrower may be contingent or unmatured or are owed to a branch, office or Affiliate of such Lender different from the branch, office or Affiliate holding such deposit or obligated on such indebtedness. Each Lender agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application; provided that the failure to give such notice shall not affect the validity of such setoff and application.

SECTION 12.08 Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Agreement or the Assignment and Assumption by facsimile transmission or other electronic means shall be effective as delivery of a manually executed counterpart hereof. A set of the copies of this Agreement signed by all the parties shall be lodged with the Borrower and the Administrative Agent.

SECTION 12.09 Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 12.10 Complete Agreement. The Loan Documents are intended by the parties to be a complete and final expression of their agreement.

SECTION 12.11 Applicable Law. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER AND THEREUNDER SHALL BE GOVERNED AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK (WITHOUT REGARD TO ANY PROVISION THEREOF THAT WOULD RESULT IN THE APPLICATION OF THE LAW OF ANOTHER JURISDICTION).

SECTION 12.12 Submission to Jurisdiction; Waivers. The Borrower hereby irrevocably and unconditionally:

(a) submits for itself and its Property in any legal action or proceeding relating to this Agreement and the other Loan Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the nonexclusive general jurisdiction of the courts of the State of New York, and appellate courts thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to it at its address set forth in Section 12.02 or at such other address of which the Lender shall have been notified pursuant thereto; and

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by any Requirement of Law or shall limit the right to sue in any other jurisdiction.

SECTION 12.13 Acknowledgments. The Borrower hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Loan Documents;

(b) the Administrative Agent and the Lenders do not have any fiduciary relationship with or duty to the Borrower arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between the Lenders, on one hand, and the Borrower, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby between the Lenders and the Borrower.

SECTION 12.14 Accounting Changes. In the event that any Accounting Change shall occur and such change results in a change in the method of calculation of financial ratios, standards or terms in this Agreement, then the Borrower and the Administrative Agent agree to enter into negotiations in order to amend such provisions of this Agreement so as to equitably reflect such Accounting Changes with the desired result that the criteria for evaluating the Borrower's financial condition shall be the same after such Accounting Changes as if such Accounting Changes had not been made. Until such time as such an amendment shall have been executed and delivered by the Borrower and the Administrative Agent, all financial ratios, standards and terms in this Agreement shall continue to be calculated or construed as if such Accounting Changes had not occurred.

SECTION 12.15 WAIVERS OF JURY TRIAL. THE BORROWER, THE ADMINISTRATIVE AGENT AND THE LENDERS HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

SECTION 12.16 USA PATRIOT ACT. The Lenders hereby notify the Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Publ. 107 56 (signed into law October 26, 2001)) (the "Act"), each is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow the Lenders to identify the Borrower in accordance with the Act.

SECTION 12.17 Confidentiality.

(a) Each of the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (i) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (ii) to the extent requested by any regulatory authority, (iii) to the extent required by applicable Requirements of Law or regulations or by any subpoena or similar legal process, (iv) to any other party to this Agreement, (v) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or the enforcement of rights hereunder, (vi) subject to an agreement containing provisions substantially the same as those of this Section 12.17, to (a) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or any other Loan Document or (b) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower and its obligations, (vii) with the consent of the Borrower, (viii) to the extent such Information (X) becomes publicly available other than as a result of a breach of this Section or (Y) becomes available to the Lender on a nonconfidential basis from a source other than the Borrower or (ix) to the National Association of Insurance Commissioners or any similar organization or any nationally recognized rating agency that requires access to information about a Lender's investment portfolio in connection with ratings issued with respect to such Lender or in connection with examinations or audits of such Lender. For the purposes of this Section 12.17, "Information" means all information received from the Borrower relating to the Borrower or its Business, other than any such information that is available to such Lender on a nonconfidential basis prior to disclosure by the Borrower; provided that, in the case of information received from the Borrower after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section 12.17 shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

(b) EACH LENDER ACKNOWLEDGES THAT INFORMATION AS DEFINED IN SECTION 12.17(a) FURNISHED TO IT PURSUANT TO THIS AGREEMENT MAY INCLUDE MATERIAL NON-PUBLIC INFORMATION CONCERNING THE BORROWER AND ITS RELATED PARTIES OR THEIR RESPECTIVE SECURITIES, AND CONFIRMS THAT IT HAS DEVELOPED COMPLIANCE PROCEDURES REGARDING THE USE OF MATERIAL NON-PUBLIC INFORMATION AND THAT IT WILL HANDLE SUCH MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH THOSE PROCEDURES AND APPLICABLE LAW, INCLUDING FEDERAL AND STATE SECURITIES LAWS.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized officers as of the date shown above.

BIG RIVERS ELECTRIC CORPORATION

By: _____
Name: _____
Title:

COBANK, ACB, as Administrative Agent, Lead Arranger, and Bookrunner

By: _____
Name: _____
Title:

COBANK, ACB, as Lender

By: _____
Name: _____
Title: _____

EXHIBIT A

DEFINITIONS AND RULES OF INTERPRETATION

SECTION 1.01 Definitions. As used in the Agreement, any amendment thereto, or in any other Loan Document, the following terms shall have the following meanings:

Accounting Change refers to changes in accounting principles required or permitted by the promulgation of any rule, regulation, pronouncement or opinion by the Financial Accounting Standards Board of the American Institute of Certified Public Accountants or, if applicable, the SEC.

Act has the meaning given in Section 12.16.

Administrative Agent shall have the meaning given it in the Introduction.

Affiliate shall mean any Person: (1) which directly or indirectly controls, or is controlled by, or is under common control with, the Borrower; (2) which directly or indirectly beneficially owns or holds five percent (5%) or more of any class of voting stock of, or other interests in the Borrower; or (3) five percent (5%) or more of the voting stock of, or other interest in, which is directly or indirectly beneficially owned or held by the Borrower; provided, however, that no Member of the Borrower shall be deemed to be an Affiliate of the Borrower for the purposes of this Agreement. The term “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

Agent Parties has the meaning given it in Section 12.02(d)(ii).

Aggregate Exposure Percentage shall mean, with respect to any Lender, the ratio (expressed as a percentage) of such Lender’s Commitment to the total Commitments of all Lenders.

Agreement has the meaning given it in the introduction hereto.

Approved Fund shall mean any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

Assignee has the meaning specified in Section 12.06(a).

Assignment and Assumption shall mean an Assignment and Assumption, substantially in the form of Exhibit H.

Banking Day shall mean any day that is not a Saturday, Sunday or other day on which banks in Denver, Colorado are authorized or required by law to remain closed.

Bankruptcy Code shall mean the Bankruptcy Code in Title 11 of the United States Code, as amended, modified, succeeded or replaced from time to time.

Board shall mean the Board of Governors of the Federal Reserve System of the United States (or any successor).

Board of Directors shall mean either the board of directors of the Borrower or any duly authorized committee of such board.

Borrower has the meaning given in the preamble hereto.

Business shall mean the business activities and operations of the Borrower prior to the Closing Date and activities relating, incidental or ancillary thereto.

Capital Lease shall mean a lease which should be capitalized on the books of the lessee in accordance with GAAP (other than obligations under any lease related to (i) equipment used for office; or compute needs, (ii) equipment used for transportation needs, or (iii) leases of other items having a net book value of less than \$1,000,000) *provided, however, that* "Capital Lease Obligations" shall not include obligations included on such Person's consolidated financial statements because of consolidation of another Person, including a subsidiary, with such Person pursuant to GAAP and for which such Person is not legally obligated.

Capital Stock shall mean any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, and any and all equivalent ownership interests in a Person (other than a corporation).

Change in Law shall mean the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided, that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

Change of Control shall mean, at any time, the Borrower ceases to be an electric generation and transmission cooperative that is controlled by no less than 51% (tested by percentage of the controlling vote to elect the Board of Directors of the Borrower) of the Members of the Borrower.

Closing Date shall mean the date the conditions precedent to the Loan set forth in Section 4.01 are met.

CoBank has the meaning given in the preamble hereto.

CoBank Equities has the meaning specified in Section 6.06(a).

Code shall mean the Internal Revenue Code of 1986, as amended from time to time (and any successor thereto) and the regulations thereunder.

Collateral Requirements has the meaning given in Section 4.01(n).

Commitment shall mean, as to any Lender, the obligation of such Lender to make a Loan to the Borrower in a principal amount not to exceed the amount set forth opposite such Lender's name on Exhibit I. The aggregate amount of the Commitments is two hundred and thirty five million dollars (\$235,000,000). Immediately after the making of the Loan on the Closing Date, the Commitment shall be reduced to zero dollars (\$0).

Communication has the meaning given it in Section 12.02(D)(ii).

Connection Income Taxes shall mean Other Connection Taxes that are imposed on or measured by net income or net profits (however denominated) or that are franchise Taxes or branch profits Taxes.

Contractual Obligation shall mean, as to any Person, any provision of any security issued by such Person or of any written or recorded agreement, instrument or other undertaking to which such Person is a party or by which it or any of its Property is bound.

Counterparty shall mean, when referring to a Member Wholesale Power Contract, the Member party to such Member Wholesale Power Contract and, when referring to a Direct Serve Contract, the Person counterparty to the Borrower on such Direct Serve Contract.

Debtor Relief Laws shall mean the Bankruptcy Code of the United States of America, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect.

Default shall mean the occurrence of any event which with the giving of notice hereunder or the passage of time hereunder or the occurrence of any other condition hereunder would become an Event of Default under the Agreement or under any other Loan Document.

Default Rate has the meaning specified in Section 2.08(b).

Direct Serve Contracts shall mean wholesale electric service contracts (together with material amendments or supplements thereto and all successor or replacement contracts and agreements thereto and thereof) with a member of Borrower to provide wholesale electric service directly from Borrower's transmission system to any customer for which the member has an electric service contract with such customer.

Dollars and the sign "\$" shall mean Lawful money of the United States of America.

Environmental Law shall mean any and all applicable Requirements of Law, rules, orders, regulations, statutes, ordinances, codes or decrees (including, without limitation, common law) of the United States, or any state, provincial, local, municipal or other governmental authority, regulating, relating to or imposing liability or standards of conduct concerning protection of the environment, as has been, is now, or at any time hereafter is, in effect.

Environmental Liability shall mean any liability, claim, action, suit, judgment or order under or relating to any Environmental Law for any damages, injunctive relief, losses, fines, penalties, fees, expenses or costs, whether contingent or otherwise, including those arising from or relating to: (a) compliance or non-compliance with any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Materials of Environmental Concern, (c) exposure to any Materials of Environmental Concern, (d) the Release of any Materials of Environmental Concern or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

ERISA shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time (and any successor thereto), and the regulations and published interpretations thereof.

Event of Default shall mean any of the events specified in Article 9 and any event specified in any other Loan Document as an Event of Default.

Excluded Taxes shall mean any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income or net profits (however denominated), franchise Taxes (imposed in lieu of net income or net profits Taxes), and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 3.06) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 3.04, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with Section 3.04(G) and (d) any U.S. federal withholding Taxes imposed under FATCA.

Existing CoBank Facility shall mean that certain \$50,000,000 unsecured line of credit facility made available by CoBank to Borrower pursuant to that certain Revolving Credit Agreement entered into as of July 16, 2009 between Borrower and CoBank.

Farm Credit Lender has the meaning given it in Section 12.06(F).

Farm Credit System shall mean a federally chartered network of borrower-owned lending institutions comprised of cooperatives and related service organizations.

FATCA shall mean Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) and any current or future regulations or official interpretations thereof.

Federal Funds Effective Rate shall mean for any day, the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published on the next succeeding Banking Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Banking Day, the average of the quotations for the day of such transactions received by the Administrative Agent from three federal funds brokers of recognized standing selected by it.

Fee Letter shall mean that certain letter, dated January 12, 2012, by CoBank and accepted and agreed to by the Borrower.

Fitch shall mean Fitch, Inc.

Foreign Lender shall mean (a) if the Borrower is a U.S. Person, a Lender that is not a U.S. Person, and (b) if the Borrower is not a U.S. Person, a Lender that is resident or organized under the laws of a jurisdiction other than that in which the Borrower is resident for tax purposes.

Fund shall mean any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its activities.

Funding Office shall mean the office of the Administrative Agent specified in Section 2.03 or such other office as may be specified from time to time by the Lender as its funding office by written notice to the Borrower.

GAAP shall mean generally accepted accounting principles in the United States.

Governmental Authority shall mean the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

Indebtedness of any Person shall mean, without duplication, (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person for the deferred purchase price of property or services, (d) all guarantee obligations by such Person of Indebtedness of others, (e) all Capital Lease obligations of such Person, and (f) the principal component of all obligations, contingent or otherwise, of such Person (i) as an account party in respect of letters of credit (other than any letters of credit, bank guarantees or similar instrument in respect of which a back-to-back letter of credit has been issued under or permitted by this Agreement) and (ii) in respect of bankers' acceptances; provided that Indebtedness shall not include (A) trade and other ordinary course payables, accrued expenses and intercompany liabilities arising in the ordinary course of business, (B) prepaid or deferred revenue arising in the ordinary course of business, (C) purchase price holdbacks arising in the ordinary course of business in respect of a portion of the purchase price of an asset to satisfy unperformed obligations of the seller of such asset or (D) earn-out obligations until such obligations become a liability on the balance sheet of such Person in accordance with GAAP. The Indebtedness of any Person shall include the Indebtedness of any partnership in which such Person is a general partner, other than to the extent that the instrument or agreement evidencing such Indebtedness expressly limits the liability of such Person in respect thereof. Indebtedness shall not include obligations under (i) hedging agreements not entered into for speculative purposes, (ii) leases (other than Capital Lease Obligations), (iii) power, energy, transmission or fuel purchase agreements, (iv) obligations imposed by a Governmental Authority (other than RUS or CoBank), (v) commodities trading or purchase arrangements not entered into for speculative purposes, (vi) surety, indemnity, performance, release and appeal bonds and Guarantees thereof incurred in the ordinary course of the Borrower's business, (vii) reclamation or decommissioning obligations (and Guarantees thereof, or (viii) obligations which have been legally or economically defeased.

Indemnified Taxes shall mean (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrower under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

Indemnitee has the meaning set forth in Section 12.05(b).

Indenture shall mean that certain Indenture dated as July 1, 2009, between the Borrower and U.S. Bank National Association, as amended, supplemented or restated from time to time.

Interest Payment Date shall mean the last Banking Day of each March, June, September and December, commencing on March 31, 2012, and the Maturity Date.

Lenders shall mean the several financial institutions from time to time parties hereto.

Lien shall mean any mortgage, deed of trust, pledge, security interest, hypothecation, assignment for security purposes, deposit arrangement, lien (statutory or other), or other security agreement, charge or similar encumbrance of any kind or nature whatsoever (including, without limitation, any conditional sale or other title retention agreement).

Loan shall have the meaning given it in Section 2.01(a).

Loan Documents shall mean this Agreement, the Notes and the documents creating or evidencing the Collateral Requirements including the Indenture and the Supplemental Indenture.

Material Adverse Effect shall mean any change to the business, operations, affairs, condition (financial or otherwise), liabilities (actual or contingent), assets, or properties of the Borrower or its subsidiaries, taken as a whole, that materially adversely affects (i) the ability of the Borrower to perform its obligations under the Loan Documents or (ii) the validity or enforceability of any Loan Documents or the Lenders' remedies under the Loan Documents.

Material Contract shall mean each Member Wholesale Power Contract and Material Direct Serve Contract listed on Schedule 5.17.

Material Direct Serve Contracts shall mean any Direct Serve Contract to (i) any smelter to which a member of the Borrower supplies power, and (ii) any customer with a contract load of 25 megawatts or greater.⁶

Materials of Environmental Concern shall mean any gasoline or petroleum (including crude oil or any fraction thereof) or petroleum products or byproducts and all other hydrocarbons, coal ash, radon gas, polychlorinated biphenyls, urea-formaldehyde insulation, asbestos, chlorofluorocarbons and all other ozone-depleting substances, pollutants, contaminants, radioactivity and any other chemicals, materials or substances that are defined as hazardous or toxic under any Environmental Law, that are prohibited, limited or regulated pursuant to any Environmental Law.

Material Indebtedness shall mean any Indebtedness with a principal value in excess of \$10,000,000.

Member shall mean a rural distribution cooperative member of the Borrower.

Member Wholesale Power Contracts shall mean the Borrower's power supply contracts with its members (together with all material amendments and supplements thereto) and all successor or replacement contracts and agreements thereto or thereof, excluding the Direct Serve Contracts.

Moody's shall mean Moody's Investor Services.

Maturity Date shall mean March 31, 2032.

⁶ NTD: SUBJECT TO REVIEW OF SCHEDULE 5.17 TO BE PROVIDED BY BIG RIVERS.

Non-Consenting Lender shall mean any Lender that does not approve any consent, waiver or amendment that (i) requires the approval of all affected Lenders in accordance with the terms of Section 12.01 and (ii) has been approved by the Required Lenders.

Notes shall mean the meaning given in Section 2.01(b).

Notice of Borrowing shall mean a Notice of Borrowing, substantially in the form of Exhibit J.

Notice of Cancellation shall have the meaning given it in Section 5.17(b).

Organizational Documents shall mean the documents under which the Borrower has been organized or is run, including (as may be relevant) articles of incorporation or formation, bylaws, partnership agreements, shareholder agreements, and the like.

Other Connection Taxes shall mean, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in the Loan or Loan Document).

Other Taxes shall mean all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes.

Outstanding Amount shall mean on any date, the aggregate outstanding principal amount of the Loan, after giving effect to any prepayments or repayments of occurring on such date.

Participant shall have the meaning specified in Section 12.06(d).

Participant Register has the meaning specified in Section 12.06(d).

Person shall mean an individual, partnership, corporation, business trust, joint stock company, trust, unincorporated association, joint venture, governmental authority, or other entity of whatever nature.

Prepayment Surcharge has the meaning given it in Section 2.07.

Property or Properties shall mean any right or interest in or to property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible, including, without limitation, Capital Stock.

Quoted Fixed Rate shall mean a rate to be established by the Administrative Agent on the date of Borrowing in its sole and absolute discretion.

Recipient shall mean the Administrative Agent or any Lender, as applicable.

Register shall have the meaning assigned to such term in Section 12.06(c).

Regulation U shall mean Regulation U of the Board of Governors of the Federal Reserve System of the United States (or any successor) as in effect from time to time.

Related Parties shall mean, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, attorneys-in-fact and advisors of such Person and of such Person's Affiliates.

Release shall mean any release, spill, emission, leaking, dumping, injection, pouring, deposit, disposal, discharge, dispersal, leaching or migration into or through the environment or within or upon any building, structure or facility.

Required Lenders shall mean two (2) or more Lenders (including Voting Participants) who have in the aggregate Commitment Percentages greater than 50%, provided, that, at any time when there is only one (1) Lender and no Voting Participants, such Lender shall constitute the "Required Lenders."

Requirements of Law shall mean as to any Person, the certificate of incorporation and bylaws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject, provided, however, that for purposes of the Loan Documents, the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, regulations, guidelines or directives thereunder or issued in connection therewith shall be deemed to have gone into effect after the Closing Date, regardless of the date enacted, adopted or issued).

Resignation Effective Date has the meaning assigned such term in Section 11.09.

Responsible Officer shall mean the chief executive officer, president, chief financial officer (or similar title) controller or treasurer (or similar title) of the Borrower or its members, as applicable.

RUS shall mean the Rural Utilities Service or other agency succeeding to the authority of the Rural Utilities Service with respect to loans to electric cooperatives.

SEC shall mean the Securities and Exchange Commission (or successors thereto or an analogous Governmental Authority).

Solvent shall mean with respect to any Person, as of any date of determination, (a) the fair value of the assets of such Person (determined at a fair valuation made with reference to the financial statements delivered to the Administrative Agent pursuant to Section 4.01(A) or Section 6.01) will, as of such date, be greater than the amount that will be required to pay the liability of such Person on its debts as such debts become absolute and matured, (b) such Person will not have, as of such date, an unreasonably small amount of capital for a generation and transmission cooperative with similar power supply obligations with which to conduct its business and (c) such Person will be able to pay its debts as they mature. For purposes of this definition, (i) "debt" means liability on a "claim", (ii) "claim" means any (x) right to payment, whether or not such a right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured or (y) right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured or unmatured, disputed, undisputed, secured or unsecured and (iii) except as otherwise provided by applicable Requirement of Law, the amount of a "contingent" liability at any time shall be the amount thereof which,

in light of all the facts and circumstances existing at such time, can reasonably be expected to become actual or matured liabilities.

Specified Lender has the meaning given it in Section 3.06.

Subsidiary shall mean, as to the Borrower, a corporation, partnership, limited liability company, joint venture, or other Person of which shares of stock or other equity interests having ordinary voting power to elect a majority of the board of directors or other managers of such corporation, partnership, limited liability company, joint venture, or other Person are at the time owned, or the management of which is otherwise controlled, directly or indirectly, through one or more intermediaries, or both, by the Borrower.

Supplemental Indenture shall mean the meaning given it in Section 4.01(o).

Taxes shall mean all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

Trade Date has the meaning given it in Section 12.06(b)(i)(B).

Transfer Notice shall mean a Transfer Notice, substantially in the form of the Transfer Notice attached to the Form of Note attached as Exhibit B hereto.

Transition Reserve means a transition reserve to be maintained by Borrower in the amount of \$35,000,000 for use in meeting expenses in the event a smelter terminates service under its Direct Serve Contract.

Trustee shall mean the meaning given in the Indenture.

Trust Estate shall have the meaning set forth in the Indenture.

U.S. Borrower shall mean any Borrower that is a U.S. Person.

U.S. Person shall mean any Person that is a “United States Person” as defined in Section 7701(a)(30) of the Code.

U.S. Tax Compliance Certificate has the meaning given it in Section 3.04(G)(ii)(b)(3).

Voting Participant has the meaning given it in Section 12.06(f).

Withholding Agent shall mean the Borrower and the Administrative Agent.

SECTION 1.02 Rules of Interpretation. The following rules of interpretation shall apply to the Agreement and any Loan Document, and all amendments to either of the foregoing:

Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with GAAP, and all financial data submitted pursuant to this Agreement shall be prepared in accordance with such principles.

Number. All terms stated in the singular shall include the plural, and all terms stated in the plural shall include the singular.

Including. The term “including” shall mean including, but not limited to.

Default. The expression “while any Default or Event of Default shall have occurred and be continuing” (or like expression) shall be deemed to include the period following any acceleration of the Loan (unless such acceleration is rescinded).

Time Periods. The word “from,” when referring to a time period, is exclusive and shall not include the day from which the time period runs. The word “to” or “through,” when referring to a time period, is inclusive and shall include the day to which the time period runs.

Headings. Captions and headings used in this Agreement are for reference and convenience of the parties only, and shall not constitute a part of this Agreement.

Gender. The gender of all words used in this Agreement includes the masculine, feminine, and neuter.

Agreement. The terms “hereof,” “herein,” “hereby” and derivative or similar words refer to this Agreement, and all references to Articles and Sections refer to articles and sections of this Agreement, and all references to Exhibits are to exhibits attached hereto, each of which is made a part hereof for all purposes.

Or. The term “or” is not exclusive.

Agents. Where any provision in this Agreement refers to action to be taken by any person or entity, or which such person or entity is prohibited from taking, such provision will be applicable whether such action is taken directly or indirectly by such person or entity, including actions taken by or on behalf of any affiliate of such person or entity.

Successors and Assigns. References to any person or entity will be construed as a reference to any successors or permitted assigns of such person or entity.

Amendments and Modifications. Reference to any agreement (including this Agreement), document or instrument means such agreement, document or instrument as amended, supplemented or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof.

FORM OF NOTE

\$[_____] _____, 2012

FOR VALUE RECEIVED, BIG RIVERS ELECTRIC CORPORATION, a Kentucky cooperative corporation (the "**Borrower**") **HEREBY PROMISES TO PAY** to [LENDER] (the "**Lender**"), or its assigns, in lawful money of the United States and in immediately available funds, the principal amount of [_____] DOLLARS (\$[_____]), or, if less, the aggregate unpaid principal amount of the Loans (as defined in the Credit Agreement referred to below) made by Lender to the Borrower pursuant to the Credit Agreement and outstanding on the Commitment Termination Date (as defined in the Credit Agreement), whichever is less. The Borrower also promises to pay interest on the unpaid principal balance of the Loans for the period such balance is outstanding in like money, at the rates of interest, at the times, and calculated in the manner, set forth in Credit Agreement. Any amount of principal and, to the extent provided by law, interest, hereof which is not paid when due, whether at stated maturity, by acceleration, or otherwise, shall bear interest from the date when due until said principal amount is paid in full, payable on demand, at a rate per annum equal at all times to the rates set forth in Section 2.09 of the Credit Agreement. All payments made hereunder shall be made at the times and in the manner set forth in the Credit Agreement.

The Borrower hereby authorizes the Lender to endorse on the schedule annexed to this Note: (i) the amount and Type of all Loans; (ii) in the case of LIBOR Loans, the applicable Interest Periods; and (iii) all renewals, conversions and payments of principal and interest in respect of such Loans, which endorsements shall be presumed correct absent manifest error as to the outstanding principal amount of, and accrued and unpaid interest on, the Loans; provided however, that the failure to make such notation with respect to any Loan or payment shall not limit or otherwise affect the obligation of the Borrower under the Credit Agreement or this Note.

This is a Note referred to in that certain Credit Agreement, dated as of [____], 2012, by and among the Borrower, the several financial institutions or entities from time to time parties thereto, including the Lender, and COBANK, ACB, a federally chartered instrumentality of the United States, as administrative agent, lead arranger and book runner, as amended, supplemented or modified from time to time (the "**Credit Agreement**"), to evidence the Loans made by the Lender thereunder, all of the terms and provisions of which are hereby incorporated by reference. All capitalized terms used herein and not defined herein shall have the meanings given to them in the Credit Agreement.

The Credit Agreement provides for the acceleration of the maturity of principal upon the occurrence of an Event of Default and for prepayments on the terms and conditions specified therein.

The Borrower hereby waives presentment for payment, demand, notice of protest, notice of dishonor, and any other notice or formality with respect to this Note, and all defenses on the ground of delay or of any extension of time for payment hereof which may, without obligation, hereafter be given by the holder hereof.

Except to the extent governed by applicable federal law, this Note shall be governed by, and interpreted and construed in accordance with, the laws of the State of New York, without reference to choice of law doctrine.

BIG RIVERS ELECTRIC CORPORATION

By: _____
Name:
Title:

**EXHIBIT C
TO CREDIT AGREEMENT**

PRINCIPAL REPAYMENT SCHEDULE

[SUBJECT TO FINAL COMMITMENT AMOUNTS RAISED BY COBANK. WILL BE CONFIRMED
JUST PRIOR TO CLOSING DATE.]

<u>Period #</u>	<u>Date</u>	<u>Principal Payment</u>	
1.	6/30/2012	1,285,642.00	*
2.	9/30/2012	1,301,712.00	*
3.	12/31/2012	1,317,984.00	*
4.	3/31/2013	1,334,458.00	*
5.	6/30/2013	1,351,139.00	*
6.	9/30/2013	1,368,028.00	*
7.	12/31/2013	1,385,129.00	*
8.	3/31/2014	1,402,443.00	*
9.	6/30/2014	1,419,973.00	*
10.	9/30/2014	1,437,723.00	*
11.	12/31/2014	1,455,695.00	*
12.	3/31/2015	1,473,891.00	*
13.	6/30/2015	1,492,314.00	*
14.	9/30/2015	1,510,968.00	*
15.	12/31/2015	1,529,855.00	*
16.	3/31/2016	1,548,979.00	*
17.	6/30/2016	1,568,341.00	*
18.	9/30/2016	1,587,945.00	*
19.	12/31/2016	1,607,794.00	*
20.	3/31/2017	1,627,892.00	*
21.	6/30/2017	1,648,241.00	*
22.	9/30/2017	1,668,844.00	*
23.	12/31/2017	1,689,704.00	*
24.	3/31/2018	1,710,825.00	*
25.	6/30/2018	1,732,211.00	*
26.	9/30/2018	1,753,863.00	*
27.	12/31/2018	1,775,787.00	*
28.	3/31/2019	1,797,984.00	*
29.	6/30/2019	1,820,459.00	*
30.	9/30/2019	1,843,214.00	*
31.	12/31/2019	1,866,255.00	*

32.	3/31/2020	1,889,583.00	*
33.	6/30/2020	1,913,203.00	*
34.	9/30/2020	1,937,118.00	*
35.	12/31/2020	1,961,332.00	*
36.	3/31/2021	1,985,848.00	*
37.	6/30/2021	2,010,671.00	*
38.	9/30/2021	2,035,805.00	*
39.	12/31/2021	2,061,252.00	*
40.	3/31/2022	2,087,018.00	*
41.	6/30/2022	2,113,106.00	*
42.	9/30/2022	2,139,520.00	*
43.	12/31/2022	2,166,264.00	*
44.	3/31/2023	2,193,342.00	*
45.	6/30/2023	2,220,759.00	*
46.	9/30/2023	2,248,518.00	*
47.	12/31/2023	2,276,625.00	*
48.	3/31/2024	2,305,082.00	*
49.	6/30/2024	2,333,896.00	*
50.	9/30/2024	2,363,070.00	*
51.	12/31/2024	2,392,608.00	*
52.	3/31/2025	2,422,516.00	*
53.	6/30/2025	2,452,797.00	*
54.	9/30/2025	2,483,457.00	*
55.	12/31/2025	2,514,500.00	*
56.	3/31/2026	2,545,931.00	*
57.	6/30/2026	2,577,756.00	*
58.	9/30/2026	2,609,978.00	*
59.	12/31/2026	2,642,602.00	*
60.	3/31/2027	2,675,635.00	*
61.	6/30/2027	2,709,080.00	*
62.	9/30/2027	2,742,944.00	*
63.	12/31/2027	2,777,231.00	*
64.	3/31/2028	2,811,946.00	*
65.	6/30/2028	2,847,095.00	*
66.	9/30/2028	2,882,684.00	*
67.	12/31/2028	2,918,718.00	*
68.	3/31/2029	2,955,201.00	*
69.	6/30/2029	2,992,141.00	*
70.	9/30/2029	3,029,543.00	*
71.	12/31/2029	3,067,413.00	*

72.	3/31/2030	3,105,755.00	*
73.	6/30/2030	3,144,577.00	*
74.	9/30/2030	3,183,884.00	*
75.	12/31/2030	3,223,683.00	*
76.	3/31/2031	3,263,979.00	*
77.	6/30/2031	3,304,779.00	*
78.	9/30/2031	3,346,088.00	*
79.	12/31/2031	3,387,915.00	*
80.	3/31/2032	3,430,260.00	*

**EXHIBIT D-1
TO CREDIT AGREEMENT**

FORM OF U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Senior Unsecured Revolving Credit Facility, dated as of [___], 2012 (as amended, supplemented or modified and in effect from time to time, the "Credit Agreement"; capitalized terms not defined herein shall have the meanings ascribed thereto in the Credit Agreement), by and among BIG RIVERS ELECTRIC CORPORATION, a [Kentucky cooperative corporation] (the "Borrower"), the several financial institutions or entities from time to time parties thereto (the "Lenders") and COBANK, ACB, a federally chartered instrumentality of the United States, as administrative agent (in such capacity, "Administrative Agent"), lead arranger and book runner.

Pursuant to the provisions of Section 3.04(f)(ii)(b)(3) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with a certificate of its non-U.S. Person status on IRS Form W-8BEN. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: _____
Name:
Title:

Date: _____, 20[]

**EXHIBIT D-2
TO CREDIT AGREEMENT**

FORM OF U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Senior Unsecured Revolving Credit Facility, dated as of [____], 2012 (as amended, supplemented or modified and in effect from time to time, the "Credit Agreement"; capitalized terms not defined herein shall have the meanings ascribed thereto in the Credit Agreement), by and among BIG RIVERS ELECTRIC CORPORATION, a Kentucky [cooperative corporation] (the "Borrower"), the several financial institutions or entities from time to time parties thereto (the "Lenders") and COBANK, ACB, a federally chartered instrumentality of the United States, as administrative agent (in such capacity, "Administrative Agent"), lead arranger and book runner.

Pursuant to the provisions of Section 3.04(f)(ii)(b)(4) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code, and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. Person status on IRS Form W-8BEN. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: _____

Name:

Title:

Date: _____, 20[]

**EXHIBIT D-3
TO CREDIT AGREEMENT**

FORM OF U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Senior Unsecured Revolving Credit Facility, dated as of [____], 2012 (as amended, supplemented or modified and in effect from time to time, the "Credit Agreement"; capitalized terms not defined herein shall have the meanings ascribed thereto in the Credit Agreement), by and among BIG RIVERS ELECTRIC CORPORATION, a [Kentucky cooperative corporation] (the "Borrower"), the several financial institutions or entities from time to time parties thereto (the "Lenders") and COBANK, ACB, a federally chartered instrumentality of the United States, as administrative agent (in such capacity, "Administrative Agent"), lead arranger and book runner.

Pursuant to the provisions of Section 3.04(f)(ii)(b)(4) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect such participation, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: _____

Name:

Title:

Date: _____, 20[]

**EXHIBIT D-4
TO CREDIT AGREEMENT**

FORM OF U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Senior Unsecured Revolving Credit Facility, dated as of [], 2012 (as amended, supplemented or modified and in effect from time to time, the "Credit Agreement"; capitalized terms not defined herein shall have the meanings ascribed thereto in the Credit Agreement), by and among BIG RIVERS ELECTRIC CORPORATION, a [Kentucky cooperative corporation] (the "Borrower"), the several financial institutions or entities from time to time parties thereto (the "Lenders") and COBANK, ACB, a federally chartered instrumentality of the United States, as administrative agent (in such capacity, "Administrative Agent"), lead arranger and book runner.

Pursuant to the provisions of Section 3.04(f)(ii)(b)(4) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Loan(s) (as well as any Note(s) evidencing such Loan(s)), (iii) with respect to the extension of credit pursuant to this Credit Agreement or any other Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: _____
Name:
Title:

Date: _____, 20[]

**EXHIBIT E
TO CREDIT AGREEMENT**

FORM OF SECRETARY'S CERTIFICATE

Pursuant to Section 4.01(c) of the Credit Agreement, dated as of [____], 2012 (the "Credit Agreement"; unless otherwise defined herein, capitalized terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement), by and among BIG RIVERS ELECTRIC CORPORATION, a Kentucky cooperative corporation (the "Borrower"), the several financial institutions or entities from time to time parties thereto and COBANK, ACB, a federally chartered instrumentality of the United States, as administrative agent, lead arranger and book runner, the undersigned [NAME OF AUTHORIZED PERSON], the [TITLE OF AUTHORIZED PERSON] of the Borrower, hereby certifies on behalf of the Borrower that [NAME OF SECRETARY/ASSISTANT SECRETARY] is the duly elected and qualified [SECRETARY/ASSISTANT SECRETARY] of the Borrower and the signature set forth for such officer below is such officer's true and genuine signature.

The undersigned [SECRETARY/ASSISTANT SECRETARY] of the Borrower hereby certifies as follows:

1. Attached hereto as Annex 1 is a true and complete copy of a Certificate of Good Standing or the equivalent from the Borrower's jurisdiction of organization dated as of a recent date prior to the date hereof.
2. Attached hereto as Annex 2 is a true and complete copy of resolutions duly adopted by the Board of Directors of the Borrower on [____], 2012. Such resolutions have not in any way been amended, modified, revoked or rescinded, have been in full force and effect since their adoption to and including the date hereof and are now in full force and effect and are the only corporate proceedings of the Borrower now in force relating to or affecting the matters referred to therein.
3. Attached hereto as Annex 3 is a true and complete copy of the Bylaws of the Borrower as in effect on the date hereof.
4. Attached hereto as Annex 4 is a true and complete certified copy of the Articles of Incorporation of the Borrower as in effect on the date hereof, and such Articles of Incorporation have not been amended, repealed, modified or restated since the date of such certification.
5. The persons listed on the Incumbency Certificate attached hereto as Schedule I are now duly elected and qualified officers or employees of the Borrower holding the offices and positions indicated next to their respective names on the Incumbency Certificate attached hereto as Schedule I, and the signatures appearing opposite their respective names on the Incumbency Certificate attached hereto as Schedule I are the true and genuine signatures of such officers and employees, and each of such officers and employees is duly authorized to execute and deliver on behalf of the Borrower each of the Loan Documents to which it is a party and any certificate or other document to be delivered by the Borrower pursuant to the Loan Documents to which it is a party.

(SIGNATURE PAGE FOLLOWS)

IN WITNESS WHEREOF, the undersigned have hereunto set our names as of the date set forth below.

Name:
Title:

Name:
Title:

Date: _____, 2012

Schedule I
to Secretary's Certificate

NAME

OFFICE

SIGNATURE

Annex 1
to Secretary's Certificate

[Certificate of Good Standing]

[Board Resolutions]

Annex 3
to Secretary's Certificate

[Bylaws]

[Articles of Incorporation]

**EXHIBIT F
TO CREDIT AGREEMENT**

FORM OF SOLVENCY CERTIFICATE

Pursuant to Section 4.01(j) of the Credit Agreement, dated [____], 2012 (the "Credit Agreement"; unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement), by and among BIG RIVERS ELECTRIC CORPORATION, a Kentucky cooperative corporation (the "Borrower"), the several financial institutions or entities from time to time parties thereto and COBANK, ACB, a federally chartered instrumentality of the United States, as administrative agent, lead arranger and book runner, the undersigned [CHIEF FINANCIAL OFFICER OR EQUIVALENT OFFICER] of the Borrower, hereby certifies on behalf of the Borrower that as of the Closing Date, the Borrower is Solvent, and after giving effect to the initial extensions of credit, if any, to be made on the Closing Date, the Borrower will be Solvent.

[Signature page follows]

IN WITNESS WHEREOF, the undersigned has executed this Solvency Certificate as of this
____ day of [____], 2012.

By: _____
Name:
Title:

**EXHIBIT G
TO CREDIT AGREEMENT**

FORM OF COMPLIANCE CERTIFICATE

Pursuant to Section 6.01(e) of the Credit Agreement, dated as of [____], 2012 (as amended, supplemented or modified and in effect from time to time, the “Credit Agreement”; unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement), by and among BIG RIVERS ELECTRIC CORPORATION, a Kentucky cooperative corporation (the “Borrower”), the several financial institutions or entities from time to time parties thereto and COBANK, ACB, a federally chartered instrumentality of the United States, as administrative agent, lead arranger and book runner, the undersigned [insert name of officer or authorized position], the [insert title of office or authorized position] of the Borrower, hereby certifies on behalf of the Borrower as follows:

(A) As of the [quarter]/[year] ending _____, 20__, the statements referenced below (i) have been prepared in accordance with applicable GAAP (in the case of any quarterly financial statements, subject to normal year end audit adjustments and lack of notes) and (ii) are fairly stated in all material respects (subject to normal year end audit adjustments and the lack of notes).

(B) Attached hereto as Schedule 1 are the [quarterly][annual] financial statements for the fiscal period cited above.

(C) [Attached hereto as Schedule 2 (Margin for Interest) are calculations demonstrating the Borrower Margin for Interest Ratio (as defined in the Indenture).]¹

(D) No Default or Event of Default has occurred during the period covered by this Compliance Certificate, except as indicated on a separate page attached hereto, containing a statement as to the nature of such Default or Event of Default, whether such Default or Event of Default is continuing and, if continuing, an explanation of the action taken or proposed to be taken by the Borrower with respect thereto.

[Signature page follows.]

¹ In connection with the delivery of annual financial statements only.

BIG RIVERS ELECTRIC CORPORATION

By: _____
Name:
Title:

Schedule 1 to Compliance Certificate

[Annual][Quarterly] Financials

[Attached]

Schedule 2 to Compliance Certificate

Margin For Interest Ratio

Margins for Interest Ratio is calculated, as of each fiscal year, as calculated in the Indenture in effect on the Closing Date.

As of the fiscal year ended _____, such calculation was as follows:

Margins for Interest:

net margins of the Borrower for such fiscal year² _____

plus

the amount, if any, included in the computation of net margins for accruals for federal and state income and other taxes imposed on income after deduction of interest expense for the fiscal year: _____

plus

the amount, if any, included in the computation of net margins for any losses incurred by any Subsidiary or Affiliate of the Borrower _____

plus

the amount, if any, the Borrower actually receives in the fiscal year as a dividend or other distribution of earnings of any Subsidiary or Affiliate (whether or not such earnings were for the fiscal year or any earlier fiscal year) _____

minus

the amount, if any, included in the computation of net margins for any earnings or profits of any subsidiary or Affiliate of the Borrower _____

minus

the amount, if any, the Borrower actually contributes to the capital of, or actually pays under a guarantee by the Borrower of _____

² Net margins shall be determined in accordance with Accounting Requirements (as defined in the Indenture in effect as of the Closing Date) and shall include revenues, subject to a possible refund at a future date, but which shall exclude provisions for any: (i) non-recurring charge to income, whether or not recorded as such on the Borrower's books, of whatever kind or nature (including the non-recoverability of assets or expenses), except to the extent the Board of Directors determines to recover such non-recurring charge in Rates (as defined in the Indenture in effect as of the date of the Credit Agreement), and (ii) refund of revenues collected or accrued by the Borrower in any prior year subject to possible refund.

an obligation of, any Subsidiary or Affiliate in the fiscal year to the extent of any accumulated losses incurred by such Subsidiary or Affiliate (whether or not such losses were for such fiscal year or any earlier fiscal years), but only to the extent (x) such losses have not otherwise caused other contributions or guarantee payments to be included in net margins for purposes of computing Margins for Interest for a prior fiscal year and (y) such amount has not otherwise been included in net margins:

Equal

Interest Charges (as defined in the Indenture in effect as of the date of the Closing Date):

Margins for Interest Ratio (sum of (a) Margins For Interest plus (b) Interest Charges, divided by Interest Charges):

**EXHIBIT H
TO CREDIT AGREEMENT**

FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT

Assignment and Assumption Agreement

This Assignment and Assumption Agreement (the "Assignment and Assumption") is dated as of the Effective Date of Assignment set forth below and is entered into by and between the Assignor (as defined below) and the Assignee (as defined below). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement (as defined below), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date of Assignment inserted by the Administrative Agent as contemplated below (A) all of the Assignor's rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below and (B) to the extent permitted to be assigned under applicable Requirement of Law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (A) above (the rights and obligations sold and assigned by the Assignor to the Assignee pursuant to clauses (A) and (B) above being referred to herein collectively as the "Assigned Interest"). Each such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1. Assignor : _____ (the "Assignor")
2. Assignee : _____ (the "Assignee")
3. Credit Agreement: Credit Agreement, dated as of [____], 2012 (as amended, supplemented or modified and in effect from time to time, the "Credit Agreement"), by and among BIG RIVERS ELECTRIC CORPORATION), a Kentucky cooperative corporation (the "Borrower"), the several financial institutions or entities from time to time parties thereto and COBANK, ACB, a federally chartered instrumentality of the United States, as administrative agent, lead arranger and book runner.
4. Assigned Interest:

Amount of Commitment/Loans Assigned	Percentage of Commitment/Loans Assigned
\$	%

\$	%
\$	%

5. Effective Date of Assignment: _____, 201__³ (the "Effective Date of Assignment")

(SIGNATURE PAGES FOLLOW)

³ To be inserted by Administrative Agent and which shall be the effective date of recordation of transfer in the Register therefor.

The terms set forth in this Assignment and Assumption are hereby agreed to:

[Name of Assignee]

[Name of Assignor]

By: _____
Name:
Title:

By: _____
Name:
Title:

Consented⁴ to:

COBANK, ACB, as Administrative Agent

Consented⁵ to:

BIG RIVERS ELECTRIC CORPORATION

By: _____
Name:
Title:

By: _____
Name:
Title:

⁴ Consent of Administrative Agent is not required if the Assignor is assigning its Assigned Interests to an Affiliate of the Assignor, another Lender, an Affiliate of another Lender or an Approved Fund.

⁵ Consent of the Borrower is not required if the Assignor is assigning its Assigned Interests to an Affiliate of the Assignor, another Lender, an Affiliate of another Lender, an Approved Fund or if a Default or an Event of Default has occurred and is continuing.

TO ASSIGNMENT AND ASSUMPTION

STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION1. Representations and Warranties.

1.1 Assignor. The Assignor (A) represents and warrants that (1) it is the legal and beneficial owner of the Assigned Interest, (2) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (3) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (B) assumes no responsibility with respect to (1) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (2) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (3) the financial condition of the Borrower or its Affiliates or any other Person obligated in respect of any Loan Document or (4) the performance or observance by the Borrower or its Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2. Assignee. The Assignee (A) represents and warrants that (1) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (2) it satisfies the requirements to be an assignee under the Credit Agreement (subject to such consents, if any, as may be required under the Credit Agreement), (3) from and after the Effective Date of Assignment, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (4) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, (5) it has received a copy of the Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to the Credit Agreement, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest, and (6) it has, independently and without reliance upon Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest; and (B) agrees that (1) it will, independently and without reliance on Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (2) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date of Assignment, Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date of Assignment and to the Assignee for amounts which have accrued from and after the Effective Date of Assignment.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an

executed counterpart of a signature page of this Assignment and Assumption by telecopy or by PDF shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the laws of the State of New York.

**EXHIBIT I
TO CREDIT AGREEMENT**

LENDERS' COMMITMENTS

[TO BE COMPLETED BY COBANK]

Lender	Revolver Commitments	Commitment Percentage
CoBank, ACB	\$[]	[]%
TOTAL	[\$175,000,000.00]	100%

**EXHIBIT J
TO CREDIT AGREEMENT**

FORM OF NOTICE OF BORROWING

CoBank, ACB, as Administrative Agent
5500 South Quebec Street
Greenwood Village, Colorado 80111
Facsimile: (303) 740-4002
Attention: Power Supply Division

[Date]

Ladies and Gentlemen:

Pursuant to Section 4.01(q) of the Credit Agreement, dated as of [____], 2012 (as amended, supplemented or modified and in effect from time to time, the "Credit Agreement"; capitalized terms not defined herein shall have the meanings ascribed thereto in the Credit Agreement), by and among BIG RIVERS ELECTRIC CORPORATION, a Kentucky [cooperative corporation] (the "Borrower"), the several financial institutions or entities from time to time parties thereto (the "Lenders") and COBANK, ACB, a federally chartered instrumentality of the United States, as administrative agent (in such capacity, "Administrative Agent"), lead arranger and book runner, the undersigned duly authorized officer of the Borrower hereby requests a borrowing under the Credit Agreement to be made on the Closing Date in the amount of [\$175,000,000].

(SIGNATURE PAGE FOLLOWS)

IN WITNESS WHEREOF, the undersigned has executed this Notice of Borrowing as of the date first set forth above.

BIG RIVERS ELECTRIC CORPORATION

By: _____
Name:
Title:

SECOND SUPPLEMENTAL INDENTURE
(to that certain Indenture dated as of July 1, 2009)
dated as of [____], 2012

Relating to the Big Rivers Electric Corporation
First Mortgage Notes, Series 2012A
Authorized by this Second Supplemental Indenture

BIG RIVERS ELECTRIC CORPORATION

to

**U.S. BANK NATIONAL ASSOCIATION,
TRUSTEE**

FIRST MORTGAGE OBLIGATIONS

- THIS INSTRUMENT IS A MORTGAGE.
- THIS INSTRUMENT GRANTS A SECURITY INTEREST IN A TRANSMITTING UTILITY.
- BIG RIVERS ELECTRIC CORPORATION IS A TRANSMITTING UTILITY.
- THIS INSTRUMENT CONTAINS PROVISIONS THAT COVER REAL AND PERSONAL PROPERTY, AFTER-ACQUIRED PROPERTY, FIXTURES AND PROCEEDS.
- FUTURE ADVANCES AND FUTURE OBLIGATIONS ARE SECURED BY THIS INSTRUMENT.
- THE MAXIMUM ADDITIONAL INDEBTEDNESS WHICH MAY BE SECURED HEREUNDER IS \$[3,000,000,000].
- THE TYPES OF PROPERTY COVERED BY THIS INSTRUMENT ARE DESCRIBED ON PAGES 2 THROUGH 3.
- THE ADDRESSES AND THE SIGNATURES OF THE PARTIES TO THIS INSTRUMENT ARE STATED ON PAGES 1, S-1 AND S-2.

THIS INDENTURE WAS PREPARED BY JAMES M. MILLER OF SULLIVAN, MOUNTJOY, STAINBACK & MILLER, P.S.C., 100 ST. ANN BUILDING, OWENSBORO, KENTUCKY 42303, ATTORNEY FOR BIG RIVERS ELECTRIC CORPORATION.

Signed: _____

THIS SECOND SUPPLEMENTAL INDENTURE, dated as of [____], 2012 (this "Second Supplemental Indenture"), is between **BIG RIVERS ELECTRIC CORPORATION**, a cooperative corporation organized under the laws of the Commonwealth of Kentucky, as Grantor (hereinafter called the "Company"), whose post office address is 201 Third Street, Henderson, Kentucky 42420, and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association, as trustee (in such capacity, the "Trustee"), whose post office address is 225 Asylum Street, Hartford, Connecticut 06103;

WHEREAS, the Company has heretofore executed and delivered to the Trustee an Indenture, dated as of July 1, 2009 (the "Original Indenture", as heretofore, hereby and hereafter supplemented being sometimes referred to as the "Indenture"), for the purpose of securing its Existing Obligations and providing for the authentication and delivery of Additional Obligations (capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Original Indenture) by the Trustee from time to time under the Original Indenture, which Original Indenture is filed of record as shown on Exhibit A hereto;

WHEREAS, in connection herewith, the Company will enter into a Secured Credit Agreement, dated as of [____], 2012 (the "Credit Agreement"), with the several financial institutions or entities from time to time parties thereto (the "Lenders") and CoBank, ACB, a federally chartered instrumentality of the United States, as administrative agent (the "Administrative Agent"), pursuant to which the Lenders have agreed to loan the Company \$[____] and, in connection therewith, the Company will secure certain of its obligations under the Credit Agreement under this Second Supplemental Indenture; and

WHEREAS, the Company desires to execute and deliver this Second Supplemental Indenture, in accordance with the provisions of the Original Indenture, for the purpose of providing for the creation and designation of the First Mortgage Notes, Series 2012A, in the principal amount of \$[____] (the "First Mortgage Notes, Series 2012A") as an Additional Obligation and specifying the form and provisions of the First Mortgage Notes, Series 2012A; and

WHEREAS, Section 12.1 of the Original Indenture provides that, without the consent of the Holders of any of the Obligations at the time Outstanding, the Company, when authorized by a Board Resolution, and the Trustee, may enter into Supplemental Indentures for the purposes and subject to the conditions set forth in said Section 12.1; and

WHEREAS, all acts and proceedings required by law and by the Articles of Incorporation and Bylaws of the Company necessary to secure the payment of the principal of and interest on the First Mortgage Notes, Series 2012A, to make the First Mortgage Notes, Series 2012A issued hereunder, when executed by the Company, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal obligation of the Company, and to constitute the Indenture a valid and binding lien for the security of the First Mortgage Notes, Series 2012A, in accordance with its terms,

have been done and taken; and the execution and delivery of this Second Supplemental Indenture has been in all respects duly authorized;

NOW, THEREFORE, THIS SECOND SUPPLEMENTAL INDENTURE WITNESSES, that, to secure the payment of the principal of (and premium, if any) and interest on the Outstanding Secured Obligations, including, when issued, the First Mortgage Notes, Series 2012A, to confirm the lien of the Indenture upon the Trust Estate, including property purchased, constructed or otherwise acquired by the Company since the date of execution of the Original Indenture, to secure performance of the covenants therein and herein contained, to declare the terms and conditions on which the First Mortgage Notes, Series 2012A are secured, and in consideration of the premises thereof and hereof, the Company by these presents does grant, bargain, sell, alienate, remise, release, convey, assign, transfer, mortgage, hypothecate, pledge, set over and confirm to (and does create a security interest in favor of) the Trustee, in trust with power of sale, all property, rights, privileges and franchises of the Company (except any Excepted Property) of the character described in the Granting Clauses of the Original Indenture, whether now owned or hereafter acquired, including all such property, rights, privileges and franchises acquired since the date of execution of the Original Indenture subject to all exceptions, reservations and matters of the character therein referred to, and subject in all cases to Sections 5.2 and 11.2 B of the Original Indenture and to the rights of the Company under the Original Indenture, including the rights set forth in Article V thereof; but expressly excepting and excluding from the lien and operation of the Indenture all properties of the character specifically excepted as "Excepted Property" in the Original Indenture to the extent contemplated thereby.

PROVIDED, HOWEVER, that if, upon the occurrence of an Event of Default under the Indenture, the Trustee, or any separate trustee or co-trustee appointed under Section 9.14 of the Original Indenture or any receiver appointed pursuant to statutory provision or order of court, shall have entered into possession of all or substantially all of the Trust Estate, all the Excepted Property described or referred to in Paragraphs A through H, inclusive, of "Excepted Property" in the Original Indenture then owned or thereafter acquired by the Company, shall immediately, and, in the case of any Excepted Property described or referred to in Paragraphs I, J and L of "Excepted Property" in the Original Indenture, upon demand of the Trustee or such other trustee or receiver, become subject to the lien of the Indenture to the extent permitted by law, and the Trustee or such other trustee or receiver may, to the extent permitted by law, at the same time likewise take possession thereof, and whenever all Events of Default shall have been cured and the possession of all or substantially all of the Trust Estate shall have been restored to the Company, such Excepted Property shall again be excepted and excluded from the lien of the Indenture to the extent and otherwise as hereinabove set forth and as set forth in the Indenture.

The Company may, however, pursuant to the Granting Clause Third of the Original Indenture, subject to the lien of the Indenture any Excepted Property, whereupon the same shall cease to be Excepted Property.

TO HAVE AND TO HOLD all such property, rights, privileges and franchises hereby and hereafter (by Supplemental Indenture or otherwise) granted, bargained, sold, alienated, remised, released, conveyed, assigned, transferred, mortgaged, hypothecated, pledged, set over or confirmed (or in which a security interest is granted) as aforesaid, together with all the tenements, hereditaments and appurtenances thereto appertaining (said properties, rights, privileges and franchises, including any cash and securities hereafter deposited or required to be deposited with the Trustee (other than any such cash which is specifically stated in the Original Indenture not to be deemed part of the Trust Estate) being part of the Trust Estate), unto the Trustee, and its successors and assigns in the trust herein created, forever.

SUBJECT, HOWEVER, to (i) Permitted Exceptions and (ii) to the extent permitted by Section 13.6 of the Original Indenture as to property hereafter acquired (a) any duly recorded or perfected Prior Lien that may exist thereon at the date of the acquisition thereof by the Company and (b) purchase money mortgages, other purchase money liens, chattel mortgages, conditional sales agreements or other title retention agreements created by the Company at the time of acquisition thereof.

BUT IN TRUST, NEVERTHELESS, with power of sale, for the equal and proportionate benefit and security of the Holders from time to time of all the Outstanding Secured Obligations without any priority of any Outstanding Secured Obligation over any other Outstanding Secured Obligation and for the enforcement of the payment of Outstanding Secured Obligations in accordance with their terms.

UPON CONDITION that, until the happening of an Event of Default under the Indenture and subject to the provisions of Article V of the Original Indenture, and not in limitation of the rights elsewhere provided in the Original Indenture, including the rights set forth in Article V of the Original Indenture, the Company shall have the right to (i) possess, use, manage, operate and enjoy the Trust Estate (other than cash and securities constituting part of the Trust Estate that are deposited with the Trustee), (ii) explore for, gather, cut, mine and produce crops, timber, coal, ore, gas, oil, minerals or other natural resources and products, and to use, consume and dispose of any thereof, and (iii) collect, receive, use, make payments from, transfer, invest, otherwise utilize or employ amounts constituting or derived from the rents, issues, tolls, earnings, profits, revenues, products and proceeds from the Trust Estate or the operation of the property constituting part of the Trust Estate.

Should the indebtedness secured by the Indenture be paid according to the tenor and effect thereof when the same shall become due and payable and should the Company perform all covenants therein and herein contained in a timely manner, then the Indenture shall be canceled and surrendered.

AND IT IS HEREBY COVENANTED AND DECLARED that the First Mortgage Notes, Series 2012A are to be authenticated and delivered and the Trust Estate is to be held and applied by the Trustee, subject to the covenants, conditions and trusts set forth herein and in the Original Indenture, and the Company does hereby covenant and

agree to and with the Trustee, for the equal and proportionate benefit of all Holders of the Outstanding Secured Obligations, as follows:

ARTICLE I

THE FIRST MORTGAGE NOTES, SERIES 2012A AND CERTAIN PROVISIONS RELATING THERETO

SECTION 1.01. Definitions.

All words and phrases defined in Article I of the Original Indenture shall have the same meaning in this Second Supplemental Indenture, including any exhibit hereto, except as otherwise appears herein or unless the context clearly requires otherwise.

SECTION 1.02. Authorization and Terms of the First Mortgage Notes, Series 2012A.

There shall be established a series of Additional Obligations known as and entitled the "First Mortgage Notes, Series 2012A" (hereinafter referred to as the "First Mortgage Notes, Series 2012A"), the form, terms and conditions of which shall be substantially as set forth in Sections 1.02-1.06 hereof. The First Mortgage Notes, Series 2012A are the same Notes described and defined in the Credit Agreement as the "Notes." The aggregate principal face amount of the First Mortgage Notes, Series 2012A which shall be authenticated and delivered and Outstanding at any one time is limited to \$[_____]. The First Mortgage Notes, Series 2012A shall be dated [_____, 2012] and are due [_____, ____].

The First Mortgage Notes, Series 2012A shall bear interest at the rates and be payable on the Interest Payment Dates (as defined in the Credit Agreement) set forth in Section 2.08 of the Credit Agreement. The principal of and interest on, the First Mortgage Notes, Series 2012A shall be paid to the Person in whose name that Obligation (or one or more Predecessor Obligations) is registered at the close of business on the 15th day (whether or not a Business Day) of the calendar month immediately preceding an interest payment (the "Record Date") applicable to such Interest Payment Date (as defined in the Credit Agreement). Interest on the First Mortgage Notes, Series 2012A shall be computed for the actual number of days the loan is outstanding on a basis of a year consisting of 360 days pursuant to Section 2.09 of the Credit Agreement. The Company will act as the Paying Agent for the First Mortgage Notes, Series 2012A.

SECTION 1.03. Repayment.

(a) Repayment of the First Mortgage Notes, Series 2012A shall be in such amounts and on such dates as set forth in Exhibit C of the Credit Agreement pursuant to Section 2.04(a) of the Credit Agreement.

(b) The First Mortgage Notes, Series 2012A that the Company acquires and surrenders (other than by means of repayments as provided herein) will be credited

against future repayments for such First Mortgage Notes, Series 2012A and the principal payment to be made on the maturity date of such First Mortgage Notes, Series 2012A, in proportion to the respective amounts of those repayments, subject to authorized denominations.

SECTION 1.04. Voluntary Prepayment.

The Company may at any time and from time to time prepay the First Mortgage Notes, Series 2012A, in whole or in part, without premium or penalty, upon irrevocable notice delivered to the Administrative Agent (as defined in the Credit Agreement) no later than 11:00 AM, Denver, Colorado time five (5) Banking Days (as defined in the Credit Agreement) prior thereto, pursuant to Section 2.05 of the Credit Agreement and for the amount, together with a prepayment surcharge as provided in Section 2.07 of the Credit Agreement.

SECTION 1.05. Mandatory Prepayment.

The Company shall prepay the First Mortgage Notes, Series 2012A, in full immediately upon the occurrence of a Change of Control (as defined in the Credit Agreement), without the need for any demand or notification by any Person (as defined in the Credit Agreement) pursuant to Section 2.06 of the Credit Agreement and for the amount, together with a prepayment surcharge as provided in Section 2.07 of the Credit Agreement.

SECTION 1.06. Form of the First Mortgage Notes, Series 2012A.

The First Mortgage Notes, Series 2012A and the Trustee's authentication certificate to be executed on the First Mortgage Notes, Series 2012A shall be substantially in the form of Exhibit B attached hereto, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted in the Original Indenture.

SECTION 1.07. Registration and Transfer of the First Mortgage Notes, Series 2012A.

The First Mortgage Notes, Series 2012A shall be issued as fully registered notes without coupons and in minimum denominations of \$1.00 and any integral multiple of \$1.00 in excess thereof. The First Mortgage Notes, Series 2012A shall be registered in the name of the Holders set forth on Schedule I hereto in certificated form. Transfers of the First Mortgage Notes, Series 2012A must occur under the terms of the Credit Agreement and the Indenture. To affect a transfer under the Indenture, Holders must fill in and execute the Transfer Notice attached to the First Mortgage Notes, Series 2012A (the "Transfer Notice") and submit the First Mortgage Notes, Series 2012A and the Transfer Notice to the Administrative Agent. Upon countersignature by the Administrative Agent of the Transfer Notice the Administrative Agent shall surrender such First Mortgage Notes, Series 2012A, together with the completed Transfer Notice, to the Trustee for registration of transfer pursuant to the provisions of the Indenture.

ARTICLE II

MISCELLANEOUS

SECTION 2.01. Supplemental Indenture.

This Second Supplemental Indenture is executed and shall be construed as an indenture supplemental to the Original Indenture, and shall form a part thereof, and the Original Indenture, as hereby supplemented, is hereby confirmed. Except to the extent inconsistent with the express terms of this Second Supplemental Indenture and the Credit Agreement, all of the provisions, terms, covenants and conditions of the Original Indenture shall be applicable to the First Mortgage Notes, Series 2012A to the same extent as if specifically set forth herein.

SECTION 2.02. Recitals.

All recitals in this Second Supplemental Indenture are made by the Company only and not by the Trustee; and all of the provisions contained in the Original Indenture, in respect of the rights, privileges, immunities, powers and duties of the Trustee shall be applicable in respect hereof as fully and with like effect as if set forth herein in full. The Trustee will not be responsible for and makes no representation as to the validity or adequacy of this Second Supplemental Indenture or the First Mortgage Notes, Series 2012A (other than its certificate of authentication); it shall not be accountable for the Company's use of the proceeds from the First Mortgage Notes, Series 2012A; and it will not be responsible for the use or application of any money received by any Paying Agent other than the Trustee. The Trustee is not a party to the Credit Agreement, and it will not be responsible for or charged with knowledge of any terms of the Credit Agreement.

SECTION 2.03. Successors and Assigns.

Whenever in this Second Supplemental Indenture any of the parties hereto is named or referred to, this shall, subject to the provisions of Articles IX and XI of the Original Indenture, be deemed to include the successors and assigns of such party, and all the covenants and agreements in this Second Supplemental Indenture contained by or on behalf of the Company, or by or on behalf of the Trustee shall, subject as aforesaid, bind and inure to the respective benefits of the respective successors and assigns of such parties, whether so expressed or not.

SECTION 2.04. No Rights, Remedies, Etc.

Nothing in this Second Supplemental Indenture, expressed or implied, is intended, or shall be construed, to confer upon, or to give to, any person, firm or corporation, other than the parties hereto and the Holders of the Outstanding Secured Obligations, any right, remedy or claim under or by reason of this Second Supplemental Indenture or any covenant, condition, stipulation, promise or agreement hereof, and all the covenants, conditions, stipulations, promises and agreements in this Second Supplemental Indenture contained by or on behalf of the Company shall be for the sole

and exclusive benefit of the parties hereto, and of the Holders of Outstanding Secured Obligations.

SECTION 2.05. Counterparts.

This Second Supplemental Indenture may be executed in several counterparts, each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts, or as many of them as the Company and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

SECTION 2.06. Security Agreement; Mailing Address.

To the extent permitted by applicable law, this Second Supplemental Indenture shall be deemed to be a security agreement and financing statement whereby the Company grants to the Trustee a security interest in all of the Trust Estate that is personal property or fixtures under the Uniform Commercial Code.

The mailing address of the Company, as debtor is:

Big Rivers Electric Corporation
201 Third Street
Henderson, Kentucky 42420

and the mailing address of the Trustee, as secured party is:

U.S. Bank National Association
Corporate Trust Services
P.O. Box 960778
Boston, Massachusetts 02102

Additionally, this Second Supplemental Indenture shall, if appropriate, be an amendment to the financing documents originally filed in connection with the Original Indenture. The Company and Trustee are authorized to execute and file as appropriate instruments under the Uniform Commercial Code to either create a security interest or amend any security interest heretofore created; *provided* that the Trustee has no obligation to prepare or make any such filings.

[Signatures on Next Page.]

SCHEDULE I

INFORMATION RELATING TO HOLDERS

Name and Address of Holder

**Principal Amount of First Mortgage
Notes, Series 2012A to be Purchased**

EXHIBIT A

[Filing and recording information for the Original Indenture on a county by county basis]

EXHIBIT B

THIS SERIES 2012A NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND MAY NOT BE SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THIS SERIES 2012A NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS SERIES 2012A NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

EACH TRANSFEREE OF THIS SERIES 2012A NOTE WILL BE REQUIRED TO PROVIDE U.S. BANK NATIONAL ASSOCIATION, AS TRUSTEE (OR A SUCCESSOR TRUSTEE, AS APPLICABLE) WITH A WRITTEN CERTIFICATION (THE FORM OF WHICH CAN BE OBTAINED FROM THE TRUSTEE) AS TO COMPLIANCE WITH THE TRANSFER RESTRICTION REFERRED TO ABOVE. THE HOLDER MUST, PRIOR TO SUCH TRANSFER, FURNISH TO THE TRUSTEE SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS IT MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

THIS SERIES 2012A NOTE AND ANY RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON REALES AND OTHER TRANSFERS OF THIS SERIES 2012A NOTE TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO THE REALE OR TRANSFER OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS SERIES 2012A NOTE SHALL BE DEEMED BY THE ACCEPTANCE OF THIS SERIES 2012A NOTE TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT.

BIG RIVERS ELECTRIC CORPORATION

FIRST MORTGAGE NOTES, SERIES 2012A

\$_[] _____, 2012

FOR VALUE RECEIVED, BIG RIVERS ELECTRIC CORPORATION, a Kentucky cooperative corporation (the "**Borrower**") **HEREBY PROMISES TO PAY** to [LENDER] (the "**Lender**"), or its assigns, in lawful money of the United States and in immediately available funds, the principal amount of [] DOLLARS (\$[]), or, if less, the aggregate unpaid principal amount of the Loans (as defined in the Credit Agreement referred to below) made by Lender to the Borrower pursuant to the Credit Agreement and outstanding on the Commitment Termination Date (as defined in the Credit Agreement), whichever is less. The Borrower also promises to pay interest on the unpaid principal balance of the Loans for the period such balance is outstanding in like money, at the rates of interest, at the times, and calculated in the manner, set forth in Credit Agreement. Any amount of principal and, to the extent provided by law, interest, hereof which is not paid when due, whether at stated maturity, by acceleration, or otherwise, shall bear interest from the date when due until said principal amount is paid in full, payable on demand, at a rate per annum equal at all times to the rates set forth in Section 2.09 of the Credit Agreement. All payments made hereunder shall be made at the times and in the manner set forth in the Credit Agreement.

The Borrower hereby authorizes the Lender to endorse on the schedule annexed to this Note all payments of principal and interest in respect of such Loans, which endorsements shall be presumed correct absent manifest error as to the outstanding principal amount of, and accrued and unpaid interest on, the Loans; provided however, that the failure to make such notation with respect to any Loan or payment shall not limit or otherwise affect the obligation of the Borrower under the Credit Agreement or this Note.

This is a Note referred to in that certain Credit Agreement, dated as of [], 2012, by and among the Borrower, the several financial institutions or entities from time to time parties thereto, including the Lender, and COBANK, ACB, a federally chartered instrumentality of the United States, as administrative agent, lead arranger and book runner, as amended, supplemented or modified from time to time (the "**Credit Agreement**"), to evidence the Loans made by the Lender thereunder, all of the terms and provisions of which are hereby incorporated by reference. All capitalized terms used herein and not defined herein shall have the meanings given to them in the Credit Agreement.

The Credit Agreement provides for the acceleration of the maturity of principal upon the occurrence of an Event of Default and for prepayments on the terms and conditions specified therein, including payment of a surcharge pursuant to Section 2.07 of the Credit Agreement.

This Note is an Obligation subject to and is secured by that certain Indenture, dated as of July 1, 2009, as supplemented, by and between the Borrower and U.S. Bank National Association, as Trustee.

This Note is a registered Obligation and, as provided in the Indenture, upon surrender of this Note for registration of transfer, accompanied by a written instrument of transfer duly executed, by the registered Holder hereof (or such Holder's attorney duly authorized in writing) and countersigned by the Administrative Agent, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

The Borrower hereby waives presentment for payment, demand, notice of protest, notice of dishonor, and any other notice or formality with respect to this Note, and all defenses on the ground of delay or of any extension of time for payment hereof which may, without obligation, hereafter be given by the holder hereof.

Except to the extent governed by applicable federal law, this Note shall be governed by, and interpreted and construed in accordance with, the laws of the State of New York, without reference to choice of law doctrine.

**BIG RIVERS ELECTRIC
CORPORATION**

By: _____
Name:
Title:

This is one of the Obligations (as defined in the Indenture) of the series designated therein referred to in the Indenture.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Signatory

Date of Authentication: _____

FORM OF TRANSFER NOTICE

FOR VALUE RECEIVED the undersigned registered Noteholder hereby sell(s) assign(s) and transfer(s) unto

Insert Taxpayer Identification No.

(Please print or typewrite name and address including zip code of assignee)

the within Note and all rights thereunder, hereby irrevocably constituting and appointing

attorney to transfer said Note on the books kept for registration thereof, with full power of substitution in the premises.

Date: _____

(Signature of Transferor)

NOTE: The signature to this assignment must correspond with the name as written upon the face of the within-mentioned instrument in every particular, without alteration or enlargement or any change whatsoever.

NOTE: The signature must be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program) pursuant to S.E.C. Rule 17Ad-15.

The Administrative Agent hereby authorizes the Trustee as Obligation Registrar for the First Mortgage Notes, Series 2012A to transfer this Note under the Indenture pursuant to the instructions, above.

[_____], as Administrative Agent

By: _____

Name: _____

Title: _____

**EXHIBIT J
TO CREDIT AGREEMENT**

FORM OF NOTE

\$[_____]

_____, 2012

FOR VALUE RECEIVED, BIG RIVERS ELECTRIC CORPORATION, a Kentucky cooperative corporation (the "**Borrower**") **HEREBY PROMISES TO PAY** to [LENDER] (the "**Lender**"), or its assigns, in lawful money of the United States and in immediately available funds, the principal amount of [_____] DOLLARS (\$[_____]), or, if less, the aggregate unpaid principal amount of the Loans (as defined in the Credit Agreement referred to below) made by Lender to the Borrower pursuant to the Credit Agreement and outstanding on the Commitment Termination Date (as defined in the Credit Agreement), whichever is less. The Borrower also promises to pay interest on the unpaid principal balance of the Loans for the period such balance is outstanding in like money, at the rates of interest, at the times, and calculated in the manner, set forth in Credit Agreement. Any amount of principal and, to the extent provided by law, interest, hereof which is not paid when due, whether at stated maturity, by acceleration, or otherwise, shall bear interest from the date when due until said principal amount is paid in full, payable on demand, at a rate per annum equal at all times to the rates set forth in Section 2.09 of the Credit Agreement. All payments made hereunder shall be made at the times and in the manner set forth in the Credit Agreement.

The Borrower hereby authorizes the Lender to endorse on the schedule annexed to this Note: (i) the amount and Type of all Loans; (ii) in the case of LIBOR Loans, the applicable Interest Periods; and (iii) all renewals, conversions and payments of principal and interest in respect of such Loans, which endorsements shall be presumed correct absent manifest error as to the outstanding principal amount of, and accrued and unpaid interest on, the Loans; provided however, that the failure to make such notation with respect to any Loan or payment shall not limit or otherwise affect the obligation of the Borrower under the Credit Agreement or this Note.

This is a Note referred to in that certain Credit Agreement, dated as of [____], 2012, by and among the Borrower, the several financial institutions or entities from time to time parties thereto, including the Lender, and COBANK, ACB, a federally chartered instrumentality of the United States, as administrative agent, issuing lender, lead arranger and book runner, as amended, supplemented or modified from time to time (the "**Credit Agreement**"), to evidence the Loans made by the Lender thereunder, all of the terms and provisions of which are hereby incorporated by reference. All capitalized terms used herein and not defined herein shall have the meanings given to them in the Credit Agreement.

The Credit Agreement provides for the acceleration of the maturity of principal upon the occurrence of an Event of Default and for prepayments on the terms and conditions specified therein.

The Borrower hereby waives presentment for payment, demand, notice of protest, notice of dishonor, and any other notice or formality with respect to this Note, and all defenses on the ground of delay or of any extension of time for payment hereof which may, without obligation, hereafter be given by the holder hereof.

Except to the extent governed by applicable federal law, this Note shall be governed by, and interpreted and construed in accordance with, the laws of the State of New York, without reference to choice of law doctrine.

BIG RIVERS ELECTRIC CORPORATION

By: _____
Name:
Title:

\$50,000,000

SENIOR UNSECURED REVOLVING CREDIT FACILITY

AMONG

**BIG RIVERS ELECTRIC CORPORATION
AS BORROWER,**

THE SEVERAL LENDERS FROM TIME TO TIME PARTIES
HERETO,

AND

COBANK, ACB,
AS ADMINISTRATIVE AGENT, ISSUING LENDER, LEAD ARRANGER AND BOOK
RUNNER,

DATED AS OF _____, 2012

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EXHIBIT E-3	Form of U.S. Tax Compliance Certificate (For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)
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EXHIBIT F	Form of Secretary’s Certificate
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Schedule 5.10	Liens
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[Schedule 5.15	Environmental Matters]
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Schedule 5.20	Indebtedness
Schedule 7.03	Transactions With Affiliates
Schedule 7.11	Investments
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CREDIT AGREEMENT

This Credit Agreement (this "Agreement") dated as of _____, 2012, is entered into by and among Big Rivers Electric Corporation, a Kentucky cooperative corporation (the "Borrower"), the several financial institutions or entities from time to time parties to this Agreement (the "Lenders") and CoBank, ACB, a federally chartered instrumentality of the United States ("CoBank") as administrative agent (in such capacity, the "Administrative Agent"), Issuing Lender, lead arranger, and book runner.

BACKGROUND

From time to time, the Lenders may make loans or the Issuing Lender may issue letters of credit for the account of the Borrower. In order to facilitate the making of such loans and the issuance of such letters of credit, the parties are entering into this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE 1 DEFINITIONS AND ACCOUNTING TERMS

SECTION 1.01 Definitions. Capitalized terms used in this Agreement and defined in Exhibit A hereto shall have the meanings set forth in that Exhibit.

SECTION 1.02 Rules of Interpretation. The rules of interpretation set forth in Exhibit A shall apply to this Agreement.

ARTICLE 2 THE COMMITMENTS

SECTION 2.01 The Loans.

(A) Subject to the terms and conditions hereof, the Lenders agree to make revolving credit loans (the "Loans") in Dollars to the Borrower from time to time during the Commitment Period, provided, that, after giving effect to any such Loan, (a) the sum, at any time, of the Outstanding Amount of all Loans, plus the Outstanding Amount of L/C Obligations, shall not exceed the Commitments and (b) with respect to each individual Lender, the Lender's Commitment Percentage of the Outstanding Amount of the Loans, plus such Lender's Commitment Percentage of the L/C Obligations, shall not exceed such Lender's Commitment Percentage of the Commitments. The Loans may from time to time be LIBOR Loans or Base Rate Loans, as determined in accordance with Sections 2.01(C) and 2.08.

(B) Subject to the mandatory prepayment provisions in Section 2.07 and Section 10.01, the Borrower shall repay each Loan made to it on the Commitment Termination Date.

(C) The Borrower may borrow under the Commitments during the Commitment Period on any Banking Day; provided that the Borrower shall give the

Administrative Agent an irrevocable Notice of Borrowing (which must be received by the Administrative Agent (i) in the case of LIBOR Loans, prior to 10:00 AM, Denver, Colorado time, at least three (3) Banking Days prior to the requested Borrowing Date, or (ii) in the case of Base Rate Loans, prior to 11:00 AM Denver, Colorado time, on the Banking Day prior to the requested Borrowing Date), specifying (a) the amount and Type of Loans to be borrowed, (b) the requested Borrowing Date, and (c) in the case of LIBOR Loans, the respective amounts of each such Type of Loan and the respective lengths of the initial Interest Period therefor. Any Loans made on the Closing Date shall be Base Rate Loans unless the Administrative Agent shall have received an appropriate funding indemnity letter executed by the Borrower and reasonably acceptable to the Administrative Agent at least three (3) Banking Days prior to the Closing Date. Each borrowing by the Borrower under the Commitments shall be in an amount equal to \$1,000,000 or a whole multiple of \$500,000 in excess thereof (or, if the then available Commitments is less than \$1,000,000, such lesser amount, provided, that any borrowing for such lesser amount must be a Base Rate Loan).

(D) Upon receipt of any Notice of Borrowing from the Borrower, the Administrative Agent shall promptly notify each Lender thereof. Each Lender will make its Commitment Percentage of the requested Loans available to the Administrative Agent, in immediately available funds, for the account of the Borrower at the Funding Office prior to 11:00 AM Denver, Colorado time, on the Borrowing Date requested by the Borrower in the Notice of Borrowing. The Loans requested in such Notice of Borrowing will then be made available (after the Administrative Agent has received the same from each Lender as provided in the preceding sentence) to the Borrower by the Administrative Agent by no later than 1:00 PM Denver, Colorado time, in each case by crediting the Borrower's account (Account No. 00050949) at CoBank, ACB (ABA Routing No. 307088754), or to such other account as the Borrower shall direct the Administrative Agent in writing, by wire transfer of immediately available funds. If no election as to the Type of a Loan is specified, then the requested Loan shall be a Base Rate Loan bearing interest at the Base Rate plus the Applicable Margin. If no Interest Period is specified with respect to any requested LIBOR Loan, the Borrower shall be deemed to have selected an Interest Period of one month's duration.

SECTION 2.02 Method of Payment. The Borrower shall make all payments to the Administrative Agent under this Agreement and all other Loan Documents by wire transfer of immediately available funds, or, if specified by separate agreement between the Borrower and the Administrative Agent, by automated clearing house or other similar cash handling processes. Wire transfers shall be made to the following account (or to such other account as the Administrative Agent may direct by notice):

CoBank, ACB, as Administrative Agent
Bank Location: Englewood, Colorado
ABA Routing No. 307088754
Short Name: CoBank
Beneficiary: Big Rivers Electric Corporation
Account Number: 00050949
Attention: agencybank@cobank.com

Checks shall be mailed to CoBank, Department 167, Denver, Colorado 80291-0167 or to such other place as the Administrative Agent may direct by notice (the “Funding Office”).

SECTION 2.03 Repayment of Loans.

(A) The Borrower hereby unconditionally promises to pay to the Administrative Agent the then unpaid principal amount of each Loan made to the Borrower outstanding on the Commitment Termination Date (or on such earlier date on which the Loans become due and payable pursuant to Article 10). The Borrower hereby further agrees to pay interest on the unpaid principal amount of the Loans made to the Borrower from time to time outstanding from the date hereof until payment in full thereof at the rates per annum, and on the dates, set forth in Section 2.09.

(B) The Administrative Agent, on behalf of the Borrower, shall maintain the Register in accordance with Section 12.06(C), in which shall be recorded (i) the amount of each Loan made hereunder, any Note evidencing such Loan, the Type of each Loan and each Interest Period applicable thereto, (ii) the amount of any principal, reimbursement obligations, interest and fees, as applicable, due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder from the Borrower.

(C) The entries made in the Register shall, to the extent permitted by applicable Requirements of Law, be presumed correct absent manifest error as to the existence and amounts of the Obligations of the Borrower therein recorded; provided, that the failure of the Administrative Agent to maintain the Register, or any error therein, shall not in any manner affect the obligation of the Borrower to repay (with applicable interest) any Loan in accordance with the terms of this Agreement.

(D) All payments (including prepayments) to be made by the Borrower hereunder, whether on account of principal, interest, fees or otherwise, shall be made without setoff, deduction or counterclaim to the extent permitted by applicable Requirements of Law and shall be made prior to 12:00 PM Denver, Colorado time, on the due date thereof to the Administrative Agent at the Funding Office, and funds received after such time shall be credited on the next Banking Day. If any payment hereunder (other than payments on the LIBOR Loans) becomes due and payable on a day other than a Banking Day, such payment shall be extended to the next succeeding Banking Day. If any payment on a LIBOR Loan becomes due and payable on a day other than a Banking Day, the maturity thereof shall be extended to the next succeeding Banking Day unless the result of such extension would be to extend such payment into another calendar month, in which event such payment shall be made on the immediately preceding Banking Day. In the case of any extension of any payment of principal pursuant to the preceding two sentences, interest thereon shall be payable at the then applicable rate during such extension. Credit for any payment made by check will not be given until the later of the next Banking Day after receipt of the check or the day on which the Lender receives immediately available funds.

SECTION 2.04 Letters of Credit.

(A) **Usage and Availability.**

(1) Subject to the terms and conditions set forth herein, the Borrower may utilize the Commitments from time to time during the L/C Availability Period to open irrevocable Letters of Credit for its account; provided, (a) the Outstanding Amount of all L/C Obligations plus the Outstanding Amount of all Loans shall not exceed the Commitments and (b) the Outstanding Amount of all L/C Obligations shall not exceed the L/C Sublimit. Each Letter of Credit will be issued within three (3) Banking Days after receipt of a duly completed and executed copy of the Letter of Credit Application and while outstanding shall reduce the amount available under the Commitments by the maximum amount capable of being drawn thereunder. Consistent with the above, (x) the Issuing Lender agrees in reliance upon the agreements of the Lenders set forth in this Section 2.04, (i) from time to time during the Commitment Period until the Letter of Credit Expiration Date, to issue Letters of Credit in Dollars for the account of the Borrower, and to amend or extend Letters of Credit previously issued by it, in accordance with clause (2) below and (ii) to honor drawings under the Letters of Credit; and (y) the Lenders severally agree to participate in Letters of Credit issued for the account of the Borrower and any drawings thereunder. Each Letter of Credit: (aa) must be in form and content acceptable to the Issuing Lender, (bb) must expire no later than the Letter of Credit Expiration Date and (cc) is deemed to be a representation by the Borrower that the L/C Credit Extension so requested complies with the conditions set forth herein. Within the foregoing limits, and subject to the terms and conditions hereof, the Borrower's ability to obtain Letters of Credit shall be fully revolving, and accordingly the Borrower may, during the L/C Availability Period, obtain Letters of Credit to replace Letters of Credit that have expired or that have been drawn upon and reimbursed.

(2) The Issuing Lender shall not issue any Letter of Credit if: (a) subject to Section 2.04(B)(3), the expiry date of such requested Letter of Credit would occur more than twelve (12) months after the date of issuance or last extension, or (b) the expiry date of such requested Letter of Credit would occur after the Letter of Credit Expiration Date.

(3) The Issuing Lender shall not be under any obligation to issue any Letter of Credit if: (a) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain the Issuing Lender from issuing such Letter of Credit, or any Requirement of Law applicable to the Issuing Lender or any request or directive (whether or not having the force of Requirement of Law) from any Governmental Authority with jurisdiction over the Issuing Lender shall prohibit, or request that the Issuing Lender refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon the Issuing Lender with respect to such Letter of Credit any restrictions, reserve or capital requirement (for which the Issuing Lender is not otherwise compensated hereunder) not in effect on the Closing Date, or shall impose upon the Issuing Lender any unreimbursed loss, cost or expense which was not applicable on the Closing Date and which the Issuing Lender in good faith deems material to it; (b) the issuance of such Letter of Credit would violate one or more policies of the Issuing Lender applicable to borrowers generally; (c) except as otherwise agreed by the Administrative Agent and the Issuing Lender, such Letter of Credit is in an initial stated amount of less than \$100,000; (d) such Letter of Credit is to be denominated in a currency other than Dollars; or (e) a default of any Lender's obligations to fund under Section 2.04(C) exists or any Lender is at such time a Defaulting Lender hereunder, unless the Issuing Lender has entered into satisfactory arrangements with the Borrower or such Lender to eliminate the Issuing Lender's risk with respect to such Lender or

the Fronting Exposure of the Defaulting Lender has been reallocated pursuant to Section 3.07(A)(4).

(4) The Issuing Lender shall not amend any Letter of Credit if the Issuing Lender would not be permitted at such time to issue such Letter of Credit in its amended form under the terms hereof.

(5) The Issuing Lender shall be under no obligation to amend any Letter of Credit if (a) the Issuing Lender would have no obligation at such time to issue such Letter of Credit in its amended form under the terms hereof, or (b) the beneficiary of such Letter of Credit does not accept the proposed amendment to such Letter of Credit.

(6) The Issuing Lender shall act on behalf of the Lenders with respect to any Letters of Credit issued by it and any Issuer Documents associated therewith, and the Issuing Lender shall have all of the benefits and immunities (a) provided to the Administrative Agent in Article 11 with respect to any actions taken or omissions suffered by the Issuing Lender in connection with Letters of Credit issued by it or proposed to be issued by it and Issuer Documents pertaining to such Letters of Credit as fully as if the term “Administrative Agent” as used in Article 11 included the Issuing Lender with respect to such acts or omission, and (b) as additionally provided herein with respect to the Issuing Lender.

(B) Procedures for Issuance and Amendment of Letters of Credit; Auto-Extension Letters of Credit.

(1) Each Letter of Credit shall be issued or amended, as the case may be, upon the request of the Borrower delivered to the Issuing Lender (with a copy to the Administrative Agent) in the form of a Letter of Credit Application, appropriately completed and signed by a Responsible Officer of the Borrower. Such Letter of Credit Application must be received by the Issuing Lender and the Administrative Agent not later than 11:00 AM Denver, Colorado time, at least three (3) Banking Days (or such later date and time as the Administrative Agent and the Issuing Lender may agree in a particular instance in their sole discretion) prior to the proposed issuance date or date of amendment, as the case may be. In the case of a request for an initial issuance of a Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to the Issuing Lender: (a) the proposed issuance date of the requested Letter of Credit (which shall be a Banking Day); (b) the amount thereof; (c) the expiry date thereof; (d) the name and address of the beneficiary thereof; (e) the documents to be presented by such beneficiary in case of any drawing thereunder; (f) the full text of any certificate to be presented by such beneficiary in case of any drawing thereunder; (g) the purpose and nature of the requested Letter of Credit; and (h) such other matters as the Issuing Lender may require. In the case of a request for an amendment of any outstanding Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to the Issuing Lender (i) the Letter of Credit to be amended; (ii) the proposed date of amendment thereof (which shall be a Banking Day); (iii) the nature of the proposed amendment; and (iv) such other matters as the Issuing Lender may require. Additionally, the Borrower shall furnish to the Issuing Lender and the Administrative Agent such other documents and information pertaining to such requested Letter of Credit issuance or amendment, including any Issuer Documents, as the Issuing Lender or the Administrative Agent may require.

(2) Promptly after receipt of any Letter of Credit Application, the Issuing Lender will confirm with the Administrative Agent (in writing) that the Administrative Agent has received a copy of such Letter of Credit Application from the Borrower and, if not, the Issuing Lender will provide the Administrative Agent with a copy thereof. Unless the Issuing Lender has received written notice from any Lender, the Administrative Agent or the Borrower, at least one (1) Banking Day prior to the requested date of issuance or amendment of the applicable Letter of Credit, that one or more applicable conditions contained in Section 4.02 shall not be satisfied, then, subject to the terms and conditions hereof, the Issuing Lender shall, on the requested date, issue a Letter of Credit for the account of the Borrower or enter into the applicable amendment, as the case may be, in each case in accordance with the Issuing Lender's usual and customary business practices. Immediately upon the issuance of each Letter of Credit, each Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the Issuing Lender a risk participation in such Letter of Credit in an amount equal to the product of such Lender's Commitment Percentage times the amount of such Letter of Credit.

(3) If the Borrower so requests in any applicable Letter of Credit Application, the Issuing Lender may, in its sole and absolute discretion, agree to issue a Letter of Credit that has automatic extension provisions (each, an "Auto-Extension Letter of Credit"); provided that any such Auto-Extension Letter of Credit must permit the Issuing Lender to prevent any such extension at least once in each twelve (12) month period (commencing with the date of issuance of such Letter of Credit) by giving prior notice to the beneficiary thereof not later than a day (the "Non-Extension Notice Date") in each such twelve (12) month period to be agreed upon at the time such Letter of Credit is issued. Unless otherwise directed by the Issuing Lender, the Borrower shall not be required to make a specific request to the Issuing Lender for any such extension. Once an Auto-Extension Letter of Credit has been issued, the Lenders shall be deemed to have authorized (but may not require) the Issuing Lender to permit the extension of such Letter of Credit at any time to an expiry date not later than the Letter of Credit Expiration Date; provided, that the Issuing Lender shall not permit any such extension if (A) the Issuing Lender has determined that it would not be permitted at such time to issue such Letter of Credit in its revised form (as extended) under the terms hereof (by reason of the provisions of clause (2) or (3) of Section 2.04(A) or otherwise), or (B) it has received notice (in writing) on or before the day that is seven (7) Banking Days before the Non-Extension Notice Date (1) from the Administrative Agent that the Required Lenders have elected not to permit such extension or (2) from the Administrative Agent, any Lender or the Borrower that one or more of the applicable conditions specified in Section 4.02 is not then satisfied, and in each case directing the Issuing Lender not to permit such extension.

(4) Promptly after its delivery of any Letter of Credit or any amendment to a Letter of Credit to an advising bank with respect thereto or to the beneficiary thereof, the Issuing Lender will also deliver to the Borrower and the Administrative Agent a true and complete copy of such Letter of Credit or amendment.

(C) Drawings and Reimbursements; Funding of Participations.

(1) Upon receipt from the beneficiary of any Letter of Credit of any notice of drawing under such Letter of Credit, the Issuing Lender shall notify the Borrower and the Administrative Agent thereof. Not later than 10:00 AM Denver, Colorado time, on the date

of any payment by the Issuing Lender under a Letter of Credit (each such date, an “Honor Date”), the Borrower shall reimburse the Issuing Lender through the Administrative Agent in an amount equal to the amount of such drawing. If the Borrower fails to so reimburse the Issuing Lender by such time, the Administrative Agent shall promptly notify each Lender on the Honor Date, the amount of the unreimbursed drawing (the “Unreimbursed Amount”), and the amount of such Lender’s Commitment Percentage thereof. In such event, the Borrower shall be deemed to have requested a Loan bearing interest at the Base Rate plus the Applicable Margin to be disbursed on the Honor Date in an amount equal to the Unreimbursed Amount, without regard to the minimum and multiples specified in Section 2.01, but subject to the conditions set forth in Section 4.02 (other than in clause (d) of Section 4.02) and provided that, after giving effect to such borrowing, the Outstanding Amount of all Loans and L/C Obligations shall not exceed the Commitments. Any notice given by the Issuing Lender or the Administrative Agent pursuant to this Section 2.04(C)(1) must be given in writing.

(2) Each Lender shall upon any notice pursuant to Section 2.04(C)(1) make funds available to the Administrative Agent for the account of the Issuing Lender at the Funding Office in an amount equal to its Commitment Percentage of the Unreimbursed Amount not later than 2:00 PM Denver, Colorado time, on the Banking Day specified in such notice by the Administrative Agent, whereupon, subject to the provisions of Section 2.04(C)(3), each Lender that so makes funds available shall be deemed to have made a Loan bearing interest at the Base Rate plus the Applicable Margin to the Borrower in such amount. The Administrative Agent shall remit the funds so received to the Issuing Lender.

(3) With respect to any Unreimbursed Amount that is not fully refinanced by a Loan bearing interest at the Base Rate plus the Applicable Margin because the conditions set forth in Section 4.02 (other than in clause (d) of Section 4.02) cannot be satisfied or for any other reason, the Borrower shall be deemed to have incurred from the Issuing Lender an L/C Borrowing in the amount of the Unreimbursed Amount that is not so refinanced, which L/C Borrowing shall be due and payable on demand (together with interest) and shall bear interest at the Default Rate. In such event, each Lender’s payment to the Administrative Agent for the account of the Issuing Lender pursuant to Section 2.04(C)(2) shall be deemed payment in respect of its participation in such L/C Borrowing and shall constitute an L/C Advance from such Lender in satisfaction of its participation obligation under this Section 2.04.

(4) Until each Lender funds its Loan or L/C Advance pursuant to this Section 2.04(C) to reimburse the Issuing Lender for any amount drawn under any Letter of Credit, interest in respect of such Lender’s Commitment Percentage of such amount shall be solely for the account of the Issuing Lender.

(5) Each Lender’s obligation to make Loans or L/C Advances to reimburse the Issuing Lender for amounts drawn under Letters of Credit, as contemplated by this Section 2.04(C), shall be absolute and unconditional and shall not be affected by any circumstance, including (a) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against the Issuing Lender, the Borrower or any other Person for any reason whatsoever; (b) the occurrence or continuance of a Default or Event of Default, or (c) any other occurrence, event or condition, whether or not similar to any of the foregoing. No such making of an L/C Advance shall relieve or otherwise impair the obligation of the Borrower to

reimburse the Issuing Lender for the amount of any payment made by the Issuing Lender under any Letter of Credit, together with interest as provided herein.

(6) If any Lender fails to make available to the Administrative Agent for the account of the Issuing Lender any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.04(C) by the time specified in Section 2.04(C)(2), the Issuing Lender shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the Issuing Lender at a rate per annum equal to the greater of the Federal Funds Effective Rate and a rate determined by the Issuing Lender in accordance with banking industry rules on interbank compensation, plus any administrative, processing or similar fees customarily charged by the Issuing Lender in connection with the foregoing. If such Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Lender's portion included in the relevant borrowing or L/C Advance in respect of the relevant L/C Borrowing, as the case may be. A certificate of the Issuing Lender submitted to any Lender (through the Administrative Agent) with respect to any amounts owing under this clause (6) shall be conclusive absent manifest error.

(D) Repayment of Participations.

(1) At any time after the Issuing Lender has made a payment under any Letter of Credit and has received from any Lender such Lender's L/C Advance in respect of such payment in accordance with Section 2.04(C), if the Administrative Agent receives for the account of the Issuing Lender any payment in respect of the related Unreimbursed Amount or interest thereon (whether directly from the Borrower or otherwise, including proceeds of Cash Collateral applied thereto by the Administrative Agent), then, except as otherwise provided in Section 2.04(C)(4), the Administrative Agent will distribute to such Lender its Commitment Percentage thereof in the same funds as those received by the Administrative Agent.

(2) If any payment received by the Administrative Agent for the account of the Issuing Lender pursuant to Section 2.04(C)(1) is required to be returned under any circumstance (including pursuant to any settlement entered into by the Issuing Lender in its discretion), each Lender shall pay to the Administrative Agent for the account of the Issuing Lender its Commitment Percentage thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned by such Lender, at a rate per annum equal to the Federal Funds Effective Rate from time to time in effect. The obligations of the Lenders under this clause shall survive the payment in full of the Loans and the termination of this Agreement.

(3) Upon the prepayment of Commitments of any Lender ("Affected Lender") pursuant to Section 3.07, each remaining Lender shall be deemed to have acquired, without recourse or warranty, from such Affected Lender an undivided interest and participation in any Letter of Credit and the related L/C Obligations in an amount equal to each such remaining Lender's pro rata share of such Letter of Credit and L/C Obligations, assuming for the calculation of such pro rata share that the Affected Lender's Commitments equal zero.

(E) **Obligations Absolute.** The obligation of the Borrower to reimburse the Issuing Lender for each drawing under each Letter of Credit and to repay each L/C Borrowing shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including the following:

(1) any lack of validity or enforceability of such Letter of Credit, this Agreement or any other Loan Document;

(2) the existence of any claim, counterclaim, setoff, defense or other right that the Borrower or any Subsidiary may have at any time against any beneficiary or any transferee of such Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), the Issuing Lender or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or by such Letter of Credit or any agreement or instrument relating thereto, or any unrelated transaction;

(3) any draft, demand, certificate or other document presented under such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under such Letter of Credit;

(4) any payment by the Issuing Lender under such Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of such Letter of Credit; or any payment made by the Issuing Lender under such Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of such Letter of Credit, including any arising in connection with any proceeding under the Bankruptcy Code or any similar Requirement of Law; or

(5) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including any other circumstance that might otherwise constitute a defense available to, or a discharge of, the Borrower.

The Borrower shall promptly examine a copy of each Letter of Credit and each amendment thereto that is delivered to it and, in the event of any claim of noncompliance with the Borrower's instructions or other irregularity, the Borrower will immediately notify the Issuing Lender. The Borrower shall be conclusively deemed to have waived any such claim against the Issuing Lender and its correspondents unless such notice is given as aforesaid.

(F) **Role of Issuing Lender.** Each Lender and the Borrower agree that, in paying any drawing under a Letter of Credit, the Issuing Lender shall not have any responsibility to obtain any document (other than any sight draft, certificates and documents expressly required by such Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of the Person executing or delivering any such document. None of the Issuing Lender, the Administrative Agent, any of their respective Related Parties nor any correspondent, participant or assignee of the Issuing Lender shall be liable to any Lender for (i) any action taken or omitted in connection herewith at the request or with the approval of the

Lenders or the Required Lenders, as applicable; (ii) any action taken or omitted in the absence of gross negligence or willful misconduct; or (iii) the due execution, effectiveness, validity or enforceability of any document or instrument related to any Letter of Credit or Issuer Document. The Borrower hereby assumes all risks of the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit; provided, that this assumption is not intended to, and shall not, preclude the Borrower's pursuing such rights and remedies as it may have against the beneficiary or transferee by Requirement of Law or under any other agreement. None of the Issuing Lender, the Administrative Agent, any of their respective Related Parties nor any correspondent, participant or assignee of the Issuing Lender shall be liable or responsible for any of the matters described in clauses (1) through (5) of Section 2.04(E); provided, that anything in such clauses to the contrary notwithstanding, the Borrower may have a claim against the Issuing Lender, and the Issuing Lender may be liable to the Borrower, to the extent, but only to the extent, of any direct, as opposed to consequential or exemplary, damages suffered by the Borrower which the Borrower proves were caused by the Issuing Lender's willful misconduct or gross negligence as determined by a final, nonappealable judgment of a court of competent jurisdiction or the Issuing Lender's willful failure to pay under any Letter of Credit after the presentation to it by the beneficiary of a sight draft and certificate(s) strictly complying with the terms and conditions of a Letter of Credit. In furtherance and not in limitation of the foregoing, the Issuing Lender may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary, and the Issuing Lender shall not be responsible for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason.

(G) **Letter of Credit Fees.** The Borrower shall pay to the Administrative Agent for the account of each Lender in accordance with its Commitment Percentage a Letter of Credit fee (the "Letter of Credit Fee") for each Letter of Credit equal to the Applicable Margin for LIBOR Loans times the average daily amount of each Letter of Credit issued and outstanding during the applicable quarter. Letter of Credit Fees shall be (a) due and payable in arrears on the last Banking Day of each March, June, September, and December, commencing with the first such date to occur after the issuance of such Letter of Credit, on the Letter of Credit Expiration Date and thereafter on demand, (b) computed on the basis of the actual number of days elapsed in a 360-day year, and (c) shared proportionately by the Lenders based on each Commitment Percentage. If there is any change in the Applicable Margin for LIBOR Loans during any quarter, the daily amount available to be drawn under each Letter of Credit shall be computed and multiplied by the Applicable Margin for LIBOR Loans separately for each period during such quarter that such Applicable Margin was in effect. Notwithstanding anything to the contrary contained herein, while any Event of Default exists, all Letter of Credit Fees shall accrue at the Applicable Margin for LIBOR Loans plus an annual rate of 2.0%.

(H) **Fronting Fee.** The Borrower shall pay directly to the Issuing Lender for its own account a fronting fee (the "Fronting Fee") with respect to each Letter of Credit, in an amount equal to 0.125% of the aggregate stated amount of each Letter of Credit. Each Fronting Fee shall be payable on the issuance date of the applicable Letter of Credit. In addition, the Borrower shall pay directly to the Issuing Lender for its own account the customary issuance, presentation, amendment and other processing fees, and other standard costs and charges, of the

Issuing Lender relating to letters of credit as from time to time in effect. Such customary fees and standard costs and charges are due and payable on demand and are nonrefundable.

(I) **Conflict With Issuer Documents.** In the event of any conflict between the terms hereof and the terms of any Issuer Document, the terms hereof shall control.

(J) **Applicability of ISP.** Unless otherwise expressly agreed by the Issuing Lender and the Borrower when a Letter of Credit is issued, the rules of the ISP shall apply to each Letter of Credit.

SECTION 2.05 Termination or Reduction of Commitments. The Borrower shall have the right, upon ten (10) Banking Days' prior written notice to the Administrative Agent, to terminate the Commitments or, from time to time, to reduce the amount of the Commitments; provided that no such termination or reduction of the Commitments shall be permitted if, after giving effect thereto and to any prepayments of the Loans, or Cash Collateralization of L/C Obligations, made on the effective date thereof, (a) the Outstanding Amount of all Loans plus the Outstanding Amount of all L/C Obligations would exceed the Commitments or (b) the Outstanding Amount of all L/C Obligations would exceed the L/C Sublimit. Any partial reduction of the Commitments shall be in an amount equal to \$10,000,000, or a whole multiple of \$5,000,000 in excess thereof, and shall permanently reduce the Commitments.

SECTION 2.06 Voluntary Prepayments. The Borrower may at any time and from time to time prepay any Loans in whole or in part, without premium or penalty, upon irrevocable notice delivered to the Administrative Agent no later than 11:00 AM Denver, Colorado time three (3) Banking Days prior thereto in the case of LIBOR Loans, and no later than 11:00 AM Denver, Colorado time one (1) Banking Day prior thereto in the case of Base Rate Loans, which notice shall specify (i) which Loans will be prepaid, (ii) the date (which shall be a Banking Day) and amount of prepayment, and (iii) whether the prepayment is of LIBOR Loans or Base Rate Loans; provided that if a LIBOR Loan is prepaid on any day other than the last day of the Interest Period applicable thereto, the Borrower shall also pay any amounts owing pursuant to Section 3.03. If any such notice is given, the amount specified in such notice shall be due and payable on the date specified therein together with (except in the case of Loans that are Base Rate Loans) accrued interest to such date on the amount prepaid. Partial prepayments of Loans shall be in an aggregate principal amount of \$1,000,000 or a whole multiple of \$500,000 in excess thereof and shall be subject to the provisions of Section 3.03. Any payments of Loans made pursuant to this Section 2.06 shall not reduce the Commitments and may be reborrowed in accordance with the terms and conditions hereof.

SECTION 2.07 Mandatory Prepayments; Change of Control.

(A) The Borrower shall (i) immediately prepay all outstanding Loans in full and Cash Collateralize all outstanding L/C Obligations upon a Change of Control, and (ii) from time to time prepay the Loans and/or Cash Collateralize the L/C Obligations to the extent necessary so that the Outstanding Amount of all Loans and L/C Obligations shall not at any time exceed the Commitments or L/C Sublimit, as applicable.

(B) Any payments made under this Section 2.07 shall (i) be applied first ratably to any L/C Borrowing and second to any Loans, and (ii) within the parameters of the applications set forth in clause (i), be applied first to Base Rate Loans and then to LIBOR Loans in direct order of Interest Period maturities.

(C) Mandatory prepayments of LIBOR Loans made pursuant to this Section 2.07 shall be subject to the provisions of Section 3.03.

(D) In addition to the foregoing, all outstanding Commitments shall be immediately and automatically cancelled upon a prepayment pursuant to Section 2.07(A)(i).

SECTION 2.08 Conversion and Continuation Options.

(A) The Borrower may elect from time to time, by giving the Administrative Agent irrevocable notice in the form of Exhibit D no later than 11:00 AM Denver, Colorado time on the third (3rd) Banking Day prior thereto to convert: (i) LIBOR Loans made to the Borrower to Base Rate Loans, and (ii) Base Rate Loans made to the Borrower to LIBOR Loans; provided, that no Base Rate Loan may be converted into a LIBOR Loan when any Default or Event of Default has occurred and is continuing. Any notice to convert a Base Rate Loan to a LIBOR Loan shall specify the length of the initial Interest Period therefor.

(B) Any LIBOR Loan may be continued as such by the Borrower giving irrevocable notice to the Administrative Agent in the form of Exhibit D, in accordance with the applicable provisions of the term "Interest Period" set forth in Exhibit A and no later than 11:00 AM Denver, Colorado time on the third (3rd) Banking Day preceding the proposed continuation date; provided, that (i) if any LIBOR Loan is so continued on any day other than the last day of the Interest Period applicable thereto, the Borrower shall also pay any amounts owing pursuant to Section 3.03, (ii) no LIBOR Loan may be continued as such when any Default or Event of Default has occurred and is continuing, and (iii) if the Borrower shall fail to give any required notice as described above in this paragraph for any LIBOR Loan on or prior to the third Banking Day prior to the last day of the Interest Period then applicable thereto, such LIBOR Loan shall be automatically converted to a Base Rate Loan on the last day of such then expiring Interest Period.

(C) Notwithstanding anything to the contrary in this Agreement, (i) all borrowings, conversions, continuations and optional prepayments of LIBOR Loans and all selections of Interest Periods shall be in such amounts and be made pursuant to such elections so that no more than ten (10) LIBOR Loan Interest Periods shall be outstanding at any one time and (ii) no Loan may be converted into, or continued as, a LIBOR Loan if the balance of such Loan at the time of such conversion or continuation is less than \$1,000,000.

SECTION 2.09 Interest Rates and Payment Dates.

(A) Each LIBOR Loan shall bear interest for each day during each Interest Period with respect thereto at a rate per annum equal to the LIBOR Rate determined for such day plus the Applicable Margin.

(B) Each Base Rate Loan shall bear interest at a rate per annum equal to the Base Rate plus the Applicable Margin.

(C) Notwithstanding the foregoing, if an Event of Default has occurred and is continuing, interest shall accrue at a rate per annum on (i) each Loan, at the interest rate otherwise applicable thereto (including the Applicable Margin) plus two percent (2%) and (ii) all other amounts due and payable pursuant to this Agreement (other than Letter of Credit Fees which are addressed in Section 2.04(G)), at a rate equal to the Base Rate plus the Applicable Margin plus two percent (2%) (the “Default Rate”). Upon the expiration of any Interest Period in effect at the time any such increase in interest rate is effective, such LIBOR Loans shall become Base Rate Loans bearing interest pursuant to clause (i) of this Section 2.09(C).

(D) Interest shall be payable by the Borrower in arrears on each Interest Payment Date; provided that interest accruing pursuant to Section 2.09(C) shall be payable from time to time on demand.

SECTION 2.10 Computation of Interest and Fees. Interest and fees payable pursuant hereto shall be calculated on the basis of a 360-day year for the actual days elapsed, except that, with respect to Base Rate Loans based on the Prime Rate, the rate of interest thereon shall be calculated on the basis of a 365- (or 366-, as the case may be) day year for the actual days elapsed. Any change in the interest rate on a Loan resulting from a change in the Base Rate shall become effective as of the Administrative Agent’s opening of business on the Banking Day on which such change becomes effective.

SECTION 2.11 Fees.

(A) Facility Fee. The Borrower agrees to pay to the Administrative Agent for the benefit of the Lenders a facility fee equal to the amount of Commitments multiplied by the Applicable Margin for the Facility Fee (the “Facility Fee”) for the period from and including the Closing Date to the last day of the Commitment Period, calculated on the basis of the actual number of days elapsed in a 360-day year; payable quarterly in arrears on the last Banking Day of each March, June, September and December during the Commitment Period, on the Commitment Termination Date on any date on which the Commitments are terminated pursuant to Section 2.05.

(B) Other Fees. The Borrower agrees to pay such other fees as provided in the Fee Letter.

(C) Letter of Credit Fees. The Borrower agrees to pay the Letter of Credit Fee set forth in Section 2.04(G) and the Fronting Fee set forth in Section 2.04(H).

SECTION 2.12 CoBank Security. Each party hereto acknowledges that CoBank has a statutory first lien pursuant to the Farm Credit Act of 1971 (as amended from time to time) on all CoBank Equities that the Borrower may now own or hereafter acquire, which statutory lien shall be for CoBank's sole and exclusive benefit. The CoBank Equities shall not constitute security for the Obligations due to any other Lender. To the extent that any of the Loan Documents create a Lien on the CoBank Equities or on patronage accrued by CoBank for the account of the Borrower (including, in each case, proceeds thereof except to the extent any such proceeds not themselves constituting CoBank Equities are a part of the Trust Estate), such Lien shall be for CoBank's sole and exclusive benefit and shall not be subject to pro rata sharing hereunder. Neither the CoBank Equities nor any accrued patronage shall be offset against the Obligations except that, in the event of an Event of Default, CoBank may elect in its sole discretion to apply the cash portion of any patronage distribution or retirement of equity to amounts due under this Agreement. The Borrower acknowledges that any corresponding tax liability associated with such application is the sole responsibility of the Borrower. CoBank shall have no obligation to retire the CoBank Equities upon any Event of Default, Default or any other default by the Borrower or at any other time, either for application to the Obligations or otherwise.

SECTION 2.13 Pro Rata Treatment and Payments.

(A) Each borrowing by the Borrower from the Lenders hereunder, subject to Section 3.07, each payment by the Borrower on account of any Facility Fee or Letter of Credit Fees and, subject to Section 3.06, any reduction of the Commitments shall be made pro rata according to the Commitment Percentage of the Lenders.

(B) Other than payments made pursuant to Section 2.13(C), each payment (including prepayments) to be made by the Borrower on account of principal of and interest on the Loans shall be made pro rata according to the respective Outstanding Amounts of the Loans then held by the Lenders.

(C) Notwithstanding anything to the contrary set forth in this Agreement, unless the Administrative Agent shall have been notified in writing by any Lender prior to a borrowing that such Lender will not make the amount that would constitute its share of such borrowing available to the Administrative Agent, the Administrative Agent may assume that such Lender is making such amount available to the Administrative Agent, and the Administrative Agent may, in reliance upon such assumption make available to the Borrower a corresponding amount; provided, that the Administrative Agent shall not be obligated to provide funds to the Borrower that are not provided to the Administrative Agent in accordance with Section 2.01(D). If such amount is not made available to the Administrative Agent by the required time on the Borrowing Date therefor, such Lender shall pay to the Administrative Agent on demand, such amount with interest thereon, at a rate equal to the greater of (i) the Federal Funds Effective Rate and (ii) a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation, for the period until such Lender makes such amount immediately available to the Administrative Agent. A certificate of the Administrative Agent submitted to any Lender with respect to any amounts owing under this paragraph shall be presumptively correct in the absence of manifest error. If such Lender's share of such borrowing is not made available to the Administrative Agent by such Lender within three (3) Banking Days

after such Borrowing Date, the Administrative Agent shall give notice of such fact to the Borrower and the Administrative Agent shall also be entitled to recover such amount with interest thereon at the rate per annum applicable to the Base Rate Loans, on demand, from the Borrower. Nothing herein shall be deemed to limit the rights of the Administrative Agent or the Borrower against any Defaulting Lender.

(D) Unless the Administrative Agent shall have been notified in writing by the Borrower prior to the date of any payment due to be made by the Borrower hereunder that the Borrower will not make such payment to the Administrative Agent, the Administrative Agent may assume that the Borrower is making such payment, and the Administrative Agent may, but shall not be required to, in reliance upon such assumption, make available to the relevant Lenders their respective pro rata shares of a corresponding amount. If such payment is not made to the Administrative Agent by the Borrower within three (3) Banking Days after such due date, the Administrative Agent shall be entitled to recover, on demand, from each relevant Lender to which any amount was made available pursuant to the preceding sentence, such amount with interest thereon at the rate per annum equal to the daily average Federal Funds Effective Rate. Nothing herein shall be deemed to limit the rights of the Administrative Agent or any Lender against the Borrower.

(E) If any Lender makes available to the Administrative Agent funds for any Loan to be made by such Lender, and such funds are not made available to the Borrower by the Administrative Agent because the conditions to the applicable Loan set forth in Sections 2.01 or 4.02 are not satisfied or waived in accordance with the terms hereof, the Administrative Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest, without prejudice to such Lender's rights against the Borrower under Section 3.03

(F) The obligations of the Lenders hereunder to make Loans are several and not joint. The failure of any Lender to make any Loan on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Loan.

SECTION 2.14 Sharing of Payments. If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or other obligations hereunder resulting in such Lender receiving payment of a proportion of the aggregate amount of its Loans and accrued interest thereon or other such obligations greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Loans and such other obligations of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and other amounts owing them; provided that:

(i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of this paragraph shall not be construed to apply to (x) any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender), or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in L/C Disbursements to any assignee or participant, other than to the Borrower or any Subsidiary thereof (as to which the provisions of this paragraph shall apply).

The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation. Notwithstanding anything in this Section 2.14 to the contrary, CoBank may exercise its rights against any CoBank Equities held by the Borrower without complying with this Section 2.14.

ARTICLE 3 ADDITIONAL PROVISIONS REGARDING LOANS

SECTION 3.01 LIBOR Loan Provisions

(A) Increased Costs Generally. If any Change in Law shall:

(1) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any reserve requirement reflected in the LIBOR Rate) or any Issuing Lender;

(2) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes, and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(3) impose on any Lender or any Issuing Lender or the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making, converting to, continuing or maintaining any Loan or of maintaining its obligation to make any such Loan, or to increase the cost to such Lender, such Issuing Lender or such other Recipient of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender, Issuing Lender or other Recipient hereunder (whether of principal, interest or any other amount) then, upon request of such Lender, Issuing Lender or other Recipient, the Borrower will pay to such Lender, Issuing Lender or other Recipient, as the case may be, such additional amount or amounts as will compensate such

Lender, Issuing Lender or other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(B) Capital Requirements. If any Lender or Issuing Lender determines that any Change in Law affecting such Lender or Issuing Lender or any lending office of such Lender or such Lender's or Issuing Lender's holding company, if any, regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on such Lender's or Issuing Lender's capital or on the capital of such Lender's or Issuing Lender's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by any Issuing Lender, to a level below that which such Lender or Issuing Lender or such Lender's or Issuing Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or Issuing Lender's policies and the policies of such Lender's or Issuing Lender's holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender or Issuing Lender, as the case may be, such additional amount or amounts as will compensate such Lender or Issuing Lender or such Lender's or Issuing Lender's holding company for any such reduction suffered.

(C) Certificates for Reimbursement. A certificate of a Lender or Issuing Lender setting forth the amount or amounts necessary to compensate such Lender or Issuing Lender or its holding company, as the case may be, as specified in paragraph (A) or (B) of this Section 3.01 and delivered to the Borrower, shall be conclusive absent manifest error. The Borrower shall pay such Lender or Issuing Lender, as the case may be, the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(D) Delay in Requests. Failure or delay on the part of any Lender or Issuing Lender to demand compensation pursuant to this Section 3.01 shall not constitute a waiver of such Lender's or Issuing Lender's right to demand such compensation; provided, that, the Borrower shall not be required to compensate a Lender or Issuing Lender pursuant to this Section 3.01 for any increased costs incurred or reductions suffered more than six (6) months prior to the date that such Lender or Issuing Lender, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions, and of such Lender's or Issuing Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the six (6) month period referred to above shall be extended to include the period of retroactive effect thereof).

(E) Unavailability. If, prior to the first day of any Interest Period for any LIBOR Loan, the Administrative Agent shall have determined (which determination shall be presumed correct absent manifest error), that (i) by reason of circumstances affecting the relevant market, adequate and reasonable means do not exist for ascertaining the LIBOR Rate for such Interest Period, or (ii) by reason of any changes arising after the Closing Date, the LIBOR Rate determined or to be determined for such Interest Period will not adequately and fairly reflect the cost to the Lenders of making or maintaining their affected loans during such Interest Period, the Administrative Agent shall, as soon as practicable thereafter, give notice of such determination to the Borrower. In the event of any such determination under clauses (i) or (ii) above, until the Administrative Agent shall have advised the Borrower that the circumstances giving rise to such notice no longer exist, (a) any request by the Borrower for LIBOR Loans shall be deemed to be a

request for a Base Rate Loan, (b) any request by the Borrower for conversion into or continuation of LIBOR Loans shall be deemed to be a request for conversion into or continuation of Base Rate Loans and (c) any Loans that were to be converted or continued as LIBOR Loans on the first day of an Interest Period shall be converted to or continued as Base Rate Loans. Until such notice has been withdrawn by the Administrative Agent, no further LIBOR Loans shall be made or continued as such, nor shall the Borrower have the right to convert any Base Rate Loans to LIBOR Loans.

SECTION 3.02 Illegality.

Notwithstanding any other provision of this Agreement, in the event that on or after the date hereof any Change in Law shall make it unlawful for any Lender to make or maintain its Loans, then such Lender shall promptly notify the Borrower thereof (with a copy to the Administrative Agent), following which (a) such Lender's Commitment shall be suspended until such time as such Lender may again make and maintain its Loans hereunder and (b) if such law shall so mandate, such Lender's Loans shall be prepaid by the Borrower, together with accrued and unpaid interest thereof and all other amounts payable by the Borrower under this Agreement (including, without limitation, in the case of LIBOR Loans, amounts owing pursuant to Section 3.03), on or before such date as shall be mandated by such law.

SECTION 3.03 Compensation.

The Borrower promises to indemnify the Administrative Agent and the Lenders and to hold the Administrative Agent and the Lenders harmless from any loss or expense which the Administrative Agent or the Lenders may sustain or incur as a consequence of (a) default by the Borrower in making a borrowing of, conversion into or continuation of LIBOR Loans after the Borrower has given a notice requesting the same in accordance with the provisions of this Agreement, (b) default by the Borrower in making any prepayment of a LIBOR Loan after the Borrower has given a notice thereof in accordance with the provisions of this Agreement, (c) the making of a prepayment of LIBOR Loans on a day which is not the last day of an Interest Period with respect thereto, (d) the payment, continuation or conversion of a LIBOR Loan on a day which is not the last day of the Interest Period applicable thereto or the failure to repay a LIBOR Loan when required by the terms of this Agreement and (e) receiving payments pursuant to Section 3.06(A)(2) with respect to any LIBOR Loans assigned on a day which is not the last day of an Interest Period, as applicable, with respect thereto. Such indemnification may include an amount equal to (i) an amount of interest calculated at the LIBOR Rate plus the Applicable Margin which would have accrued on the amount in question, for the period from the date of such prepayment or of such failure to borrow, convert, continue or repay to the last day of the applicable Interest Period (or, in the case of a failure to borrow, convert or continue, the Interest Period that would have commenced on the date of such failure) in each case at the applicable rate of interest for such LIBOR Loans provided for herein minus (ii) the amount of interest (as reasonably determined by the Administrative Agent) which would have accrued to the Lenders on such amount by placing such amount on deposit for a comparable period with leading banks in the interbank market. The Borrower shall pay to the Administrative Agent for the benefit of the Lenders such compensation as may be due under this Section 3.03 within ten (10) days after receipt of a certificate of the Administrative Agent claiming such compensation and identifying with reasonable specificity the basis for and amount thereof. Each determination by

Administrative Agent of amounts owing under this Section 3.03 shall, absent manifest error, be conclusive and binding on the parties hereto. This Section 3.03 shall survive the termination of this Agreement and the other Loan Documents and the payment of the Loans and all other amounts payable hereunder.

SECTION 3.04 Taxes.

(A) Issuing Lender. For purposes of this Section 3.04, the term “Lender” includes any Issuing Lender.

(B) Payment Free of Taxes. Any and all payments by or on account of any obligation of the Borrower under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the Borrower shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section 3.04) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(C) Payment of Other Taxes by the Borrower. The Borrower shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(D) Indemnification by the Borrower. The Borrower shall indemnify each Recipient, within ten (10) days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 3.04) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(E) Indemnification by the Lenders. Each Lender shall severally indemnify the Administrative Agent, within ten (10) days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that the Borrower has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Borrower to do so), (ii) any Taxes attributable to such Lender’s failure to comply with the provisions of Section 12.06 relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally

imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this paragraph (E).

(F) Evidence of Payments. As soon as practicable and in any event within ten (10) Banking Days after any payment of Taxes by the Borrower to a Governmental Authority pursuant to this Section 3.04, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment if available, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(G) Status of Lenders. (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Sections 3.04(G)(ii)(a), (ii)(b) and (ii)(d) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Borrower,

(a) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(b) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable;

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed originals of IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “interest” article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “business profits” or “other income” article of such tax treaty:

(2) executed originals of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit E-1 to the effect that such Foreign Lender is not a “bank” within the meaning of Section 881(c)(3)(A) of the Code, a “10 percent shareholder” of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Code (a “U.S. Tax Compliance Certificate”) and (y) executed originals of IRS Form W-8BEN;

(4) to the extent a Foreign Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, a U.S. Tax Compliance Certificate substantially in the form of Exhibit E-2 or Exhibit E-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit E-4 on behalf of each such direct and indirect partner;

(c) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(d) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender’s

obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (d), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(H) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 3.04 (including by the payment of additional amounts pursuant to this Section 3.04), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (H) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (H), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (H) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the indemnification payments or additional amounts giving rise to such refund had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(I) Survival. Each party's obligations under this Section 3.04 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

SECTION 3.05 Change of Lending Office. If any Lender requests compensation under Sections 3.01, 3.02 or 3.03, or requires the Borrower to pay additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.04, then such Lender shall (at the request of the Borrower) use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.01, 3.02, 3.03 or Section 3.04, as the case may be, in the future, and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

SECTION 3.06 Replacement of Lender or Reduction of Commitments.

(A) If any Lender requests compensation under Sections 3.01, 3.02 or 3.03, or if the Borrower is required to pay additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.04 and, in each case, such Lender has declined or is unable to designate a different lending office in accordance with Section 3.05 (each such Lender a “Specified Lender”), or if any Lender is a Defaulting Lender or a Non-Consenting Lender, then the Borrower may, so long as no Default or Event of Default shall have occurred and be continuing, at its sole expense and effort, upon notice to such Lender and the Administrative Agent require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 12.06), all of its interests, rights and obligations under this Agreement and the related Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if such Lender accepts such assignment); provided, that:

(1) the Borrower shall have paid to the Administrative Agent the assignment fee (if any) specified in Section 12.06;

(2) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and participations in L/C Borrowings, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);

(3) in the case of any such assignment resulting from a claim for compensation under Sections 3.02 or 3.03 or payments required to be made pursuant to Section 3.04, such assignment will result in a reduction in such compensation or payments thereafter;

(4) such assignment does not conflict with applicable law; and

(5) in the case of any assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

(B) Unless a Default or Event of Default shall have occurred and be continuing, the Borrower may terminate in full the Commitments of any Specified Lender or Defaulting Lender upon not less than three (3) Banking Days’ prior notice to the Administrative Agent (which will promptly notify the Lenders thereof), and in such event the provisions of Section 3.07(A)(2) will apply to all amounts thereafter paid by the Borrower for the account of such Defaulting Lender under this Agreement (whether on account of principal, interest, fees, indemnity or other amounts); provided, that, such termination will not be deemed to be a waiver or release of any claim the Borrower, the Administrative Agent, the Issuing Lenders or any Lenders may have against such Defaulting Lender. After giving effect to any Commitment termination pursuant to this Section 3.06(B), the Outstanding Amounts of the Loans and Fronting Exposure may not be held pro rata in accordance with the new Commitment. In order to remedy the foregoing, on the effective date of each Commitment termination, the Lenders,

including the Specified Lender or Defaulting Lender (with the Commitment of such Specified Lender or Defaulting Lender for purposes of such reallocation deemed to be zero), shall reallocate the Outstanding Amounts of the Loans and Fronting Exposure owed to them among themselves so that, after giving effect thereto, the Loans will be held by the remaining Lenders on a pro rata basis in accordance with their respective Commitment Percentages after giving effect to such Commitment termination, provided that, if a reallocation of the Outstanding Amount of the Loans and Fronting Exposure is required, such reallocation does not cause any individual Lender's Commitment Percentage of the Outstanding Amount of the Loans and Fronting Exposure to exceed such Lender's Commitment.

(C) Borrower may not exercise its rights under this Section 3.06 if, as a result of a waiver by a Lender, the circumstances giving rise to the Borrower's rights under this Section 3.06 cease to apply or if a Default or Event of Default has occurred and is continuing.

SECTION 3.07 Defaulting Lenders.

(A) Defaulting Lender Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by applicable law:

(1) Waivers and Amendments. Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of Required Lenders.

(2) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article 10 or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 12.07 shall be applied at such time or times as may be determined by the Administrative Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; *second*, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to the Issuing Lender hereunder; *third*, to Cash Collateralize the Issuing Lender's Fronting Exposure with respect to such Defaulting Lender in accordance with Section 3.08; *fourth*, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; *fifth*, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to (x) satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement and (y) Cash Collateralize the Issuing Lender's future Fronting Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with Section 3.08; *sixth*, to the payment of any amounts owing to the Lenders or the Issuing Lender as a result of any judgment of a court of competent jurisdiction obtained by any Lender or the Issuing Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; *seventh*, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction

obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *eighth*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided, that, if (x) such payment is a payment of the principal amount of any Loans or L/C Borrowings in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made or the related Letters of Credit were issued at a time when the conditions set forth in Section 4.02 (other than, with respect to any Loans issued pursuant to Section 2.04(C)(1), clause (d) of Section 4.02) were satisfied or waived, such payment shall be applied solely to pay the Loans of, and L/C Borrowings owed to, all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or L/C Borrowings owed to, such Defaulting Lender until such time as all Loans and funded and unfunded participations in L/C Obligations are held by the Lenders pro rata in accordance with the Commitment Percentages without giving effect to Section 3.07(A)(4). Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this Section 3.07(A)(2) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(3) Certain Fees.

(a) Each Defaulting Lender shall be entitled to receive Letter of Credit Fees for any period during which that Lender is a Defaulting Lender only to the extent allocable to its Commitment Percentage of the stated amount of Letters of Credit for which it has provided a L/C Advance or as to which such Commitment Percentage has been Cash Collateralized. No Defaulting Lender shall be entitled to receive any Facility Fee for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

(b) With respect to any Facility Fee or Letter of Credit Fee not required to be paid to any Defaulting Lender pursuant to Section 3.07(A)(3)(a), the Borrower shall (x) pay to the Administrative Agent for the account of each Non-Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender's participation in L/C Obligations that have been reallocated to such Non-Defaulting Lender pursuant to Section 3.07(A)(4), (y) pay to the Issuing Lender the amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to the Issuing Lender's Fronting Exposure to such Defaulting Lender, and (z) not be required to pay the remaining amount of any such fee.

(4) Reallocation of Participations to Reduce Fronting Exposure. All or any part of such Defaulting Lender's participation in L/C Obligations shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Commitment Percentages (calculated without regard to such Defaulting Lender's Commitment) but only to the extent that (x) the conditions set forth in Section 4.02 (other than in clause (d) of Section 4.02) are satisfied at the time of such reallocation (and, unless the Borrower shall have otherwise notified the Administrative Agent at such time, the Borrower shall be deemed to have represented and warranted that such conditions are satisfied at such time), and (y) such reallocation does not cause such Non-Defaulting Lender's pro rata share of outstanding Loans plus its pro rata share

of outstanding L/C Obligations to exceed such Non-Defaulting Lender's Commitment Percentage. No reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation.

(5) Cash Collateral. If the reallocation described in clause (4) above cannot, or can only partially, be effected, the Borrower shall, without prejudice to any right or remedy available to it hereunder or under law, Cash Collateralize the Issuing Lender's Fronting Exposure in accordance with the procedures set forth in Section 3.08.

(B) Defaulting Lender Cure. If the Borrower, the Administrative Agent and the Issuing Lender agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), such Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Loans and funded and unfunded participations in Letters of Credit to be held pro rata by the Lenders in accordance with their respective Commitment Percentages (without giving effect to Section 3.07(A)(4)), whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

(C) New Letters of Credit. So long as any Lender is a Defaulting Lender, the Issuing Lender shall not be required to issue, extend, renew or increase any Letter of Credit unless it is satisfied that it will have no Fronting Exposure after giving effect thereto.

SECTION 3.08 Cash Collateral

(A) Upon the request of the Administrative Agent or the Issuing Lender (i) if the Issuing Lender has honored any full or partial drawing request under any Letter of Credit and such drawing has resulted in an L/C Borrowing, or (ii) if, as of the Commitment Termination Date, any L/C Obligation for any reason remains outstanding, the Borrower shall, in each case, immediately Cash Collateralize the then Outstanding Amount of all L/C Obligations. At any time that there shall exist a Defaulting Lender, immediately upon the request of the Administrative Agent or the Issuing Lender, the Borrower shall deliver to the Administrative Agent Cash Collateral in an amount sufficient to cover all of the Fronting Exposure (after giving effect to Section 3.07(A)(4) and any Cash Collateral provided by the Defaulting Lender).

(B) All Cash Collateral shall be maintained in blocked, interest bearing deposit accounts at the Administrative Agent. The Borrower, and to the extent provided by any Lender, such Lender, hereby grants to (and subjects to the control of) the Administrative Agent, for the benefit of the Administrative Agent, the Issuing Lender and the Lenders, and agrees to

maintain, a first priority security interest in all such cash, deposit accounts and all balances therein, and all other property so provided as collateral pursuant hereto, and in all proceeds of the foregoing, all as security for the obligations to which such Cash Collateral may be applied pursuant to Section 3.08(C). If at any time the Administrative Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Administrative Agent as herein provided, or that the total amount of such Cash Collateral is less than the applicable Fronting Exposure and other obligations secured thereby, the Borrower or the relevant Defaulting Lender will, promptly upon demand by the Administrative Agent, pay or provide to the Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency.

(C) Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under any of this Section 3.08 or Sections 2.04, 2.07, 3.07 or Article 10 in respect of Letters of Credit shall be held and applied to the satisfaction of the specific L/C Obligations, obligations to fund participations therein (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) and other obligations for which the Cash Collateral was so provided, prior to any other application of such property as may be provided for herein.

(D) Cash Collateral (or the appropriate portion thereof) provided to reduce Fronting Exposure or other obligations shall be released promptly following (i) the elimination of the applicable Fronting Exposure or other obligations giving rise thereto (including by the termination of Defaulting Lender status of the applicable Lender (or, as appropriate, its assignee following compliance with Section 12.06(G)) or (ii) the Administrative Agent's good faith determination that there exists excess Cash Collateral; provided, however, (x) that Cash Collateral furnished by or on behalf of the Borrower shall not be released during the continuance of an Event of Default (and following application as provided in this Section 3.08 may be otherwise applied in accordance with Section 10.02), and (y) the Person providing Cash Collateral and the Issuing Lender may agree that Cash Collateral shall not be released but instead held to support future anticipated Fronting Exposure or other obligations.

ARTICLE 4 CONDITIONS PRECEDENT

SECTION 4.01 Conditions to Closing. The obligation of the Administrative Agent and the Lenders to enter into this Agreement and to provide any Loan to be made on the Closing Date is subject to the satisfaction (or waiver) of the following conditions precedent and the conditions set forth in Section 4.02 (other than, to the extent that no Loans are to be provided on the Closing Date, clause (d) of Section 4.02):

(A) Loan Agreement. The Administrative Agent shall have received for delivery to each Lender (i) this Agreement, executed and delivered by the Borrower and (ii) any Note executed by the Borrower as required by the Lenders.

(B) Legal Opinions. The Administrative Agent shall have received for delivery to each Lender an executed legal opinion of (i) Sullivan, Mountjoy, Stainback & Miller,

P.S.C., counsel to the Borrower and (ii) Orrick, Herrington & Sutcliffe LLP, special New York counsel to the Borrower, both as reasonably satisfactory to the Administrative Agent.

(C) Secretary's Certificate. The Administrative Agent shall have received for delivery to each Lender a certificate of the Borrower, dated as of the Closing Date, substantially in the form of Exhibit F, with appropriate insertions and attachments.

(D) Closing Certificate. The Administrative Agent shall have received for delivery to each Lender a certificate signed by a Responsible Officer of the Borrower, dated as of the Closing Date certifying that (i) there has not occurred any Material Adverse Effect since December 31, 2011, (ii) all facts or information represented to the Administrative Agent are correct except as would not reasonably be expected to have a Material Adverse Effect, (iii) the representations and warranties in Article 5 are true and accurate in all material respects, except to the extent any representation or warranty is already qualified by materiality or Material Adverse Effect, in which case such representation or warranty is true and correct in all respects.

(E) Financial Statements. The Administrative Agent shall have received for delivery to each Lender and be satisfied with (i) the audited financial statements of the Borrower for fiscal year ending December 31, 2011 (ii) unaudited financial statements of the Borrower for each quarterly period ended (a) after December 31, 2011 and (b) at least 45 days prior to the Closing Date, and (iii) such other financial information, including without limitation financial projections as the Administrative Agent may reasonably request.

(F) Fees and Other Charges. The Administrative Agent, for its own benefit and the benefit of the Lenders, shall have received all fees or other charges provided for herein and in the Fee Letter to be paid on or prior to the Closing Date.

(G) Litigation. [Except as set forth in Schedule 4.01(G)]¹, there shall be no litigation, investigation or proceeding of or before any arbitrator or Governmental Authority pending that, singly or in the aggregate, materially impairs the transactions contemplated by this Agreement or that would reasonably be expected to have a Material Adverse Effect.

(H) Financial Obligation. The Borrower shall be in compliance with all agreements governing Material Indebtedness in all material respects.

(I) Member Wholesale Power Contracts; Material Direct Serve Contracts. The Administrative Agent shall have received true and correct copies of the Member Wholesale Power Contracts and Material Direct Serve Contracts listed on Schedule 5.17, including all material amendments, supplements or modifications thereto.

(J) Solvency Certificate. The Administrative Agent shall have received a solvency certificate signed by the chief financial officer or equivalent officer on behalf of the Borrower, substantially in the form of Exhibit G.

¹ NTD: SUBJECT TO REVIEW OF LITIGATION DISCLOSURES TO BE PROVIDED BY BIG RIVERS.

(K) USA Patriot Act. The Administrative Agent shall have received for delivery to each Lender from the Borrower documentation and other information required by the Lenders' regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including, without limitation, the USA Patriot Act.

(L) Material Adverse Effect. There shall not have occurred a Material Adverse Effect since December 31, 2011.

(M) Existing CoBank Facility. The Borrower shall have (prior to or concurrently with the Closing Date) (i) terminated and permanently cancelled all commitments under the Existing CoBank Facility, and (ii) repaid in full all principal, interest, fees and other amounts outstanding under the Existing CoBank Facility.

(N) Indenture. The Administrative Agent shall have received for delivery to each Lender a copy of the executed Indenture, including any amendments or supplements thereto.

(O) Investment Policy. The Administrative Agent shall have received for delivery to each Lender and be satisfied with a written investment policy approved by the Board of Directors of the Borrower.

(P) Approvals. The Borrower shall have obtained all approvals, authorizations, waivers or other documentation from any Governmental Authority necessary for the execution, delivery, performance or enforcement of any Loan Document.

SECTION 4.02 Conditions to Each Credit Extension. The agreement of the Lenders to make any Credit Extension hereunder is subject to the satisfaction of the following conditions precedent:

(A) Representations and Warranties. Each of the representations and warranties made by the Borrower in or pursuant to the Loan Documents shall be true and correct in all material respects, except to the extent any representation or warranty is already qualified by materiality or Material Adverse Effect, in which case such representation or warranty shall be true and correct in all respects, and in each case on and as of such date as if made on and as of such date except to the extent that such representations and warranties relate to an earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date, except to the extent any such representation and warranty is already qualified by materiality or Material Adverse Effect, in which case such representation or warranty shall be true and correct in all respects.

(B) No Default. No Default or Event of Default shall have occurred and be continuing on such date or after giving effect to the Credit Extension requested to be made on such date.

(C) Additional Documents. The Issuing Lender has received such additional documents as the Issuing Lender may request in connection with any L/C Credit Extension.

(D) Written Request. The Administrative Agent has received (i) in the case of a Loan, a Notice of Borrowing or (ii) in the case of a L/C Credit Extension, a Letter of Credit Application, each as required pursuant to the terms hereof.

Each request for a Credit Extension hereunder shall constitute a representation and warranty by the Borrower, as of such date and as of the date of such Credit Extension, that the conditions contained in this Section 4.02 have been satisfied.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES

To induce the Administrative Agent, the Issuing Lender and the Lenders to enter into this Agreement and to make the Loans and issue Letters of Credit hereunder, the Borrower represents and warrants to the Administrative Agent, the Issuing Lender and the Lenders, which representations and warranties shall be deemed made on the Closing Date and on the date of each Credit Extension (except to the extent that such representations and warranties relate to an earlier date, in which case such representations and warranties shall be deemed to have been made as of such earlier date) hereunder that:

SECTION 5.01 Existence. The Borrower (i) is duly organized (or incorporated), validly existing and in good standing under the laws of the jurisdiction of its organization or incorporation; (ii) has the corporate or organizational power and authority, and the legal right, to own and operate its Property, to lease the Property it operates as lessee and to conduct the business in which it is currently engaged, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect; and (iii) is duly qualified and in good standing (where such concept is relevant) under the Requirements of Law of each jurisdiction where its ownership, lease or operation of Property or the conduct of its business requires such qualification except, in each case, to the extent that the failure to be so qualified or in good standing (where such concept is relevant) would not reasonably be expected to have a Material Adverse Effect.

SECTION 5.02 Compliance With Law, Wholesale Power Contracts, Material Direct Serve Contracts, and Organizational Documents. The Borrower is in compliance with (i) all Requirements of Law except to the extent that any such failure to comply therewith would not reasonably be expected to have a Material Adverse Effect, (ii) all anti-corruption and anti-money laundering laws, rules, and regulations, including, without limitation, the USA Patriot Act and all other anti-terrorism financing laws, rules, and regulations, (iii) the Member Wholesale Power Contracts and Material Direct Serve Contracts except to the extent that any such failure to comply therewith would not reasonably be expected to have a Material Adverse Effect, and (iv) its Organizational Documents.

SECTION 5.03 Consents and Approvals. No consent, permission, authorization, filings, notices, order or license of any Governmental Authority or of any party to any agreement to which the Borrower is a party or by which it or any of its Property may be bound or affected, is necessary in connection with the execution, delivery, performance or enforcement of any Loan Document, except consents, permission, authorizations, filings, notices, orders or licenses described in Schedule 5.03, which have been obtained and are in full force or the failure of which to obtain would not reasonably be expected to have a Material Adverse Effect.

SECTION 5.04 Taxes. The Borrower (i) has filed or caused to be filed all Federal, state, provincial and other tax returns that are required to be filed and (ii) has paid all Taxes that are due and payable and all other Taxes, fees, assessments or other governmental charges or levies imposed on it or any of its Property by any Governmental Authority except in each case to the extent that (i) the failure to do so would not reasonably be expected to result in a Material Adverse Effect or (ii) where the amount or validity thereof is currently being contested in good faith by appropriate proceedings and reserves required in conformity with GAAP with respect thereto have been provided on the books of the Borrower.

SECTION 5.05 Corporate Power; Authorization; Enforceable Obligations.

(A) The Borrower has the corporate or organizational power and authority to execute, deliver and perform the Loan Documents to which it is a party and to borrow the Loans hereunder.

(B) The Borrower has taken all necessary corporate or other action to authorize the execution, delivery and performance of the Loan Documents to which it is a party and to authorize the extensions of credit on the terms and conditions of this Agreement.

(C) Each Loan Document has been duly executed and delivered on behalf of the Borrower. This Agreement constitutes, and each other Loan Document upon execution will constitute, a legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar Requirements of Law affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law) and the implied covenants of good faith and fair dealing.

SECTION 5.06 No Conflict. The execution, delivery and performance of this Agreement and the other Loan Documents by the Borrower, the borrowings hereunder and the use of the proceeds thereof do not and will not (a) violate the Organizational Documents of the Borrower, (b) except as would not reasonably be expected to have a Material Adverse Effect, violate any Requirements of Law, (c) result in, or require, the creation or imposition of any Lien on any of its respective properties or revenues pursuant to any Requirements of Law or any such Contractual Obligation (other than the Liens permitted by Section 7.01), or (d) result in a breach of, or constitute a default under, the Indenture or any other indenture, loan agreement, credit agreement, or other material agreement to which the Borrower is a party or by which it or any of its necessary properties are bound.

SECTION 5.07 ERISA. All plans (“ERISA Plans”) of a type described in Section 3(3) of ERISA in respect of which the Borrower is an “Employer”, as defined in Section 3(5) of ERISA, are, to the best knowledge of the Borrower, in substantial compliance with ERISA, and none of such ERISA Plans is insolvent or in reorganization, or has a material accumulated or waived funding deficiency within the meaning of Section 412 of the Internal Revenue Code, except to the extent that any such non-compliance, insolvency, reorganization or deficiency would not reasonably be expected to have a Material Adverse Effect. The Borrower has not incurred any material liability (including any material contingent liability) to or on account of any such ERISA Plan pursuant to Sections 4062, 4063, 4064, 4201 or 4204 of ERISA. No proceedings have been instituted to terminate any such ERISA Plan.

SECTION 5.08 No Change. As of the Closing Date, since December 31, 2011, there has been no event, circumstance, development, change or effect that would reasonably be expected to have a Material Adverse Effect.

SECTION 5.09 No Material Litigation. [Except as disclosed on Schedule 4.01(G)]², as of the Closing Date, no litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of the Borrower, likely to be commenced within a reasonable time period against the Borrower which taken as a whole, would reasonably be expected to have a Material Adverse Effect.

SECTION 5.10 Ownership of Property; Liens. The Borrower has title to, or a valid leasehold interest in, all its material real property, and good title to, or a valid leasehold interest in, all its other material Property necessary and sufficient for the operation of the Business and for the payment of the Borrower’s financial obligations, and none of such Property is subject to any Lien except as permitted by Section 7.01, and, as of the Closing Date, as set forth on Schedule 5.10.

SECTION 5.11 Federal Regulations. No part of the proceeds of any Loans will be used for “buying” or “carrying” any “margin stock” within the respective meanings of each of the quoted terms under Regulation U as now and from time to time hereafter in effect or for any purpose that violates the provisions of the regulations of the Board. If requested by the Administrative Agent, the Borrower will furnish to the Administrative Agent a statement to the foregoing effect in conformity with the requirements of FR Form G-3 or FR Form U 1 referred to in Regulation U.

SECTION 5.12 Investment Company Act. The Borrower is not an “investment company,” or a company “controlled” by an “investment company,” within the meaning of the Investment Company Act of 1940, as amended.

SECTION 5.13 Subsidiaries, Affiliates and Members. As of the Closing Date, there are no direct or indirect Subsidiaries of the Borrower, Affiliates, or Members, other than as disclosed on Schedule 5.13.

² NTD: SUBJECT TO REVIEW OF LITIGATION DISCLOSURES TO BE PROVIDED BY BIG RIVERS.

SECTION 5.14 Solvency. The Borrower is, and after giving effect to the making of the Loans and issuing of the Letters of Credit hereunder will be, Solvent.

SECTION 5.15 Environmental Matters. [Except as disclosed on Schedule 5.15³, as of the Closing Date the Borrower has obtained all environmental, health and safety permits, licenses and other authorizations required under all Environmental Laws to carry on its business as now being or as proposed to be conducted, which if not obtained would reasonably be expected to result in a Material Adverse Effect. As of the Closing Date, each of such permits, licenses and authorizations is in full force and effect and the Borrower is in compliance with the terms and conditions thereof, and is also in compliance with all other limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules and timetables contained in any applicable Environmental Law or in any regulation, code, plan, order, decree, judgment, injunction, notice or demand letter issued, entered into, promulgated or approved thereunder, that, in each case, if not in effect or not in compliance would reasonably be expected to result in a Material Adverse Effect.

SECTION 5.16 Accuracy of Information, etc. As of the Closing Date, no written, factual statement or information (excluding the projections and pro forma financial information referred to below) contained in this Agreement, any other Loan Document or any financial statement or certificate furnished to any Lender, by or on behalf of the Borrower, for use in connection with the transactions contemplated by this Agreement or the other Loan Documents, when taken as a whole, contained, as of the date such statement, information, or certificate was so furnished, any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements contained herein or therein not materially misleading. The projections and pro forma financial information contained in the materials referenced above are based upon good faith estimates and assumptions believed by management of the Borrower to be reasonable at the time made, it being recognized by the Administrative Agent and the Lenders that such financial information as it relates to future events is not to be viewed as fact and that actual results during the period or periods covered by such financial information may differ from the projected results set forth therein by a material amount.

SECTION 5.17 Member Wholesale Power Contracts; Material Direct Serve Contracts.

(A) The Borrower has heretofore delivered to the Administrative Agent complete and correct copies of the Member Wholesale Power Contracts and Material Direct Serve Contracts in effect on the date hereof. Identified on Schedule 5.17 are the Member Wholesale Power Contracts and the Material Direct Serve Contracts in effect as of the Closing Date. Each such Member Wholesale Power Contract and Material Direct Serve Contract are (i) legal, valid and binding upon the Borrower and enforceable against the Borrower in accordance with their respective terms and (ii) to the Borrower's actual knowledge without investigation, legal, valid and binding upon each Counterparty thereto and enforceable against each Counterparty thereto in accordance with their respective terms.

³ NTD: SUBJECT TO REVIEW OF ENVIRONMENTAL DISCLOSURES TO BE PROVIDED BY BIG RIVERS.

(B) The Borrower has not received a “Notice of Termination for Closure” under Section 7.3.1(a) of either of the Borrower’s smelter contracts from any Counterparty indicating its intention to terminate such Direct Serve Contract pursuant to the terms thereunder (“Notice of Cancellation”).

SECTION 5.18 Insurance. The Borrower maintains insurance in accordance with the Indenture.

SECTION 5.19 Franchises, Licenses, Etc. The Borrower possesses all franchises, certificates, licenses, permits and other authorizations necessary for the operation of its Business, except such as the failure to possess would not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.20 Indebtedness. As of the Closing Date, the Borrower has no Material Indebtedness other than as set forth on Schedule 5.20.

SECTION 5.21 Indenture. No “Event of Default” (as defined in the Indenture) has occurred and is continuing.

ARTICLE 6 AFFIRMATIVE COVENANTS

The Borrower hereby agrees that, so long as the Commitments remain in effect or any Loan or other amount is owing to the Administrative Agent or any Lender hereunder, the Borrower shall:

SECTION 6.01 Financial Reports. Furnish to the Administrative Agent:

(A) Annual Financial Statements. No later than one hundred twenty (120) days after the end of each fiscal year of the Borrower occurring during the term hereof, annual financial statements of the Borrower prepared in accordance with GAAP consistently applied. Such financial statements shall: (a) be audited by a nationally recognized firm of independent certified public accountants selected by the Borrower or such other firm of independent certified public accountants reasonably acceptable to the Administrative Agent; (b) be accompanied by a report of such accountants containing an opinion which is not limited as to going concern or scope to the effect that the financial statements: (i) were audited in accordance with generally accepted auditing standards; and (ii) present fairly, in all material respects, the financial position of the Borrower as at the year then ended and the results of its operations for the year then ended, in conformity with GAAP; (c) be prepared in reasonable detail and in comparative form and (d) include consolidated balance sheets, a statement of equities, a statement of operations, a statement of cash flows, and all notes and schedules relating thereto.

(B) Quarterly Financial Statements. No later than sixty (60) days after the end of the first three quarterly periods of each fiscal year of the Borrower, commencing with the fiscal quarter ending June 30, 2012, the unaudited consolidated balance sheets of the Borrower as of the end of such quarter and a related statement of operations for the Borrower for the portion of the fiscal year through the end of such quarter, and such other interim statements as the Administrative Agent may reasonably request, all prepared on a consolidated basis, in reasonable

detail, and in comparative form in accordance with GAAP consistently applied and certified by the chief financial officer of the Borrower (or another Responsible Officer acceptable to the Administrative Agent) as being fairly stated in all material respects (subject to normal year end audit adjustments and the lack of notes).

(C) Annual Budgets and Financial Plans. No later than ninety (90) days after the end of each fiscal year of the Borrower, copies of the annual budgets and financial plans of the Borrower and its Subsidiaries covering for at least the three year period following the end of such fiscal year.

(D) Annual RUS Form 12. Promptly after furnishing the same to RUS, a copy of the RUS Form 12a (or equivalent replacement thereof) filed by the Borrower with RUS for December 31 of each year.

(E) Compliance Certificate. Together with each set of financial statements delivered pursuant to Sections 6.01(A) and (B), a certificate of the chief financial officer of the Borrower substantially in the form of Exhibit H (or another Responsible Officer acceptable to the Administrative Agent): (i) certifying that no Default or Event of Default occurred during the period covered by such statements or, if a Default or Event of Default did occur during such period, a statement as to the nature thereof, whether such Default or Event of Default is continuing, and, if continuing, the action which is proposed to be taken with respect thereto and (ii) together with each set of financial statements delivered pursuant to Section 6.01(A) only, (a) calculating the financial covenants set forth in Section 8.01 and Section 8.02 and (b) setting forth the Borrower's Ratings from each Rating Agency which has issued a Rating on the Borrower.

(F) Other Information. Such other information and reports regarding the condition or operations, financial or otherwise (including copies of any amendments or supplements to the Indenture, Wholesale Power Contracts, or Material Direct Serve Contracts) of the Borrower as the Administrative Agent may from time to time reasonably request.

SECTION 6.02 Notices. Upon a Responsible Officer of the Borrower obtaining knowledge thereof, furnish to the Administrative Agent for delivery to each Lender:

(A) Notice of Default; Material Adverse Event. Promptly, and in any event within ten (10) Banking Days after becoming aware thereof, notice of the occurrence of a Default or an Event of Default or any event, circumstance, change or effect that would reasonably result in a Material Adverse Effect.

(B) Notice of Litigation, Governmental Proceedings, & Environmental Events. Promptly, and in any event within ten (10) Banking Days after a Responsible Officer becoming aware thereof, notice of: (1) the commencement of any action, suit or proceeding before or by any court, governmental instrumentality, arbitrator, mediator or the like which, if adversely decided, would reasonably be expected to have a Material Adverse Effect; and (2) the receipt of any notice, indictment, pleading, or other communication alleging a condition that both: (a) may reasonably be expected to require the Borrower to undertake or to contribute to a clean-up or other response under any Environmental Law, or which seeks penalties, damages, injunctive

relief, or other relief as a result of an alleged violation of any such Requirements of Law, or which claims personal injury or property damage as a result of environmental factors or conditions; and (b) would reasonably be expected to have a Material Adverse Effect or result in criminal sanctions.

(C) Notice of Certain Events. Promptly, and in any event within fifteen (15) Banking Days, written notice of each of the following: (1) any change in the name, structure, jurisdiction of organization, or organizational identification number (if any) of Borrower; or (2) any change in the principal place of business of the Borrower or the office where its records concerning its accounts are kept.

(D) Notices With Respect to Material Contracts. Promptly, and in any event within ten (10) Banking Days after a Responsible Officer becoming aware thereof, the Borrower shall notify the Administrative Agent of (i) any material modification to any of the Material Contracts or the entering into of any new Material Contract, (ii) any default in the performance of any Counterparty's or Counterparties' payment obligations where the aggregate principal amount of such default or defaults exceeds \$10,000,000 under any Material Contract that has continued unremedied for thirty (30) or more days beyond the applicable grace period, if any, (iii) its receipt of a judicial or regulatory filing made by a Counterparty (a) requesting to withdraw from, or make a material modification to, any of its obligations under its Material Contract, (b) seeking consent to assign any of its rights and obligations under its Material Contract, or (c) contesting the validity or enforceability of its Material Contract, (iv) any release or termination of a Counterparty's payment obligations under a Material Contract, (v) any decree, order, filing, petition, or similar action regarding the insolvency or bankruptcy of a Counterparty or regarding any such Counterparty's inability to meet its future obligations under its Material Contract, or (v) its receipt of a Notice of Cancellation from a Counterparty to a Material Direct Serve Contract and shall provide a copy of such Notice of Cancellation to the Administrative Agent.

(E) Ratings. Promptly, and in any event within ten (10) Banking Days upon Borrower's receipt of notice of any change to, or issuance of, any Rating of the Borrower by any Rating Agency, (i) a certificate of a Responsible Officer of the Borrower acceptable to the Administrative Agent stating that the Borrower's Rating has changed, or a new Rating has been issued, as applicable, and the new Rating and whether the new Rating causes any change in the Applicable Margin, and (ii) a copy of the revised Rating, together with any report issued in connection therewith.

(F) Subsidiaries. Promptly, and in any event within fifteen (15) Banking Days after (i) the formation of any material Subsidiary or (ii) any immaterial Subsidiary becoming a material Subsidiary, in either case, such information as the Administrative Agent may reasonably request with respect to such Subsidiary, including, without limitation, the name, chief executive office, and jurisdiction of formation.

(G) Governmental Reports. Promptly, and in any event within ten (10) Banking Days upon Borrower's receipt of a written notice, request for information, order, complaint or report of any Governmental Authority regarding any matter that would reasonably be expected to have a Material Adverse Effect.

SECTION 6.03 Preservation of Existence. Preserve, renew and keep in full force and effect its corporate or other existence and take all reasonable action to maintain all material rights, privileges, licenses and franchises reasonably determined by Borrower to be necessary in the normal conduct of its business; provided, however, that the Borrower shall not be required to preserve any right, privilege, license or franchise if the loss thereof could not reasonably be expected to result in a Material Adverse Effect.

SECTION 6.04 Compliance With Laws, Member Wholesale Power Contracts, Material Direct Serve Contracts, and Indenture. Comply with (A) all Requirements of Law (including without limitation Environmental Laws and ERISA matters) and each Member Wholesale Power Contract and Material Direct Serve Contract, except, in each case, to the extent that failure to comply therewith would not reasonably be expected to have a Material Adverse Effect, and (B) the Indenture in all material respects.

SECTION 6.05 Payment of Taxes. Pay and discharge as the same shall become due and payable all its Taxes, fees, assessments and governmental charges or levies imposed on it or any of its Property except in each case to the extent that (i) the failure to do so would not reasonably be expected to result in a Material Adverse Effect or (ii) where the amount or validity thereof is currently being contested in good faith by appropriate proceedings and reserves required in conformity with GAAP with respect thereto have been provided on the books of the Borrower.

SECTION 6.06 Insurance. Maintain such insurance as required by the Indenture.

SECTION 6.07 Maintenance of Properties. Maintain its properties as required by the Indenture.

SECTION 6.08 Books and Records. Keep proper records and books of account in which true, correct and complete entries will be made in accordance with GAAP and all material Requirements of Law.

SECTION 6.09 Inspection. Permit any Lender (coordinated through the Administrative Agent or its agents), upon reasonable notice and during normal business hours or at such other times as the parties may agree, to examine the properties, books and records of the Borrower, and to discuss its affairs, finances and accounts with its officers, directors, and independent certified public accountants.

SECTION 6.10 Use of Proceeds. Use the proceeds of any Loan for working capital and general corporate purposes, including but not limited to capital expenditures.

SECTION 6.11 CoBank Equity.

(A) So long as CoBank is a Lender hereunder, the Borrower will acquire equity in CoBank in such amounts and at such times as CoBank may require in accordance with CoBank's ByLaws and Capital Plan (as each may be amended from time to time), except that the maximum amount of equity that the Borrower may be required to purchase in CoBank in connection with the Loans made by CoBank may not exceed the maximum amount permitted by the ByLaws and the Capital Plan at the time this Agreement is entered into. The Borrower

acknowledges receipt of a copy of (i) CoBank's most recent annual report, and if more recent, CoBank's latest quarterly report, (ii) CoBank's Notice to Prospective Stockholders and (iii) CoBank's ByLaws and Capital Plan, which describe the nature of all of the Borrower's stock and other equities in CoBank acquired in connection with its patronage loan from CoBank (the "CoBank Equities") as well as capitalization requirements, and agrees to be bound by the terms thereof.

(B) Each party hereto acknowledges that CoBank's ByLaws and Capital Plan (as each may be amended from time to time) shall govern (i) the rights and obligations of the parties with respect to the CoBank Equities and any patronage refunds or other distributions made on account thereof or on account of the Borrower's patronage with CoBank, (ii) the Borrower's eligibility for patronage distributions from CoBank (in the form of CoBank Equities and cash) and (iii) patronage distributions, if any, in the event of a sale of a participation interest. CoBank reserves the right to assign or sell participations in all or any part of its Commitments or outstanding Loans hereunder on a non-patronage basis.

SECTION 6.12 Further Assurances. From time to time execute and deliver, or cause to be executed and delivered, such additional instruments, certificates or documents, and take all such actions, as the Administrative Agent may reasonably request for the purposes of implementing or effectuating the provisions of this Agreement and the other Loan Documents.

ARTICLE 7 NEGATIVE COVENANTS

The Borrower hereby agrees that, for the period so long as the Commitments remain in effect or any Loan or other amount is owing to the Administrative Agent or any Lender hereunder, the Borrower shall not:

SECTION 7.01 Liens. Create, incur, assume or suffer to exist any Lien upon any of its Property, whether now owned or hereafter acquired, except for Liens that are not prohibited by the Indenture as in effect on the date hereof (which Liens not prohibited by the Indenture include the statutory first Lien in favor of CoBank on the CoBank Equities).

SECTION 7.02 Restricted Payments. Directly or indirectly declare or pay any dividend or make any payments of, distributions of, or retirements of patronage capital to its Members, except to the extent permitted by Section 13.15 of the Indenture (as in effect on the Closing Date).

SECTION 7.03 Transactions With Affiliates. Sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transaction with, any of its Affiliates except (a) transactions in the ordinary course of business at prices and on terms and conditions not less favorable to the Borrower than could be obtained on an arm's-length basis for any such transaction from unrelated or un-Affiliated third parties recognizing the not-for-profit, cooperative business of the Borrower, (b) transactions that are priced at the Borrower's or such Affiliate's costs, (c) transactions existing on the date hereof (which are listed on Schedule 7.03) and (d) transactions expressly permitted under this Agreement.

SECTION 7.04 Line of Business. Engage to any material extent in any business other than the business of being an electric generation and transmission cooperative and associated activities.

SECTION 7.05 Accounting Changes. Make or permit any change in (i) accounting policies or reporting practices, except as required or permitted by applicable law or as otherwise in compliance with GAAP, or (ii) the last day of its fiscal year from December 31, or the last days of the first three fiscal quarters in each of its fiscal years from March 31, June 30, and September 30 respectively.

SECTION 7.06 Indebtedness. Create, issue, incur, assume, or permit to exist any Indebtedness, except:

- (A) Indebtedness pursuant to any Loan Document;
- (B) Guarantees in the ordinary course of business of the obligations of suppliers, customers, franchisees and licensees of the Borrower;
- (C) Indebtedness with respect to accounts payable to trade creditors incurred in the ordinary course of business;
- (D) Indebtedness issued and secured under the Indenture;
- (E) Unsecured Indebtedness not otherwise permitted by this Section 7.06 in an aggregate principal amount not to exceed, at any one time outstanding, \$200,000,000; provided, however, that any such Indebtedness incurred in reliance on this Section 7.06(F) shall be of a ranking no better than *pari passu* to the Loans;
- (F) Indebtedness outstanding on the date hereof and listed on Schedule 5.20, but not any extensions, renewals or replacements of such Indebtedness except (i) renewals and extensions expressly provided for in the agreements evidencing any such Indebtedness and (ii) refinancings and extensions of any such Indebtedness if the average life to maturity thereof is greater than or equal to that of the Indebtedness being refinanced or extended;
- (G) Indebtedness (including, without limitation, Capital Lease obligations) secured by Purchase Money Security Interests in an aggregate principal amount not to exceed \$20,000,000 at any one time outstanding;
- (H) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn by the Borrower in the ordinary course of business against insufficient funds, so long as such Indebtedness is promptly repaid;
- (I) Indebtedness representing deferred compensation to employees incurred in the ordinary course of business; and
- (J) Indebtedness in respect of workers' compensation claims, banker's acceptance, bank guarantees, warehouse receipt or similar facilities, property, casualty or

liability insurance, take-or-pay obligations in supply arrangements, self-insurance obligations, performance, bid performance, appeal and surety bonds and completion guaranties, in each case in the ordinary course of business.

SECTION 7.07 Member Wholesale Power Contracts, Material Direct Serve Contracts and Organizational Documents.

(A) Consent to any modification, supplement or waiver of any of the provision of its Member Wholesale Power Contracts or Material Direct Serve Contracts, if the effect thereof, either individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

(B) Consent to any modification, supplement or waiver of any of the provisions of its Organizational Documents if the effect thereof, either individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

SECTION 7.08 Negative Pledge and Prohibition Clauses. Enter into any Contractual Obligation that prohibits or limits the ability of the Borrower to (a) create, incur, assume or suffer to exist CoBank's statutory first Lien on the CoBank Equities or (b) perform its obligations under any Loan Document.

SECTION 7.09 Sale, Consolidation and Merger Enter into any transaction of merger or consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution) or dispose of all or Substantially All of its assets, unless:

(A) such transaction or disposition is permitted by Section 11.1 of the Indenture;

(B) the Person formed by such consolidation or into which the Borrower is merged or the Person which acquires all or Substantially All of Borrower's assets shall be a person organized and validly existing under the laws of the United States of America and any state thereof or the District of Columbia and shall execute and deliver to the Administrative Agent an assumption to this Agreement in a form satisfactory to the Administrative Agent whereby such Person assumes the due and punctual payment of principal (and premium, if any) and interest on all obligations hereunder;

(C) immediately after giving effect to such transaction, no Default or Event of Default hereunder shall exist; and

(D) the Borrower shall have delivered to the Administrative Agent a certificate of a Responsible Officer and an opinion of counsel, each of which shall be satisfactory to the Administrative Agent, stating that this Agreement is legal, valid and binding upon such Person formed by such consolidation or into which the Borrower is merged or which acquires all or Substantially All of the Borrower's assets.

SECTION 7.10 Limitation on Hedging Agreements. At any time when any Loan, Letter of Credit or Commitment is outstanding, enter into any Hedging Agreements for speculative purposes.

SECTION 7.11 Investments. Make or permit to remain outstanding any Investments except:

- (A) Investments outstanding on the date hereof and set forth in Schedule 7.11;
- (B) Investments approved by the Borrower's Board of directors (whether pursuant to any such Board of Director's approved investment policy of the Borrower or pursuant to specific approvals of Investments by the Board of Directors of the Borrower);
- (C) Hedging Agreements entered into in the ordinary course of Borrower's business to hedge or mitigate its commercial risk;
- (D) Investments in cash equivalents and investments that were cash equivalents when made;
- (E) Investments in the ordinary course of business consisting of (i) endorsements for collection or deposit and (ii) customary trade arrangements with customers consistent with past practices;
- (F) (i) extensions of trade credit in the ordinary course of business and (ii) purchases and acquisitions of inventory, supplies, materials and equipment or purchase of contract rights or licenses or leases of intellectual property in each case in the ordinary course of business, to the extent such purchases and acquisitions constitute Investments;
- (G) Such other Investments as may from time to time be made or purchased by the Borrower; provided, however, that the aggregate costs of such other Investments (other than Investments constituting debt obligations), plus the aggregate outstanding principal amount of such other Investments constituting debt obligations shall not at any time exceed 25% of the Borrower's "Gross Utility Plant" (as determined in accordance with the RUS System of Accounts);
- (H) Investments in a Cushion of Credit (Advance Payment) Account with the RUS pursuant to Section 313 of the Rural Electrification Act of 1936, as amended;
- (I) Investments related to retirement, pension or other benefit plans, whether or not such plans are multiple-employer plans, arising in the ordinary course of business of the Borrower or any Subsidiary;
- (J) Reserves maintained by the Borrower which are referred to in the smelter contracts as the "Economic Reserve," the "Rural Economic Reserve," and the "Transition Reserve" (as each are defined in either of the Borrower's smelter contracts);
- (K) Capital Stock or other securities of, or Investments in, CoBank or its investment services or programs; and
- (L) Investments by the Borrower in cooperative entities in connection with the Borrower's business.

ARTICLE 8
FINANCIAL COVENANTS

SECTION 8.01 Minimum Margins for Interest. The Borrower will not permit its Margins for Interest Ratio (as defined in the Indenture as in effect on the Closing Date) for any fiscal year to be less than 1.10 for such fiscal period.

SECTION 8.02 Total Debt to Total Capitalization. The Borrower shall have, on both a consolidated and unconsolidated basis, as of the last day of each fiscal year of the Borrower, a Total Debt to Capitalization Ratio not greater than 0.80:1.00.

ARTICLE 9
EVENTS OF DEFAULT

If any of the following events shall occur and be continuing:

SECTION 9.01 Payment. The Borrower shall fail to pay (i) any principal of any Loans or any L/C Obligations due to any Lender hereunder or under any other Loan Document when due in accordance with the terms hereof or thereof, or (ii) any interest owed by it on any Loans or any L/C Obligations or any fee or other amount payable by it hereunder or under any other Loan Document within five (5) Banking Days after any such interest or other amount becomes due in accordance with the terms hereof.

SECTION 9.02 Misrepresentation. Any representation or warranty made or deemed made by the Borrower herein or in any other Loan Document or that is contained in any certificate, document or financial or other statement furnished by it at any time under or in connection with this Agreement or any such other Loan Document, shall in either case prove to have been inaccurate in any material respect on or as of the date made or deemed made or furnished.

SECTION 9.03 Covenant Violations. The Borrower shall default in the observance or performance of any agreement contained in Section 6.01, 6.02(A), (D) and (E), 6.03 (with respect to the Borrower's existence), 6.09, 6.10, 6.11, Article 7, or Article 8.

SECTION 9.04 Other Violations. The Borrower shall default in the observance or performance of (i) any agreement contained in Section 6.02(B), (C), (F), and (G) and such default shall continue unremedied for a period of five (5) days or (ii) any other agreement contained in this Agreement or any other Loan Document (other than as provided in Section 9.01, 9.02 or 9.03), and such default shall continue unremedied for a period of thirty (30) days, in each case, after the earlier of (A) the date the Borrower receives from the Administrative Agent notice of the existence of such default or (B) the date a Responsible Officer of the Borrower obtains knowledge of such default, provided, that in the case of (ii) above, if remedial action has been taken and Borrower is diligently pursuing a cure, such remedial action has not succeeded within an additional thirty (30) day period after Borrower receives notice (pursuant to clause (ii)(A) above) or obtains knowledge (pursuant to clause (ii)(B) above), as applicable.

SECTION 9.05 Material Indebtedness. With respect to any Material Indebtedness, (A) the Borrower shall default in any payment (beyond the applicable grace period with respect thereto, if any) with respect to any such Material Indebtedness, or (B) any such Material Indebtedness shall be declared due and payable, or required to be prepaid by the holder or holders of such Material Indebtedness (or trustee or agent on behalf of such holders), other than by a regularly scheduled required prepayment or other prepayments of such Material Indebtedness prior to the stated maturity thereof.

SECTION 9.06 Bankruptcy.

(A) A court having jurisdiction shall enter (i) a decree or order for relief in respect of the Borrower in an involuntary case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization or other similar Requirement of Law or (ii) a decree or order adjudging the Borrower a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Borrower under any applicable federal or state Law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Borrower or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order for relief of any such other decree or order unstayed and in effect for a period of sixty (60) consecutive days.

(B) The Borrower shall commence a voluntary case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization or other similar Requirement of Law or of any other case or proceeding to be adjudicated a bankrupt or insolvent, or shall consent to the entry of a decree or order for relief in respect of the Borrower in an involuntary case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization or other similar Requirement of Law or any bankruptcy or insolvency case or proceeding shall be commenced against the Borrower, or the Borrower shall file a petition or answer or consent seeking reorganization or relief under any applicable federal or state Law, or shall consent to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of the Borrower or of any substantial part of its property, or the Borrower shall make an assignment for the benefit of creditors, or the Borrower shall admit in writing of its inability to pay its debts generally as they become due, or the Borrower shall take corporate action in furtherance of any such action.

SECTION 9.07 ERISA. The Borrower fails to make full payment when due of all amounts which, under the provisions of any ERISA Plan, the Borrower is required to pay as contributions thereto and such failure results in a Material Adverse Effect; or an accumulated funding deficiency occurs or exists, whether or not waived, with respect to any ERISA Plan to the extent such deficiency results in a Material Adverse Effect.

SECTION 9.08 Judgments. One or more judgments or decrees shall be entered against the Borrower which all such judgments or decrees shall not have been vacated, discharged, stayed or bonded pending appeal within 30 days from the entry thereof.

SECTION 9.09 Member Wholesale Power Contracts and Material Direct Serve Contracts. In the course of one fiscal year of the Borrower (i) any one or more Members shall default in the performance of any payment obligations under its or their Member Wholesale Power Contracts or any one Person party to a Material Direct Serve Contract shall default in its performance of any payment obligations under such Material Direct Serve Contract, where the aggregate principal amount of such default or defaults exceeds 20% of the Borrower's prior fiscal year's revenues and such default or defaults have continued for thirty-five (35) days beyond any applicable cure period, (ii) any one or more Members or any one Person party to a Material Direct Serve Contract shall contest the validity or enforceability of its or their Member Wholesale Power Contracts or Material Direct Serve Contracts, as the case may be, representing, individually or in the aggregate, 20% or more of the Borrower's prior fiscal year's revenues by filing any judicial or regulatory action, suit or proceeding seeking as a remedy the declaration of the unenforceability or the material modification of its or their Member Wholesale Power Contracts or Material Direct Serve Contracts, as the case may be, and such judicial or regulatory body shall have issued a final and non-appealable order either (A) declaring unenforceable all or a material portion of such Member Wholesale Power Contracts or such Material Direct Serve Contracts, as the case may be, representing, individually or in the aggregate, 20% or more of the Borrower's prior fiscal year's revenues or (B) adversely modifying any material portion of such Wholesale Power Contracts or Material Direct Serve Contracts representing, as the case may be, individually or in the aggregate, 20% or more of the Borrower's prior fiscal year's revenues, or (iii) release or termination of Borrower's Member Wholesale Power Contracts or Material Direct Serve Contracts together representing 20% or more of the Borrower's prior fiscal year's revenues.

SECTION 9.10 Invalidity of Loan Documents. Any Loan Document shall be deemed invalid by order, judgment or decree of any Governmental Authority or arbitrator, or the Borrower shall assert that any such Loan Document is invalid.

SECTION 9.11 Indenture. An Event of Default (as defined in the Indenture) shall exist.

ARTICLE 10 REMEDIES UPON DEFAULT

SECTION 10.01 Remedies Upon Default. If an Event of Default has occurred and is continuing, (A) if such event is an Event of Default specified in Section 9.06 with respect to the Borrower, automatically the Commitments and any obligation of the Issuing Lender to make L/C Credit Extensions shall immediately terminate and the Loans hereunder (with accrued interest thereon) and all other amounts owing under this Agreement and the other Loan Documents shall immediately become due and payable and (B) if such event is any other Event of Default, any of the following actions may be taken: (i) the Administrative Agent may, or at the request of the Required Lenders, shall, by notice to the Borrower declare the Commitments and any obligation of the Issuing Lender to make L/C Credit Extensions to be terminated forthwith, whereupon the Commitments and any obligation of the Issuing Lender to make L/C Credit Extensions shall immediately terminate; (ii) the Administrative Agent may, or at the request of the Required Lenders, shall, by notice to the Borrower, declare the Loans hereunder (with accrued interest thereon) and all other amounts owing under this Agreement and the other

Loan Documents to be due and payable forthwith, whereupon the same shall immediately become due and payable; and (iii) the Administrative Agent may, or at the request of the Required Lenders, shall, enforce any and all rights and remedies as may be provided by this Agreement, any other Loan Document, or under applicable Requirement of Law, including without limitation, set off and application against the Borrower's obligation to Lender the proceeds of any equity in CoBank, any cash held by CoBank, or any other balances held by CoBank for the Borrower's account (whether or not such balances are then due). Each of such rights and remedies shall be cumulative and may be exercised from time to time, and no failure on the part of any Lender to exercise, and no delay in exercising, any right or remedy shall preclude any other future exercise thereof, or the exercise of any other right. Presentment, demand and protest of any kind are hereby expressly waived by the Borrower. In addition to the rights and remedies set forth above, upon the occurrence and during the continuance of an Event of Default, at Administrative Agent's option in each instance (and automatically following an acceleration), the unpaid principal balance of the Loans and L/C Borrowing (and all overdue payments of interest and fees) shall bear interest at the Default Rate. All such interest, together with all overdue amounts, shall be payable on demand.

SECTION 10.02 Allocation of Payments After Acceleration

Notwithstanding any other provisions of this Agreement, all amounts collected or received by the Administrative Agent or any Lender on account of amounts outstanding under any of the Loan Documents shall be paid over or delivered as follows:

FIRST, to the payment of all reasonable out-of-pocket costs and expenses (including without limitation fees and disbursements of any law firm or other external counsel and all disbursements of internal legal counsel) of the Administrative Agent or any of the Lenders in connection with enforcing the rights of the Lenders under the Loan Documents, pro rata, as set forth below;

SECOND, to payment of any fees (other than Letter of Credit Fees) owed to the Administrative Agent, Issuing Lender, or any Lender, pro rata as set forth below;

THIRD, to the payment of all accrued interest and Letter of Credit Fees payable to the Lenders hereunder, pro rata as set forth below;

FOURTH, in accordance with the waterfall set forth in Section 2.07(B) and then to Cash Collateralize that portion of L/C Obligations comprised of the aggregate undrawn amount of Letters of Credit, as set forth below;

FIFTH, to all other Obligations which shall have become due and payable under the Loan Documents and not repaid pursuant to clauses "FIRST" through "FOURTH" above; and

SIXTH, to the payment of the surplus, if any, to whoever may be lawfully entitled to receive such surplus.

In carrying out the foregoing, (a) amounts received shall be applied in the numerical order provided until exhausted prior to application to the next succeeding category and (b) each of the Lenders shall receive an amount equal to its pro rata share (based on the proportion that the then

outstanding Loans held by such Lender bears to the aggregate then outstanding Loans) of amounts available to be applied.

Amounts used to Cash Collateralize the aggregate undrawn amount of Letters of Credit pursuant to clause Fourth above shall be applied to satisfy drawings under such Letters of Credit as they occur. If any amount remains on deposit as Cash Collateral after all Letters of Credit have either been fully drawn or expired, such remaining amount shall be applied to the other Obligations, if any, in the order set forth above.

ARTICLE 11 ADMINISTRATIVE AGENT

SECTION 11.01 Appointment. Each of the Lenders and the Issuing Lender hereby irrevocably appoints the Administrative Agent to act on its behalf as the Administrative Agent hereunder and under the Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Section are solely for the benefit of the Administrative Agent, the Lenders and the Issuing Lender and the Borrower shall not have rights as a third party beneficiary of any of such provisions. It is understood and agreed that the use of the term “agent” herein or in any other Loan Documents (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

SECTION 11.02 Delegation of Duties. The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Section shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and non-appealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

SECTION 11.03 Exculpatory Provisions.

(A) The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Administrative Agent:

(1) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default or Event of Default has occurred and is continuing;

(2) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable Requirement of Law including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law; and

(3) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

(B) The Administrative Agent shall not be liable for any action taken or not taken by it (a) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Article 10 and Section 12.01) or (b) in the absence of its own gross negligence or willful misconduct as determined by a final, nonappealable judgment of a court of competent jurisdiction. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given to the Administrative Agent by the Borrower, a Lender or the Issuing Lender.

(C) The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (iv) the satisfaction of any condition set forth in Sections 4.01 and 4.02 or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

SECTION 11.04 Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for

relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance, extension, renewal or increase of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or Issuing Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender or Issuing Lender unless the Administrative Agent shall have received notice to the contrary from such Lender prior to the making of such Loan or the issuance of such Letter of Credit. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

SECTION 11.05 Notice of Default. Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default unless Administrative Agent has received notice from a Lender or Issuing Lender or the Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a “notice of default.” In the event that Administrative Agent receives such a notice, Administrative Agent promptly shall give notice thereof to the Borrower, the Issuing Lender and the Lenders. The Administrative Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders; provided, that unless and until Administrative Agent shall have received such directions, Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Lenders. Notwithstanding anything else to the contrary in this Agreement, the Administrative Agent shall not be required to take, or to omit to take, any action (a) unless, upon demand, the Administrative Agent receives an indemnification satisfactory to it from the Lenders against all liabilities that, by reason of such action or omission, may be imposed on, incurred by or asserted against the Administrative Agent or any of its Affiliates or (b) that is, in the opinion of the Administrative Agent, contrary to any Loan Document or applicable Requirement of Law.

SECTION 11.06 Non-Reliance on Administrative Agent and Other Lenders. Each Lender and the Issuing Lender acknowledges that it has, independently and without reliance on the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender and the Issuing Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

SECTION 11.07 Indemnification. The Lenders agree to indemnify Administrative Agent and Agent Parties (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower to do so), ratably according to their respective Aggregate Exposure Percentages in effect on the date on which indemnification is sought under this Section (or, if indemnification is sought after the date upon which the Commitments shall have terminated and the Loans shall have been paid in full, ratably in accordance with such Aggregate Exposure Percentages immediately prior to such date), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any

kind whatsoever that may at any time (whether before or after the payment of the Loans) be imposed on, incurred by or asserted against Administrative Agent or Agent Parties in any way relating to or arising out of, the Commitments, this Agreement, any of the other Loan Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by Administrative Agent or Agent Parties Persons under or in connection with any of the foregoing; provided, that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements that are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from Administrative Agent's or Agent Parties' gross negligence or willful misconduct. The agreements in this Section 11.07 shall survive the payment of the Loan and all other amounts payable hereunder.

SECTION 11.08 Right as a Lender. The Person serving as Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

SECTION 11.09 Resignation of Administrative Agent.

(A) The Administrative Agent may at any time give notice of its resignation to the Lenders, the Issuing Lender and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Borrower (so long as no Default or Event of Default has occurred and is continuing), to appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders) (the "Resignation Effective Date"), then the retiring Administrative Agent may (but shall not be obligated to) on behalf of the Lenders and the Issuing Lender appoint a successor Administrative Agent. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(B) If the Person serving as Administrative Agent is a Defaulting Lender pursuant to clause (d) of the definition thereof, the Required Lenders may, to the extent permitted by applicable law, by notice in writing to the Borrower and such Person remove such Person as Administrative Agent and, in consultation with the Borrower (so long as no Default or Event of Default has occurred and is continuing), appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days (or such earlier day as shall be agreed by the Required Lenders) (the "Removal Effective Date"), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

With effect from the Resignation Effective Date or the Removal Effective Date (as applicable) (1) the retiring or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents and (2) all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender and Issuing Lender directly, until such time, if any, as the Required Lenders appoint a successor Administrative Agent as provided for above. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring or removed Administrative Agent, and the retiring or removed Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents. The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring or removed Administrative Agent's resignation or removal hereunder and under the other Loan Documents, the provisions of this Article and Section 11.07 shall continue in effect for the benefit of such retiring or removed Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring or removed Administrative Agent was acting as Administrative Agent.

SECTION 11.10 No Other Duties, Etc. Anything herein to the contrary notwithstanding, no Bookrunner or Arranger listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent, a Lender or an Issuing Lender hereunder.

ARTICLE 12 MISCELLANEOUS

SECTION 12.01 Amendments and Waivers.

(A) Neither this Agreement, any other Loan Document, nor any terms hereof or thereof may be amended, supplemented or modified except in accordance with the provisions of this Section 12.01. The Required Lenders and the Borrower may or, with the written consent of the Required Lenders, the Administrative Agent and the Borrower may, from time to time, (a) enter into written amendments, supplements or modifications hereto and to the other Loan Documents for the purpose of adding any provisions to this Agreement or the other Loan Documents or changing in any manner the rights or obligations of the Administrative Agent, the Lenders or of the Borrower hereunder or thereunder or (b) waive, on such terms and conditions as the Required Lenders or the Administrative Agent may specify in such instrument, any of the requirements of this Agreement or the other Loan Documents or any Default or Event of Default and its consequences; provided, however, that no such waiver and no such amendment, supplement or modification shall (x)(i) forgive or reduce the principal amount or extend the final scheduled date of maturity of any Loan, (ii) reduce the stated rate of any interest or fee payable hereunder or extend the scheduled date of any payment thereof, (iii) increase the amount or extend the expiration date of any Lender's Commitments, (iv) modify the definition of "Required Lender," or (v) modify Section 2.13, in each case without the written consent of each Lender directly adversely affected thereby; or (y) eliminate or reduce the voting rights of any Lender or

Participant under this Section 12.01 without the written consent of such Lender or Participant; or (z) amend, modify or waive any provision of Article 11 without the written consent of the Administrative Agent. Any such waiver and any such amendment, supplement or modification shall apply equally to each of the Lenders and shall be binding upon the Borrower, the Lenders, the Administrative Agent and all future holders of Loans. In the case of any waiver, the Borrower, the Lenders and the Administrative Agent shall be restored to their former position and rights hereunder and under the other Loan Documents, and any Default or Event of Default waived shall be deemed to be cured and not continuing unless limited by the terms of such waiver; but no such waiver shall extend to any subsequent or other Default or Event of Default, or impair any right consequent thereon. No amendment, waiver or consent shall affect the rights or duties of the Issuing Lender under this Agreement or any Issuer Document relating to any Letter of Credit issued or to be issued by it unless also signed by the Issuing Lender.

(B) If any Lender does not consent to a proposed amendment, waiver, consent or release with respect to any Loan Document that requires the consent of each Lender and that has been approved by the Required Lenders, the Borrower may replace such non-consenting Lender in accordance with Section 3.06; provided that such amendment, waiver, consent or release can be effected as a result of the assignment contemplated by such Section (together with all other such assignments required by the Borrower to be made pursuant to this paragraph).

SECTION 12.02 Notices Generally.

(A) Notices. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile as follows:

If to the Administrative Agent or the Issuing Lender, as follows:

CoBank, ACB
5500 South Quebec Street
Greenwood Village, Colorado 80111
Facsimile: (303) 740-4002
Attention: Power Supply Division

With a copy to:
CoBank, ACB
5500 South Quebec Street
Greenwood Village, Colorado 80111
Facsimile: (303) 740-4002
Attention: Legal Division

Latham & Watkins LLP
555 Eleventh Street, NW
Suite 1000

If to the Borrower, as follows:

Big Rivers Electric Corporation
201 Third Street
Henderson, Kentucky 42420
Facsimile: (270) 827-2558
Attention: President and Chief Executive Officer

With a copy to:
Big Rivers Electric Corporation
201 Third Street
Henderson, Kentucky 42420
Facsimile: (270) 827-2558
Attention: Chief Financial Officer

James M. Miller, Esq.
Sullivan, Mountjoy, Stainback & Miller, P.S.C.

Washington, DC 20004-1304
Fax: +1.202.637.2201
Attention: Paul J. Hunt

100 St. Ann Building
Owensboro, KY 42303

If to a Lender, to it at its address (of facsimile number) set forth in its Administrative Questionnaire.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Banking Day for the recipient). Notices delivered through electronic communications, to the extent provided in paragraph (B) below, shall be effective as provided in said paragraph (B).

(B) Electronic Communication. Notices and other communications to the Lenders and the Issuing Lender hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent, provided, that the foregoing shall not apply to notices to any Lender or Issuing Lender pursuant to Article 2 if such Lender or Issuing Lender, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing clause (i), of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii) above, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Banking Day for the recipient.

(C) Change of Address, etc. Any party hereto may change its address or facsimile number for notices and other communications hereunder by notice to the other parties hereto.

(D) Platform.

(i) The Borrower agrees that the Administrative Agent may, but shall not be obligated to, make the Communications (as defined below) available to the Issuing Lender and the other Lenders by posting the Communications on Debt Domain, Intralinks, Syndtrak or a substantially similar electronic transmission system (the “Platform”).

(ii) The Platform is provided “as is” and “as available.” The Agent Parties (as defined below) do not warrant the adequacy of the Platform and expressly disclaim liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including, without limitation, any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made by any Agent Party in connection with the Communications or the Platform. In no event shall the Administrative Agent or any of its Related Parties (collectively, the “Agent Parties”) have any liability to the Borrower, any Lender or any other Person or entity for damages of any kind, including, without limitation, direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of the Borrower’s or the Administrative Agent’s transmission of communications through the Platform except to the extent that such losses, damages, liabilities or related expenses are determined by a final, nonappealable judgment of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of the Agent Parties. “Communications” means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of the Borrower pursuant to any Loan Document or the transactions contemplated therein which is distributed to the Administrative Agent or any Lender by means of electronic communications pursuant to this Section, including through the Platform.

SECTION 12.03 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Administrative Agent or any Lender, any right, remedy, power or privilege hereunder or under the other Loan Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by any Requirement of Law.

SECTION 12.04 Survival of Representations and Warranties. All representations and warranties made hereunder, in the other Loan Documents and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the making of the Loans and other extensions of credit hereunder.

SECTION 12.05 Costs and Expenses; Indemnification.

(A) Costs and Expenses. The Borrower shall pay (i) all reasonable out of pocket expenses incurred by the Administrative Agent and its Affiliates (including the reasonable fees, charges and disbursements of counsel for the Administrative Agent), in connection with the syndication of the Loans, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents, or any amendments, modifications or waivers of

the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable out of pocket expenses incurred by any Issuing Lender in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder, and (iii) all out of pocket expenses incurred by the Administrative Agent, any Lender or any Issuing Lender (including the fees, charges and disbursements of any counsel for the Administrative Agent, any Lender or any Issuing Lender), and shall pay all fees and time charges for attorneys who may be employees of the Administrative Agent, any Lender or any Issuing Lender, in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (B) in connection with the Loans made or Letters of Credit issued hereunder, including all such out of pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(B) Indemnification by the Borrower. The Borrower shall indemnify the Administrative Agent (and any sub-agent thereof), each Lender and each Issuing Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the fees, charges and disbursements of any counsel for any Indemnitee), and shall indemnify and hold harmless each Indemnitee from all fees and time charges and disbursements for attorneys who may be employees of any Indemnitee, incurred by any Indemnitee or asserted against any Indemnitee by any Person (including the Borrower) other than such Indemnitee and its Related Parties arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by any Issuing Lender to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or Release of Materials of Environmental Concern on or from any property owned or operated by the Borrower or any of its Subsidiaries, or any Environmental Liability related in any way to the Borrower or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrower, and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or (y) result from a claim brought by the Borrower against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, if the Borrower has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction. This Section 12.05(B) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(C) Reimbursement by Lenders. To the extent that the Borrower for any reason fails to indefeasibly pay any amount required under paragraph (A) or (B) of this Section to be paid by it to the Administrative Agent (or any sub-agent thereof), any Issuing Lender, or any Related

Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent), such Issuing Lender, or such Related Party, as the case may be, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender's share of the Total Credit Exposure at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender); provided, that, with respect to such unpaid amounts owed to any Issuing Lender solely in its capacity as such, only the Lenders shall be required to pay such unpaid amounts, such payment to be made severally among them based on such Lenders' Aggregate Exposure Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought), provided, further, that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent), such Issuing Lender in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent) or such Issuing Lender in connection with such capacity.

(D) Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable law, no party hereto shall assert, and each hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or Letter of Credit, or the use of the proceeds thereof. No Indemnitee referred to in paragraph (B) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

(E) Payments. All amounts due under this Section shall be payable not later than ten (10) days after demand therefor.

(F) Survival. Each party's obligations under this Section shall survive the termination of the Loan Documents and payment of the obligations hereunder.

SECTION 12.06 Successors and Assigns; Participations and Assignments.

(A) Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender, and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of paragraph (B) of this Section, (ii) by way of participation in accordance with the provisions of paragraph (D) of this Section, or (iii) by way of pledge or assignment of a security interest subject to the restrictions of paragraph (F) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in paragraph (D) of this Section and, to the

extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(B) Assignments by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(1) Minimum Amounts.

(a) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and/or the Loans at the time owing to it or contemporaneous assignments to related Approved Funds that equal at least the amount specified in paragraph (B)(1)(b) of this Section in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(b) in any case not described in paragraph (B)(1)(a) of this Section, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than \$5,000,000, unless each of the Administrative Agent and, so long as no Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed).

(2) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loan or the Commitment assigned.

(3) Required Consents. No consent shall be required for any assignment except to the extent required by paragraph (B)(1)(b) of this Section and, in addition:

(a) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (x) a Default or Event of Default has occurred and is continuing at the time of such assignment, or (y) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; provided that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within five (5) Banking Days after having received notice thereof and provided, further, that the Borrower's consent shall not be required during the primary syndication of the Loans;

(b) the consent of the Administrative Agent (such consent not to be unreasonably withheld, delayed or conditioned) shall be required for assignments in respect of the Loans or any unfunded Commitments if such assignment is to a Person that is not a Lender, an Affiliate of such Lender or an Approved Fund with respect to such Lender; and

(c) the consent of the Issuing Lender shall be required for any assignment.

(4) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500; provided that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(5) No Assignment to Certain Persons. No such assignment shall be made to (A) the Borrower or any of the Borrower's Affiliates or Subsidiaries or (B) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (B).

(6) No Assignment to Natural Persons. No such assignment shall be made to a natural Person.

(7) Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent, the Issuing Lender, and each other Lender hereunder (and interest accrued thereon), and (y) acquire (and fund as appropriate) its full pro rata share of all Loans and participations in Letters of Credit in accordance with its Aggregate Exposure. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to paragraph (C) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 3.03 and 12.05 with respect to facts and circumstances occurring prior to the effective date of such assignment; provided, that except to the extent otherwise expressly agreed by the affected parties, no assignment by a

Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (D) of this Section.

(C) Register. The Administrative Agent, acting solely for this purpose as an agent of the Borrower, shall maintain at one of its offices in Colorado a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(D) Participations. Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other than a natural Person or the Borrower or any of the Borrower's Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and (iii) the Borrower, the Administrative Agent, the Issuing Lenders and Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 12.05(C) with respect to any payments made by such Lender to its Participant(s).

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the proviso of Section 12.01(A) that affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 3.01, 3.03 and 3.04 (subject to the requirements and limitations therein, including the requirements under Section 3.04(G) (it being understood that the documentation required under Section 3.04(G) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (B) of this Section; provided that such Participant (A) agrees to be subject to the provisions of Section 3.06 as if it were an assignee under paragraph (B) of this Section; and (B) shall not be entitled to receive any greater payment under Sections 3.01, 3.03 and 3.04, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrower's request and expense, to use reasonable

efforts to cooperate with the Borrower to effectuate the provisions of Section 3.06 with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 12.07 as though it were a Lender; provided that such Participant agrees to be subject to Section 2.14 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as an agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(E) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(F) Farm Credit Lenders. Notwithstanding anything in this Section 12.06 to the contrary, any institution that is a member of the Farm Credit System (a "Farm Credit Lender") that (i) has purchased a participation in the minimum aggregate amount of \$5,000,000 on or after the Closing Date, (ii) is, by written notice to the Borrower and the Administrative Agent ("Voting Participant Notification"), designated by the selling Lender (including any existing Voting Participant) as being entitled to be accorded the rights of a Voting Participant hereunder and (iii) receives the prior written consent of the Administrative Agent, in its sole discretion, to become a Voting Participant (such consent to be required only to the extent and under the circumstances it would be required if such Voting Participant were to become a Lender pursuant to an assignment in accordance with Section 12.06(A)) (any such Farm Credit Lender so designated and consented to being called a "Voting Participant"), shall be entitled to vote for so long as such Farm Credit Lender owns such participation and notwithstanding any subparticipation by such Farm Credit Lender (and the voting rights of the selling Lender (including any existing Voting Participant) shall be correspondingly reduced), on a dollar for dollar basis, as if such participant were a Lender, on any matter requiring or allowing a Lender to provide or withhold its consent, or to otherwise vote on any proposed action. To be effective, each Voting Participant Notification shall, with respect to any Voting Participant, (x) state the full name, as well as all contact information required of an assignee in an Assignment and Assumption and (y) state the dollar amount of the participation purchased in its Commitment or any or all of its Loans. Notwithstanding the foregoing, each Farm Credit Lender designated as a Voting Participant on Schedule 12.06(F) hereto shall be deemed a Voting Participant without delivery of a Voting Participant Notification and without the prior written consent of the

Administrative Agent. The selling Lender (including any existing Voting Participant) and the purchasing Voting Participant shall notify the Administrative Agent and the Borrower within three (3) Banking Days' of any termination of, or reduction or increase in the amount of, such participation. The Borrower and the Administrative Agent shall be entitled to conclusively rely on information contained in notices delivered pursuant to this paragraph. The voting rights hereunder are solely for the benefit of the Voting Participant and shall not inure to any assignee or participant of the Voting Participant that is not a Farm Credit Lender.

SECTION 12.07 Setoff. If an Event of Default shall have occurred and be continuing, each Lender, each Issuing Lender, and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held, and other obligations (in whatever currency) at any time owing, by such Lender, such Issuing Lender or any such Affiliate, to or for the credit or the account of the Borrower against any and all of the obligations of the Borrower now or hereafter existing under this Agreement or any other Loan Document to such Lender or such Issuing Lender or their respective Affiliates, irrespective of whether or not such Lender, Issuing Lender or Affiliate shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Borrower may be contingent or unmatured or are owed to a branch, office or Affiliate of such Lender or such Issuing Lender different from the branch, office or Affiliate holding such deposit or obligated on such indebtedness; provided that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 3.07 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent, the Issuing Lenders, and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender, each Issuing Lender and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender, such Issuing Lender or their respective Affiliates may have. Each Lender and Issuing Lender agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application; provided that the failure to give such notice shall not affect the validity of such setoff and application.

SECTION 12.08 Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Agreement or the Assignment and Assumption by facsimile transmission or other electronic means shall be effective as delivery of a manually executed counterpart hereof. A set of the copies of this Agreement signed by all the parties shall be lodged with the Borrower and the Administrative Agent.

SECTION 12.09 Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 12.10 Complete Agreement. The Loan Documents are intended by the parties to be a complete and final expression of their agreement.

SECTION 12.11 Applicable Law. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER AND THEREUNDER SHALL BE GOVERNED AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK (WITHOUT REGARD TO ANY PROVISION THEREOF THAT WOULD RESULT IN THE APPLICATION OF THE LAW OF ANOTHER JURISDICTION).

SECTION 12.12 Submission to Jurisdiction; Waivers. The Borrower hereby irrevocably and unconditionally:

(A) submits for itself and its Property in any legal action or proceeding relating to this Agreement and the other Loan Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the courts of the State of New York, and appellate courts thereof;

(B) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(C) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to it at its address set forth in Section 12.02 or at such other address of which the Lender shall have been notified pursuant thereto; and

(D) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by any Requirement of Law or shall limit the right to sue in any other jurisdiction.

SECTION 12.13 Acknowledgments. The Borrower hereby acknowledges that:

(A) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Loan Documents;

(B) the Administrative Agent and the Lenders do not have any fiduciary relationship with or duty to the Borrower arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between the Lenders, on one hand, and the Borrower, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(C) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby between the Lenders and the Borrower.

SECTION 12.14 Accounting Changes. In the event that any Accounting Change shall occur and such change results in a change in the method of calculation of financial ratios, standards or terms in this Agreement, then the Borrower and the Administrative Agent agree to enter into negotiations in order to amend such provisions of this Agreement so as to equitably reflect such Accounting Changes with the desired result that the criteria for evaluating the Borrower's financial condition shall be the same after such Accounting Changes as if such Accounting Changes had not been made. Until such time as such an amendment shall have been executed and delivered by the Borrower and the Administrative Agent, all financial ratios, standards and terms in this Agreement shall continue to be calculated or construed as if such Accounting Changes had not occurred.

SECTION 12.15 WAIVERS OF JURY TRIAL. THE BORROWER, THE ADMINISTRATIVE AGENT AND THE LENDERS HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

SECTION 12.16 USA PATRIOT ACT. The Lenders hereby notify the Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Publ. 107 56 (signed into law October 26, 2001)) (the "Act"), each is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow the Lenders to identify the Borrower in accordance with the Act.

SECTION 12.17 Confidentiality.

(A) Each of the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (i) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (ii) to the extent requested by any regulatory authority, (iii) to the extent required by applicable Requirements of Law or regulations or by any subpoena or similar legal process, (iv) to any other party to this Agreement, (v) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or the enforcement of rights hereunder, (vi) subject to an agreement containing provisions substantially the same as those of this Section 12.17, to (a) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or any other Loan Document or (b) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower and its obligations, (vii) with the consent of the Borrower, (viii) to the extent such Information (X) becomes publicly available other than as a result of a breach of this Section or (Y) becomes available to the Lender on a nonconfidential basis from a source other than the Borrower or (ix) to the National Association of Insurance Commissioners

or any similar organization or any nationally recognized rating agency that requires access to information about a Lender's investment portfolio in connection with ratings issued with respect to such Lender or in connection with examinations or audits of such Lender. For the purposes of this Section 12.17, "Information" means all information received from the Borrower relating to the Borrower or its Business, other than any such information that is available to such Lender on a nonconfidential basis prior to disclosure by the Borrower; provided that, in the case of information received from the Borrower after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section 12.17 shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

(B) EACH LENDER ACKNOWLEDGES THAT INFORMATION AS DEFINED IN SECTION 12.17(A) FURNISHED TO IT PURSUANT TO THIS AGREEMENT MAY INCLUDE MATERIAL NON-PUBLIC INFORMATION CONCERNING THE BORROWER AND ITS RELATED PARTIES OR THEIR RESPECTIVE SECURITIES, AND CONFIRMS THAT IT HAS DEVELOPED COMPLIANCE PROCEDURES REGARDING THE USE OF MATERIAL NON-PUBLIC INFORMATION AND THAT IT WILL HANDLE SUCH MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH THOSE PROCEDURES AND APPLICABLE LAW, INCLUDING FEDERAL AND STATE SECURITIES LAWS.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized officers as of the date shown above.

BIG RIVERS ELECTRIC CORPORATION

By: _____

Name: _____

Title:

CoBANK, ACB, as Administrative Agent, Lead Arranger and Book Runner

BY: _____

NAME: _____

TITLE:

CoBANK, ACB, as Issuing Lender

BY: _____

NAME: _____

TITLE:

CoBANK, ACB, as Lender

BY: _____

NAME: _____

TITLE:

EXHIBIT A

DEFINITIONS AND RULES OF INTERPRETATION

SECTION 1.01 Definitions. As used in the Agreement, any amendment thereto, or in any other Loan Document, the following terms shall have the following meanings:

Accounting Change refers to changes in accounting principles required or permitted by the promulgation of any rule, regulation, pronouncement or opinion by the Financial Accounting Standards Board of the American Institute of Certified Public Accountants or, if applicable, the SEC.

Act shall have the meaning given it in Section 12.16.

Administrative Agent shall have the meaning given it in the Introduction.

Affected Lender shall have the meaning given it in Section 2.04(D)(3).

Affiliate shall mean any Person: (1) which directly or indirectly controls, or is controlled by, or is under common control with, the Borrower; (2) which directly or indirectly beneficially owns or holds five percent (5%) or more of any class of voting stock of, or other interests in the Borrower; or (3) five percent (5%) or more of the voting stock of, or other interest in, which is directly or indirectly beneficially owned or held by the Borrower; provided, however, that no Member of the Borrower shall be deemed to be an Affiliate of the Borrower for the purposes of this Agreement. The term “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

Agent Parties shall have the meaning given it in Section 12.02(D)(ii).

Aggregate Exposure shall mean, with respect to any Lender at any time, an amount equal to the aggregate amount of such Lender’s Commitments then in effect or, if the Commitments have been terminated, the amount of such Lender’s Loans then outstanding.

Aggregate Exposure Percentage shall mean, with respect to any Lender at any time, the ratio (expressed as a percentage) of such Lender’s Aggregate Exposure at such time to the total Aggregate Exposures of all Lenders at such time.

Agreement shall mean this Credit Agreement dated as of the Closing Date, by and between the Borrower, the Administrative Agent and the Lenders, as it may be amended or modified from time to time.

Applicable Margin shall mean, for any day, with respect to any Loan or the Facility Fee, the applicable rate per annum determined pursuant to the Pricing Grid. Any adjustment in the Applicable Margin shall be applicable to all outstanding Loans.

Approved Fund shall mean any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

Assignment and Assumption shall mean an Assignment and Assumption, substantially in the form of Exhibit I.

Auto-Extension of Letter of Credit shall have the meaning specified in Section 2.04(B)(3).

Banking Day shall mean any day that is not a Saturday, Sunday or other day on which banks in Denver, Colorado are authorized or required by law to remain closed; provided that, when used in connection with a LIBOR Loan, the term “Banking Day” shall also exclude any day on which banks are not open for dealings in Dollars in the London interbank market.

Bankruptcy Code shall mean the Bankruptcy Code in Title 11 of the United States Code, as amended, modified, succeeded or replaced from time to time.

Base Rate shall mean the rate of interest in effect from day to day defined as a rate per annum announced by the Administrative Agent on the first Banking Day of each week equal to the greatest of (A) 100 basis points greater than the LIBOR Rate or (B) the Prime Rate. Solely for the purpose of the definition of “Base Rate,” “LIBOR Rate” shall mean the one-month LIBOR Rate (rounded upward to the nearest 1/100 of 1%) as quoted by the British Bankers Association at of 11:00 a.m. London time and published by Bloomberg, on the first Banking Day of the week applicable to the Borrower’s election of the Base Rate.

Base Rate Loans shall mean Loans denominated in Dollars the rate of interest applicable to which is based upon the Base Rate.

Board shall mean the Board of Governors of the Federal Reserve System of the United States (or any successor).

Board of Directors shall mean either the board of directors of the Borrower or any duly authorized committee of such board.

Borrower shall have the meaning given it in the Introduction.

Borrowing Date shall mean any Banking Day specified by the Borrower as a date on which the Borrower requests a Lender to make Loans hereunder.

Business shall mean the business activities and operations of the Borrower just prior to the Closing Date and activities relating, incidental or ancillary thereto.

Capital Lease shall mean a lease which should be capitalized on the books of the lessee in accordance with GAAP (other than obligations under any lease related to (i) equipment used for office; or computer needs, (ii) equipment used for transportation needs, or (iii) leases of other items having a net book value of less than \$1,000,000) provided, however, that “Capital Lease Obligations” shall not include obligations included on such Person’s consolidated financial

statements because of consolidation of another Person, including a subsidiary, with such Person pursuant to GAAP and for which such Person is not legally obligated.

Capital Stock shall mean any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, and any and all equivalent ownership interests in a Person (other than a corporation).

Cash Collateralize shall mean to pledge and deposit with or deliver to the Administrative Agent, for the benefit of the Issuing Lender and the Lenders, as collateral for the L/C Obligations, cash or deposit account balances in an amount equal to the applicable L/C Obligation pursuant to documentation in form and substance satisfactory to the Administrative Agent and the Issuing Lender (which documents are hereby consented to by the Lenders). The Borrower hereby grants to the Administrative Agent, for the benefit of the Issuing Lender and the Lenders, a security interest in all such cash, deposit accounts and all balances therein and all proceeds of the foregoing. Cash Collateral shall be maintained in blocked, interest bearing deposit accounts at the Administrative Agent. "Cash Collateral" shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

Change in Law shall mean the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided, that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

Change of Control shall mean, at any time, the Borrower ceases to be an electric generation and transmission cooperative that is controlled by no less than 51% (tested by percentage of the controlling vote to elect the Board of Directors of the Borrower) of the Members of the Borrower.

Closing Date shall mean the date hereof.

CoBank shall have the meaning given it in the Introduction.

CoBank Equities shall have the meaning specified in Section 6.11(A).

Code shall mean the Internal Revenue Code of 1986, as amended from time to time (and any successor thereto).

Commitment Percentage shall mean, for each Lender, each percentage identified as its Commitment Percentage opposite such Lender's name on Exhibit B with respect to the

applicable Commitments, as each such percentage may be modified by assignment in accordance with the terms of this Agreement.

Commitment Period shall mean the period commencing on the Closing Date and ending on the Banking Day immediately preceding the Commitment Termination Date.

Commitment Termination Date shall mean the Banking Day immediately preceding the five (5) year anniversary of the Closing Date.

Commitments shall mean fifty million Dollars (\$50,000,000) as such amount may be voluntarily reduced in accordance with Section 2.05.

Communication shall have the meaning given it in Section 12.02(D)(ii).

Connection Income Taxes shall mean Other Connection Taxes that are imposed on or measured by net income or net profits (however denominated) or that are franchise Taxes or branch profits Taxes.

Contractual Obligation shall mean as to any Person, any provision of any security issued by such Person or of any written or recorded agreement, instrument or other undertaking to which such Person is a party or by which it or any of its Property is bound.

Counterparty shall mean, when referring to a Member Wholesale Power Contract, the Member party to such Member Wholesale Power Contract and, when referring to a Direct Serve Contract, the Person counterparty to the Borrower on such Direct Serve Contract.

Credit Extension shall mean the making of any Loan or L/C Credit Extension.

Debtor Relief Laws shall mean the Bankruptcy Code of the United States of America, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect.

Default shall mean the occurrence of any event which with the giving of notice hereunder or the passage of time hereunder or the occurrence of any other condition hereunder would become an Event of Default under the Agreement or under any other Loan Document.

Default Rate shall have the meaning specified in Section 2.09(C).

Defaulting Lender shall mean, subject to Section 3.07(B), any Lender that (a) has failed to (i) fund all or any portion of its Loans within two (2) Banking Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender's determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Administrative Agent, the Issuing Lender, or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit) within two (2) Banking Days of the date when due, (b) has notified the Borrower, the

Administrative Agent or the Issuing Lender in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three (3) Banking Days after written request by the Administrative Agent or the Borrower, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, or (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 3.07(B)) upon delivery of written notice of such determination to the Borrower, the Issuing Lender, and each Lender.

Direct Serve Contracts shall mean wholesale electric service contracts (in each case, together with material amendments or supplements thereto and all successor or replacement contracts and agreements thereto and thereof) with a member of Borrower to provide wholesale electric service directly from Borrower's transmission system to any customer for which the member has an electric service contract with such customer.

Dollars and the sign "\$" shall mean lawful money of the United States of America.

Environmental Law shall mean any and all applicable Requirements of Law, rules, orders, regulations, statutes, ordinances, codes or decrees (including, without limitation, common law) of the United States, or any state, provincial, local, municipal or other Governmental Authority, regulating, relating to or imposing liability or standards of conduct concerning protection of the environment, as has been, is now, or at any time hereafter is, in effect.

Environmental Liability shall mean any liability, claim, action, suit, judgment or order under or relating to any Environmental Law for any damages, injunctive relief, losses, fines, penalties, fees, expenses or costs, whether contingent or otherwise, including those arising from or relating to: (a) compliance or non-compliance with any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Materials of Environmental Concern, (c) exposure to any Materials of Environmental Concern, (d) the

Release of any Materials of Environmental Concern or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

ERISA shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time (and any successor thereto), and the regulations and published interpretations thereof.

Event of Default shall mean any of the events specified in Article 9 of the Agreement and any event specified in any other Loan Document as an Event of Default.

Excluded Taxes shall mean any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income or net profits (however denominated), franchise Taxes (imposed in lieu of net income or net profits Taxes), and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 3.06) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 3.04, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with Section 3.04(G) and (d) any U.S. federal withholding Taxes imposed under FATCA.

Existing CoBank Facility shall mean that certain \$50,000,000 unsecured line of credit facility made available by CoBank to Borrower pursuant to that certain Revolving Credit Agreement entered into as of July 16, 2009 between Borrower and CoBank.

Facility Fee shall have the meaning given it in Section 2.11(A).

Farm Credit Lender shall have the meaning given it in Section 12.06(F).

Farm Credit System shall mean a federally chartered network of borrower-owned lending institutions comprised of cooperatives and related service organizations.

FATCA shall mean Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) and any current or future regulations or official interpretations thereof.

Federal Funds Effective Rate shall mean for any day, the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published on the next succeeding Banking Day by the Federal

Reserve Bank of New York, or, if such rate is not so published for any day that is a Banking Day, the average of the quotations for the day of such transactions received by the Administrative Agent from three federal funds brokers of recognized standing selected by it.

Fee Letter shall mean that certain letter, dated January 12, 2012, by CoBank and accepted and agreed to by the Borrower.

Fitch shall mean Fitch, Inc.

Foreign Lender shall mean (a) if the Borrower is a U.S. Person, a Lender that is not a U.S. Person, and (b) if the Borrower is not a U.S. Person, a Lender that is resident or organized under the laws of a jurisdiction other than that in which the Borrower is resident for tax purposes.

Fronting Exposure shall mean, at any time there is a Defaulting Lender (or, with respect to Section 3.06, a Specified Lender), such Defaulting Lender's or Specified Lender's Commitment Percentage of the outstanding L/C Obligations with respect to Letters of Credit issued by the Issuing Lender other than L/C Obligations as to which such Defaulting Lender's or Specified Lender's participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof.

Fund shall mean any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its activities.

Funding Office shall mean the office of the Administrative Agent specified in Section 2.03 or such other office as may be specified from time to time by the Lender as its funding office by written notice to the Borrower.

GAAP shall mean generally accepted accounting principles in the United States.

Governmental Authority shall mean the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

Guarantee of or by any Person (the "guarantor") means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness of any other Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities, assets, or services for the purpose of assuring the owner of such Indebtedness of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or (d) as an account party in respect of any letter of credit or

letter of guaranty issued to support such Indebtedness; provided, that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business.

Hedging Agreement shall mean any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions.

Honor Date shall have the meaning given it in Section 2.04(C)(1).

Indebtedness of any Person shall mean, without duplication, (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person for the deferred purchase price of property or services, (d) all guarantee obligations by such Person of Indebtedness of others, (e) all Capital Lease obligations of such Person, and (f) the principal component of all obligations, contingent or otherwise, of such Person (i) as an account party in respect of letters of credit (other than any letters of credit, bank guarantees or similar instrument in respect of which a back-to-back letter of credit has been issued under or permitted by this Agreement) and (ii) in respect of bankers' acceptances; provided that Indebtedness shall not include (A) trade and other ordinary course payables, accrued expenses and intercompany liabilities arising in the ordinary course of business, (B) prepaid or deferred revenue arising in the ordinary course of business, (C) purchase price holdbacks arising in the ordinary course of business in respect of a portion of the purchase price of an asset to satisfy unperformed obligations of the seller of such asset or (D) earn-out obligations until such obligations become a liability on the balance sheet of such Person in accordance with GAAP. The Indebtedness of any Person shall include the Indebtedness of any partnership in which such Person is a general partner, other than to the extent that the instrument or agreement evidencing such Indebtedness expressly limits the liability of such Person in respect thereof. Indebtedness shall not include obligations under (i) Hedging Agreements not entered into for speculative purposes, (ii) leases (other than Capital Lease Obligations), (iii) power, energy, transmission or fuel purchase agreements, (iv) obligations imposed by a Governmental Authority (other than RUS or CoBank), (v) commodities trading or purchase arrangements not entered into for speculative purposes, (vi) surety, indemnity, performance, release and appeal bonds and Guarantees thereof incurred in the ordinary course of the Borrower's business, (vii) reclamation or decommissioning obligations (and Guarantees thereof), or (viii) obligations which have been legally or economically defeased.

Indemnified Taxes shall mean (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrower under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

Indemnitee shall have the meaning set forth in Section 12.05(B).

Indenture shall mean that certain Indenture dated as July 1, 2009, between the Borrower and U.S. Bank National Association, as amended, supplemented or restated from time to time.

Interest Payment Date shall mean (a) as to any Base Rate Loan, the last Banking Day of each March, June, September and December, commencing on March 31, 2012, to occur while

such Base Rate Loan is outstanding and the final maturity date of such Base Rate Loan, (b) as to any LIBOR Loan having an Interest Period of three months or less, the last day of such Interest Period, and (c) as to any LIBOR Loan having an Interest Period longer than three months, each day that is three months, or a whole multiple thereof, after the first day of such Interest Period and the last day of such Interest Period.

Interest Period shall mean, as to any LIBOR Loan, the period commencing on the Borrowing Date or continuation or conversion date, as the case may be, with respect to such LIBOR Loan and ending on the numerically corresponding day one (1), two (2), three (3), or six (6) months (or, nine (9) or twelve (12) months, if available from all Lenders) thereafter, as selected by the Borrower in its Notice of Borrowing or Notice of Continuation/Conversion, as the case may be, given with respect thereto; provided that all of the foregoing provisions relating to Interest Periods are subject to the following:

- (1) if any Interest Period would otherwise end on a day that is not a Banking Day, such Interest Period shall be extended to the next succeeding Banking Day unless the result of such extension would be to carry such Interest Period into another calendar month in which event such Interest Period shall end on the immediately preceding Banking Day;
- (2) no Interest Period may extend beyond the scheduled Commitment Termination Date; and
- (3) any Interest Period of months that begins on the last Banking Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Banking Day of a calendar month.

Investments means, for any Person: (a) the acquisition (whether for cash, property, services or securities or otherwise) of capital stock, bonds, notes, debentures, partnership, limited liability company or other ownership interests or other securities of, or all or substantially all of the assets of, any other Person or any agreement to make any such acquisition (including any "short sale" or any sale of any securities at a time when such securities are not owned by the Person entering into such sale); (b) the making of any deposit with, or advance, loan or other extension of credit to, any other Person (including the purchase of property from another Person subject to an understanding or agreement, contingent or otherwise, to resell such property to such Person), but excluding any such advance, loan or extension of credit having a term not exceeding ninety (90) days arising in connection with sales by such Person in the ordinary course of business; (c) the entering into of any Guarantee of, or other contingent obligation with respect to, Indebtedness or other liability of any other Person and (without duplication) any amount committed to be advanced, lent or extended to such Person; or (d) the entering into of any Hedging Agreement for speculative purposes. The issuance of a Letter of Credit hereunder to a beneficiary who receives such Letter of Credit in connection with a transaction between such beneficiary and a Person other than the Borrower shall be deemed to be an Investment by the Borrower in such Person.

ISP shall mean the International Standby Practices as most recently published from time to time by the International Chamber of Commerce.

Issuer Documents shall mean with respect to any Letter of Credit, the Letter of Credit Application, and any other document, agreement and instrument entered into by the Issuing Lender and the Borrower or in favor of the Issuing Lender and relating to such Letter of Credit.

Issuing Lender shall mean CoBank in its capacity as issuer of Letters of Credit hereunder or any other Lender selected by the Borrower who consents to issues Letters of Credit hereunder and approved by the Administrative Agent (such approval not to be unreasonably withheld, delayed or conditioned).

L/C Advance shall mean, with respect to each Lender, such Lender's funding of its participation in any L/C Borrowing in accordance with such Lender's Commitment Percentage.

L/C Availability Period shall mean the period starting on the Closing Date and ending thirty (30) days prior to the Commitment Termination Date (or, if such day is not a Banking Day, the next preceding Banking Day).

L/C Borrowing shall mean an extension of credit resulting from a drawing under any Letter of Credit which has not been reimbursed on the date when made or refinanced as a Loan.

L/C Credit Extension shall mean, with respect to any Letter of Credit, the issuance thereof or extension of the expiry date thereof, or the increase in the amount thereof.

L/C Obligations shall mean, as at any time of determination, the aggregate amount available to be drawn under all outstanding Letters of Credit plus the aggregate of all Unreimbursed Amounts, including all L/C Borrowings. For all purposes of this Agreement, if on any date of determination a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Rule 3.14 of the ISP, such Letter of Credit shall be deemed to be "outstanding" in the amount so remaining available to be drawn.

L/C Sublimit shall mean an amount equal to the lesser of (a) the then effective Commitments and (b) \$10,000,000. The L/C Sublimit is part of, and not in addition to, the Commitments.

Lenders shall mean the several financial institutions from time to time parties hereto.

Letter of Credit shall mean any standby Letter of Credit issued hereunder.

Letter of Credit Application shall mean an application and agreement for the issuance or amendment of a Letter of Credit in the form from time to time in use by the Issuing Lender.

Letter of Credit Expiration Date shall mean the day that is thirty (30) days prior to the Commitment Termination Date (or, if such day is not a Banking Day, the next preceding Banking Day).

Letter of Credit Fee shall have the meaning specified in Section 2.04(G).

LIBOR Loans shall mean any Loan bearing interest at a rate determined by reference to the LIBOR Rate.

LIBOR Rate shall mean, for any Interest Period, the interest rate per annum (rounded upward to the nearest 1/100th of 1%) determined by dividing (i) the rate of interest at which deposits in Dollars for such Interest Period are offered (based on information presented by Bloomberg as quoted by the British Bankers' Association as of 11:00 a.m. (London time) two (2) Banking Days prior to the first day of such Interest Period) by (ii) a number equal to 1.00 minus the Reserve Percentage.

Lien shall mean any mortgage, deed of trust, pledge, security interest, hypothecation, assignment for security purposes, deposit arrangement, lien (statutory or other), or other security agreement, charge or similar encumbrance of any kind or nature whatsoever (including, without limitation, any conditional sale or other title retention agreement).

Loans shall have the meaning given it in Section 2.01(A).

Loan Documents shall mean this Agreement and the Notes, if any.

Material Adverse Effect shall mean any change to the business, operations, affairs, condition (financial or otherwise), liabilities (actual or contingent), assets, or properties of the Borrower or its subsidiaries, taken as a whole, that materially adversely affects (i) the ability of the Borrower to perform its obligations under the Loan Documents or (ii) the validity or enforceability of any Loan Documents or the Lenders' remedies under the Loan Documents.

Material Contract shall mean each Member Wholesale Power Contract and Material Direct Serve Contract listed on Schedule 5.17.

Material Direct Serve Contracts shall mean any Direct Serve Contract to (i) any smelter to which a member of the Borrower supplies power, and (ii) any customer with a contract load of 25 megawatts or greater.⁴

Materials of Environmental Concern shall mean any gasoline or petroleum (including crude oil or any fraction thereof) or petroleum products or byproducts and all other hydrocarbons, coal ash, radon gas, polychlorinated biphenyls, urea-formaldehyde insulation, asbestos, chlorofluorocarbons and all other ozone-depleting substances, pollutants, contaminants, radioactivity and any other chemicals, materials or substances that are defined as hazardous or toxic under any Environmental Law that are prohibited, limited or regulated pursuant to any Environmental Law.

Material Indebtedness shall mean any Indebtedness with a principal value in excess of \$10,000,000 and any Indebtedness owed to CoBank other than Indebtedness incurred under this Agreement.

Member shall mean a rural distribution cooperative member of the Borrower.

⁴ NTD: SUBJECT TO REVIEW OF SCHEDULE 5.17 TO BE PROVIDED BY BIG RIVERS.

Member Wholesale Power Contracts shall mean the Borrower's power supply contracts with its Members (together with all material amendments and supplements thereto) and all successor or replacement contracts and agreements thereto or thereof, excluding the Direct Serve Contracts.

Moody's shall mean Moody's Investor Services.

Net Worth shall mean the difference between total assets less total liabilities (both as determined in accordance with GAAP), except that in determining Total Capitalization, contributions in aid of construction, advances for construction, customer deposits, or similar items reducing rate base calculations shall be excluded.

Non-Consenting Lender shall mean any Lender that does not approve any consent, waiver or amendment that (i) requires the approval of all affected Lenders in accordance with the terms of Section 12.01 and (ii) has been approved by the Required Lenders.

Non-Defaulting Lender shall mean, at any time, each Lender that is not a Defaulting Lender at such time.

Note shall mean any promissory note evidencing any obligation to repay any Loan substantially in the form of Exhibit J.

Notice of Borrowing shall mean a Notice of Borrowing, substantially in the form of Exhibit C.

Notice of Cancellation shall have the meaning given it in Section 5.17(B).

Notice of Continuation/Conversion shall mean a Notice of Continuation/Conversion, substantially in the form of Exhibit D.

Obligations shall mean the unpaid principal of and interest on (including, without limitation, interest accruing after the maturity of the Loans and reimbursement obligations and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) the Loans, the reimbursement obligations and all other obligations and liabilities of the Borrower to any Lenders, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, in each case, which may arise under, out of, or in connection with, this Agreement, any other Loan Document or any other document made, delivered or given in connection herewith or therewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including, without limitation, all fees, charges and disbursements of counsel to a Lender that are required to be paid by the Borrower pursuant hereto) or otherwise.

Organizational Documents shall mean the documents under which the Borrower has been organized or is run, including (as may be relevant) articles of incorporation or formation, bylaws, partnership agreements, shareholder agreements, and the like.

Other Connection Taxes shall mean, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

Other Taxes shall mean all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes.

Outstanding Amount shall mean (i) with respect to any Loans on any date, the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of any Loans occurring on such date and (ii) with respect to any L/C Obligations on any date, the amount of such L/C Obligations on such date after giving effect to any L/C Credit Extension occurring on such date and any other changes in the aggregate amount of the L/C Obligations as of such date, including as a result of any reimbursements by the Borrower of Unreimbursed Amounts.

Participant shall have the meaning specified in Section 12.06(D).

Participant Register shall have the meaning specified in Section 12.06(D).

Person shall mean an individual, partnership, corporation, business trust, joint stock company, trust, unincorporated association, joint venture, governmental authority, or other entity of whatever nature.

Platform shall have the meaning given it in Section 12.02(D)(i).

Pricing Grid shall mean the table set forth below:

<u>Margin Level</u>	<u>S&P/Moody's/Fitch Issuer Rating</u>	<u>Applicable Margin for LIBOR Loans</u>	<u>Applicable Margin for Base Rate Loans</u>	<u>Applicable Margin for Facility Fee</u>
1	≥ A-/A-/A-	1.15%	0.15%	0.150%
2	BBB+/Baa1/BBB+	1.25%	0.25%	0.1750%
3	BBB/Baa2/BBB	1.40%	0.40%	0.200%
4	BBB-/Baa3/BBB-	1.55%	0.55%	0.250%
5	BB+/Ba1/BB+	1.80%	0.80%	0.400%
6	<BB+/Ba1/BB+	2.15%	1.15%	0.600%

Changes in the Applicable Margin with respect to Loans or the Facility Fee resulting from changes in the Borrower's Rating by a Rating Agency shall become effective (a) if an increase, any time after the date of the increase as determined by the Administrative Agent and (b) if a decrease, no less than five (5) days after the Administrative Agent receives written notice from the Borrower requesting such a decrease. In the event there is a Rating by only two (2) of the Rating Agencies and there is a split Rating, the highest Rating will apply. In the event that there is a Rating by each of the Rating Agencies and there is a split Rating: (a) if two (2) of the three Ratings are the same, then such Rating shall apply, and (b) if none of the Ratings are the same, the middle Rating shall apply. In the event there is only one Rating, that Rating will apply. If the Borrower does not have a Rating from any of the Rating Agencies then, in each case, Margin Level 6 from the above table shall apply. If the Borrower has a senior secured debt rating, but not a long term issuer rating or senior unsecured debt rating from any Rating Agency, for purposes of the Pricing Grid, the Rating from such Rating Agency shall be deemed to be one level less than the senior secured debt rating from that Rating Agency. Starting on the Closing Date and until the Borrower's Rating changes, it shall be deemed to be at Margin Level 4.

Prime Rate shall mean the rate of interest per annum published from time to time in the Eastern Edition of the Wall Street Journal as the average primary lending rate for seventy percent (70%) of the United States' ten largest banks, or if the Wall Street Journal shall cease publication or cease publishing the "prime rate" on a regular basis, such other regularly published average prime rate applicable to such commercial banks as is acceptable to the Required Lenders in their reasonable discretion.

Property or Properties shall mean any right or interest in or to property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible, including, without limitation, Capital Stock.

Prudence Industry Practice shall mean the practices, methods and acts engaged in or approved by a significant portion of the electric generation or utility industry, as applicable, in the region during the relevant time period, or any of the practices, methods and acts that, in the exercise of reasonable judgment in light of the facts known at the time a decision was made, reasonably could have been expected to accomplish the desired result at the lowest reasonable cost consistent with good business practices, reliability, safety and expedition. "Prudent Industry Practice" is not intended to be limited to the optimum practice, method or act, but rather to include a spectrum of possible practices, methods or acts generally in acceptance in the region in light of the circumstances.

Purchase Money Security Interest shall mean Liens securing Indebtedness of the Borrower permitted by Section 7.06(H) to finance or refinance the acquisition of fixed or capital assets; provided, that (i) such Liens shall originally be created substantially simultaneously with the acquisition of such fixed or capital assets and (ii) such Liens do not at any time encumber any Property other than the Property financed by such Indebtedness and the proceeds thereof.

Rating shall mean (A) the Borrower's long term issuer rating or (B) if the Borrower does not have a long term issuer rating, the Borrower's senior unsecured non-credit enhanced debt rating.

Rating Agency shall mean S&P, Moody's or Fitch.

Recipient shall mean (a) the Administrative Agent, (b) any Lender and (c) any Issuing Lender, as applicable.

Register shall have the meaning assigned to such term in Section 12.06(C).

Regulation U shall mean Regulation U of the Board of Governors of the Federal Reserve System of the United States (or any successor) as in effect from time to time.

Related Parties means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, attorneys-in-fact and advisors of such Person and of such Person's Affiliates.

Release shall mean any release, spill, emission, leaking, dumping, injection, pouring, deposit, disposal, discharge, dispersal, leaching or migration into or through the environment or within or upon any building, structure or facility.

Removal Effective Date shall have the meaning given it in Section 11.09.

Required Lenders shall mean two (2) or more Lenders (including Voting Participants) who are not Defaulting Lenders and who have in the aggregate Commitment Percentages greater than 50% (calculated without giving effect to any Loans or Commitments held or deemed to be held by a Defaulting Lender), provided, that, at any time when there is only one (1) Lender and no Voting Participants, such Lender shall constitute the "Required Lenders." For the avoidance of doubt, the Unused Commitment of, and the Outstanding Amounts held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Required Lenders.

Requirements of Law shall mean as to any Person, the certificate of incorporation and bylaws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject, provided, however, that for purposes of the Loan Documents, the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, regulations, guidelines or directives thereunder or issued in connection therewith shall be deemed to have gone into effect after the Closing Date, regardless of the date enacted, adopted or issued).

Reserve Percentage shall mean, with respect to the applicable Lender only, for any Interest Period during which such Lender, as determined in its sole discretion, is subject to a Reserve Percentage, the aggregate (but without duplication) of the rates (expressed as a decimal fraction) of reserve requirements in effect on the day which is two (2) Banking Days prior to the beginning of such Interest Period for Eurocurrency Funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Board) which are required to be maintained by a member bank of the Federal Reserve System (including, without limitation, basic, supplemental, marginal and emergency reserves under any regulations of the Board or other Governmental Authority having jurisdiction with respect thereto, as now and from time to time

in effect). For any Interest Period during which a Lender is not subject to a Reserve Percentage, the Reserve Percentage shall be equal to zero for such Lender.

Resignation Effective Date shall have the meaning assigned such term in Section 11.09.

Responsible Officer shall mean the chief executive officer, president, chief financial officer (or similar title) controller or treasurer (or similar title) of the Borrower or its Members, as applicable.

Revolving Credit Exposure shall mean, as to any Lender at any time, the aggregate principal amount at such time of its outstanding Loans and such Lender's participation in L/C Obligations at such time.

RUS shall mean the Rural Utilities Service or other agency succeeding to the authority of the Rural Utilities Service with respect to loans to electric cooperatives.

S&P shall mean Standard & Poor's Rating Services, a Standard & Poor's Financial Services LLC business.

SEC shall mean the Securities and Exchange Commission (or successors thereto or an analogous Governmental Authority).

Solvent shall mean with respect to any Person, as of any date of determination, (a) the fair value of the assets of such Person (determined at a fair valuation made with reference to the financial statements delivered to the Administrative Agent pursuant to Section 4.01(A) or Section 6.01) will, as of such date, be greater than the amount that will be required to pay the liability of such Person on its debts as such debts become absolute and matured, (b) such Person will not have, as of such date, an unreasonably small amount of capital for a generation and transmission cooperative with similar power supply obligations with which to conduct its business and (c) such Person will be able to pay its debts as they mature. For purposes of this definition, (i) "debt" means liability on a "claim", (ii) "claim" means any (x) right to payment, whether or not such a right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured or (y) right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured or unmatured, disputed, undisputed, secured or unsecured and (iii) except as otherwise provided by applicable Requirement of Law, the amount of a "contingent" liability at any time shall be the amount thereof which, in light of all the facts and circumstances existing at such time, can reasonably be expected to become actual or matured liabilities.

Specified Lender shall have the meaning given it in Section 3.06.

Subsidiary shall mean, as to the Borrower, a corporation, partnership, limited liability company, joint venture, or other Person of which shares of stock or other equity interests having ordinary voting power to elect a majority of the board of directors or other managers of such corporation, partnership, limited liability company, joint venture, or other Person are at the time

owned, or the management of which is otherwise controlled, directly or indirectly, through one or more intermediaries, or both, by the Borrower.

Substantially All shall refer to 75% or more of total assets of the Borrower on a consolidated basis.

Taxes shall mean all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

Total Capitalization shall mean Total Debt plus Net Worth.

Total Credit Exposure shall mean, as to any Lender at any time, the Unused Commitments and Revolving Credit Exposure of such Lender at such time.

Total Debt shall mean the sum of (a) all indebtedness for borrowed money, (b) obligations which are evidenced by notes, bonds debentures or similar instruments, and (c) that portion of obligations with respect to capital leases or other capitalized agreements that are properly classified as a liability on the balance sheet in conformity with GAAP or which are treated as operating leases under regulations applicable to them but which otherwise would be required to be capitalized under GAAP.

Total Debt to Capitalization Ratio means the ratio of Total Debt to Total Capitalization.

Trade Date shall have the meaning given it in Section 12.06(B)(i)(b).

Trust Estate shall have the meaning set forth in the Indenture.

Type shall mean as to any Loan, its nature as a Base Rate Loan or a LIBOR Loan.

Unreimbursed Amount shall have the meaning given it in Section 2.04(C)(1).

Unused Commitment shall mean an amount equal to the excess, if any, of the Commitments then in effect over the sum of the Loans and L/C Obligations then outstanding.

U.S. Borrower shall mean any Borrower that is a U.S. Person.

U.S. Person shall mean any Person that is a "United States Person" as defined in Section 7701(a)(30) of the Code.

U.S. Tax Compliance Certificate has the meaning given it in Section 3.04(G)(ii)(b)(3).

Voting Participant has the meaning given it in Section 12.06(F).

Voting Participant Notification has the meaning given it in Section 12.06(F).

Withholding Agent shall mean the Borrower and the Administrative Agent.

SECTION 1.02 Rules of Interpretation. The following rules of interpretation shall apply to the Agreement and any Loan Document, and all amendments to either of the foregoing:

Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with GAAP, and all financial data submitted pursuant to this Agreement shall be prepared in accordance with such principles.

Number. All terms stated in the singular shall include the plural, and all terms stated in the plural shall include the singular.

Including. The term “including” shall mean including, but not limited to.

Default. The expression “while any Default or Event of Default shall have occurred and be continuing” (or like expression) shall be deemed to include the period following any acceleration of the Obligations (unless such acceleration is rescinded).

Time Periods. The word “from,” when referring to a time period, is exclusive and shall not include the day from which the time period runs. The word “to” or “through,” when referring to a time period, is inclusive and shall include the day to which the time period runs.

Headings. Captions and headings used in this Agreement are for reference and convenience of the parties only, and shall not constitute a part of this Agreement.

Agreement. The terms “hereof,” “herein,” “hereby” and derivative or similar words refer to this Agreement, and all references to Articles and Sections refer to articles and sections of this Agreement, and all references to Exhibits are to exhibits attached hereto, each of which is made a part hereof for all purposes.

Successors and Assigns. References to any person or entity will be construed as a reference to any successors or permitted assigns of such person or entity.

Amendments and Modifications. Unless otherwise provided herein, reference to any agreement (including this Agreement), document or instrument means such agreement, document or instrument as amended, supplemented or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof.

COMMITMENT PERCENTAGES

[TO BE COMPLETED BY COBANK]

Lender	Revolver Commitments	Commitment Percentage
CoBank, ACB	\$[]	[]%
TOTAL	\$50,000,000.00	100%

**EXHIBIT C
TO CREDIT AGREEMENT**

FORM OF NOTICE OF BORROWING

CoBank, ACB, as Administrative Agent
5500 South Quebec Street
Greenwood Village, Colorado 80111
Facsimile: (303) 740-4002
Attention: Power Supply Division

[Date]

Ladies and Gentlemen:

Pursuant to Section [2.01(C)][4.01(D)] of the Credit Agreement, dated as of [____], 2012 (as amended, supplemented or modified and in effect from time to time, the "Credit Agreement"; capitalized terms not defined herein shall have the meanings ascribed thereto in the Credit Agreement), by and among BIG RIVERS ELECTRIC CORPORATION, a Kentucky [cooperative corporation] (the "Borrower"), the several financial institutions or entities from time to time parties thereto (the "Lenders") and COBANK, ACB, a federally chartered instrumentality of the United States, as administrative agent (in such capacity, "Administrative Agent"), Issuing Lender, lead arranger and book runner, the undersigned duly authorized officer of the Borrower hereby requests a borrowing under the Credit Agreement, and in that connection sets forth below the information relating to such borrowing:

- | | | |
|----|---|---------|
| A. | Borrowing Date ¹ | _____ |
| B. | Total Amount ² | \$_____ |
| C. | Type of Loan ³ | _____ |
| D. | If a LIBOR Loan, Interest Period ⁴ | _____ |

¹ Borrowing Date must occur on a Banking Day and must be, in the case of LIBOR Loans, at least three (3) Banking Days after the day on which this Notice of Borrowing is delivered to Administrative Agent or, in the case of Base Rate Loans, at least one (1) Banking Day after the day on which this Notice of Borrowing is delivered to Administrative Agent. Any Notice of Borrowing for a LIBOR Loan delivered after 10:00 A.M. Denver, Colorado time, and any Notice of Borrowing for a Base Rate Loan delivered after 11:00 A.M. Denver, Colorado time, will be deemed to have been delivered on the next succeeding Banking Day.

² Each borrowing must be in an amount equal to \$1,000,000 or a whole multiple of \$500,000 in excess thereof (or, if the then available Commitments is less than \$1,000,000, such lesser amount).

³ The Type of Loan must be a LIBOR Loan or a Base Rate Loan, provided, that any Loans made on the Closing Date must be a Base Rate Loan unless a funding indemnity letter executed by the Borrower and reasonably acceptable to the Administrative Agent is delivered herewith.

⁴ The Interest Period selected shall mean, with respect to any LIBOR Loan, the period commencing on the Borrowing Date and ending on the numerically corresponding day one (1), two (2), three (3), or six (6) months (or, nine (9) or twelve (12) months, if available from all Lenders) thereafter, except that: (A) if the Interest Period would end on a day that is not a Banking Day, then such Interest Period shall be extended to the next Banking Day unless such Banking Day would fall in the next calendar month, in which case the Interest Period shall end on the immediately preceding Banking Day, (B) no Interest Period may extend

The undersigned duly authorized officer of the Borrower hereby certifies on behalf of the Borrower that the following statements are true on the date hereof, and will be true on the proposed Borrowing Date:

- (1) each of the representations and warranties made by the Borrower in or pursuant to the Loan Documents is true and correct in all material respects, except to the extent any representation or warranty is already qualified by materiality or *Material Adverse Effect*, in which case such representation or warranty is true and correct in all material respects, and in each case on and as of such date as if made on and as of such date except to the extent that such representations and warranties relates to an earlier date, in which case, such representations and warranties were true and correct in all material respects as of such earlier date, except to the extent any such representation and warranty is already qualified by materiality or *Material Adverse Effect*, in which case such representation or warranty was true and correct in all respects; and
- (2) no Default or Event of Default has occurred and is continuing nor, after giving effect to the Credit Extension to be made on the Borrowing Date, will occur and be continuing.

(SIGNATURE PAGE FOLLOWS)

beyond the scheduled Commitment Termination Date, and (C) each such Interest Period that commences on the last Banking Day of a calendar month (or on any day for which there is no numerically corresponding day in the appropriate subsequent calendar month) shall end on the last Banking Day of the appropriate subsequent calendar month.

IN WITNESS WHEREOF, the undersigned has executed this Notice of Borrowing as of the date first set forth above.

BIG RIVERS ELECTRIC CORPORATION

By: _____
Name:
Title:

**EXHIBIT D
TO CREDIT AGREEMENT**

FORM OF NOTICE OF CONTINUATION/CONVERSION

CoBank, ACB, as Administrative Agent
5500 South Quebec Street
Greenwood Village, Colorado 80111
Facsimile: (303) 740-4002
Attention: Power Supply Division

[Date]

Ladies and Gentlemen:

Pursuant to Section 2.08 of the Credit Agreement, dated as of [____], 2012 (as amended, supplemented or modified and in effect from time to time, the "Credit Agreement"; capitalized terms not defined herein shall have the meanings ascribed thereto in the Credit Agreement), by and among BIG RIVERS ELECTRIC CORPORATION, a Kentucky [cooperative corporation] (the "Borrower"), the several financial institutions or entities from time to time parties thereto (the "Lenders") and CoBANK, ACB, a federally chartered instrumentality of the United States, as administrative agent (in such capacity, "Administrative Agent"), Issuing Lender, lead arranger and book runner, the undersigned duly authorized officer of the Borrower hereby requests:⁵

A. That a portion of the current outstanding Loans, in the amount of \$_____, be continued or converted at the interest rate option set forth in paragraph C below.

[Please use below space to provide any other instructions necessary.]

B. The [conversion] [continuation] date shall be _____.⁶

C. The interest rate option applicable to the part of the existing Loans being converted or continued shall be equal to:

1. _____ the Base Rate

⁵ Each conversion or continuation must be requested by the Borrower no later than 11:00 AM Denver, Colorado time at least three (3) Banking Days prior to the date for a requested conversion or continuation, as applicable.

⁶ The conversion or continuation date must be a Banking Day.

2. _____ the LIBOR Rate for an Interest Period⁷ of:

_____ one month

_____ two months

_____ three months

_____ six months

_____ nine months

_____ twelve months

D. No Default or Event of Default has occurred and is continuing or would be caused by giving effect to this Notice of Continuation/Conversion.

(SIGNATURE PAGE FOLLOWS)

⁷

Interest Periods of nine or twelve months of duration may be selected by the Borrower only if available from all Lenders. If the Interest Period would end on a day that is not a Banking Day, then such Interest Period shall be extended to the next Banking Day unless such Banking Day would fall in the next calendar month, in which case the Interest Period shall end on the immediately preceding Banking Day. No Interest Period may extend beyond the scheduled Commitment Termination Date. Each such Interest Period that commences on the last Banking Day of a calendar month (or on any day for which there is no numerically corresponding day in the appropriate subsequent calendar month) shall end on the last Banking Day of the appropriate subsequent calendar month. There may be no more than ten (10) LIBOR Loan Interest Periods outstanding at any one time.

IN WITNESS WHEREOF, the undersigned has executed this Notice of Continuation/Conversion as of the date first set forth above.

BIG RIVERS ELECTRIC CORPORATION

By: _____
Name: _____
Title: _____

**EXHIBIT E-1
TO CREDIT AGREEMENT**

FORM OF U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Senior Unsecured Revolving Credit Facility, dated as of [___], 2012 (as amended, supplemented or modified and in effect from time to time, the "Credit Agreement"; capitalized terms not defined herein shall have the meanings ascribed thereto in the Credit Agreement), by and among BIG RIVERS ELECTRIC CORPORATION, a [Kentucky cooperative corporation] (the "Borrower"), the several financial institutions or entities from time to time parties thereto (the "Lenders") and COBANK, ACB, a federally chartered instrumentality of the United States, as administrative agent (in such capacity, "Administrative Agent"), Issuing Lender, lead arranger and book runner.

Pursuant to the provisions of Section 3.04(G)(ii)(b)(3) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with a certificate of its non-U.S. Person status on IRS Form W-8BEN. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: _____
Name:
Title:

Date: _____, 20[]

**EXHIBIT E-2
TO CREDIT AGREEMENT**

FORM OF U.S. TAX COMPLIANCE CERTIFICATE

**(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax
Purposes)**

Reference is hereby made to the Senior Unsecured Revolving Credit Facility, dated as of [____], 2012 (as amended, supplemented or modified and in effect from time to time, the "Credit Agreement"; capitalized terms not defined herein shall have the meanings ascribed thereto in the Credit Agreement), by and among BIG RIVERS ELECTRIC CORPORATION, a Kentucky [cooperative corporation] (the "Borrower"), the several financial institutions or entities from time to time parties thereto (the "Lenders") and COBANK, ACB, a federally chartered instrumentality of the United States, as administrative agent (in such capacity, "Administrative Agent"), Issuing Lender, lead arranger and book runner.

Pursuant to the provisions of Section 3.04(G)(ii)(b)(4) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code, and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. Person status on IRS Form W-8BEN. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: _____
Name:
Title:

Date: _____, 20[]

**EXHIBIT E-3
TO CREDIT AGREEMENT**

FORM OF U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Senior Unsecured Revolving Credit Facility, dated as of [____], 2012 (as amended, supplemented or modified and in effect from time to time, the "Credit Agreement"; capitalized terms not defined herein shall have the meanings ascribed thereto in the Credit Agreement), by and among BIG RIVERS ELECTRIC CORPORATION, a [Kentucky cooperative corporation] (the "Borrower"), the several financial institutions or entities from time to time parties thereto (the "Lenders") and COBANK, ACB, a federally chartered instrumentality of the United States, as administrative agent (in such capacity, "Administrative Agent"), Issuing Lender, lead arranger and book runner.

Pursuant to the provisions of Section 3.04(G)(ii)(b)(4) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect such participation, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: _____

Name:

Title:

Date: _____, 20[]

**EXHIBIT E-4
TO CREDIT AGREEMENT**

FORM OF U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Senior Unsecured Revolving Credit Facility, dated as of [___], 2012 (as amended, supplemented or modified and in effect from time to time, the "Credit Agreement"; capitalized terms not defined herein shall have the meanings ascribed thereto in the Credit Agreement), by and among BIG RIVERS ELECTRIC CORPORATION, a [Kentucky cooperative corporation] (the "Borrower"), the several financial institutions or entities from time to time parties thereto (the "Lenders") and COBANK, ACB, a federally chartered instrumentality of the United States, as administrative agent (in such capacity, "Administrative Agent"), Issuing Lender, lead arranger and book runner.

Pursuant to the provisions of Section 3.04(G)(ii)(b)(4) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Loan(s) (as well as any Note(s) evidencing such Loan(s)), (iii) with respect to the extension of credit pursuant to this Credit Agreement or any other Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: _____
Name:
Title:

Date: _____, 20[]

**EXHIBIT F
TO CREDIT AGREEMENT**

FORM OF SECRETARY'S CERTIFICATE

Pursuant to Section 4.01(C) of the Credit Agreement, dated as of [____], 2012 (the "Credit Agreement"; unless otherwise defined herein, capitalized terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement), by and among BIG RIVERS ELECTRIC CORPORATION, a Kentucky cooperative corporation (the "Borrower"), the several financial institutions or entities from time to time parties thereto and COBANK, ACB, a federally chartered instrumentality of the United States, as administrative agent, issuing lender, lead arranger and book runner, the undersigned [NAME OF AUTHORIZED PERSON], the [TITLE OF AUTHORIZED PERSON] of the Borrower, hereby certifies on behalf of the Borrower that [NAME OF SECRETARY/ASSISTANT SECRETARY] is the duly elected and qualified [SECRETARY/ASSISTANT SECRETARY] of the Borrower and the signature set forth for such officer below is such officer's true and genuine signature.

The undersigned [SECRETARY/ASSISTANT SECRETARY] of the Borrower hereby certifies as follows:

1. Attached hereto as Annex 1 is a true and complete copy of a Certificate of Good Standing or the equivalent from the Borrower's jurisdiction of organization dated as of a recent date prior to the date hereof.
2. Attached hereto as Annex 2 is a true and complete copy of resolutions duly adopted by the Board of Directors of the Borrower on [____], 2012. Such resolutions have not in any way been amended, modified, revoked or rescinded, have been in full force and effect since their adoption to and including the date hereof and are now in full force and effect and are the only corporate proceedings of the Borrower now in force relating to or affecting the matters referred to therein.
3. Attached hereto as Annex 3 is a true and complete copy of the Bylaws of the Borrower as in effect on the date hereof.
4. Attached hereto as Annex 4 is a true and complete certified copy of the Articles of Incorporation of the Borrower as in effect on the date hereof, and such Articles of Incorporation have not been amended, repealed, modified or restated since the date of such certification.
5. The persons listed on the Incumbency Certificate attached hereto as Schedule I are now duly elected and qualified officers or employees of the Borrower holding the offices and positions indicated next to their respective names on the Incumbency Certificate attached hereto as Schedule I, and the signatures appearing opposite their respective names on the Incumbency Certificate attached hereto as Schedule I are the true and genuine signatures of such officers and employees, and each of such officers and employees is duly authorized to execute and deliver on behalf of the Borrower each of the Loan Documents to which it is a party and any certificate or other document to be delivered by the Borrower pursuant to the Loan Documents to which it is a party.

(SIGNATURE PAGE FOLLOWS)

IN WITNESS WHEREOF, the undersigned have hereunto set our names as of the date set forth below.

Name:
Title:

Name:
Title:

Date: _____, 2012

Schedule I
to Secretary's Certificate

NAME

OFFICE

SIGNATURE

Annex 1
to Secretary's Certificate

[Certificate of Good Standing]

Annex 2
to Secretary's Certificate

[Board Resolutions]

Annex 3
to Secretary's Certificate

[Bylaws]

[Articles of Incorporation]

**EXHIBIT G
TO CREDIT AGREEMENT**

FORM OF SOLVENCY CERTIFICATE

Pursuant to Section 4.01(J) of the Credit Agreement, dated [____], 2012 (the "Credit Agreement"; unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement), by and among BIG RIVERS ELECTRIC CORPORATION, a Kentucky cooperative corporation (the "Borrower"), the several financial institutions or entities from time to time parties thereto and COBANK, ACB, a federally chartered instrumentality of the United States, as administrative agent, issuing lender, lead arranger and book runner, the undersigned [CHIEF FINANCIAL OFFICER OR EQUIVALENT OFFICER] of the Borrower, hereby certifies on behalf of the Borrower that as of the Closing Date, the Borrower is Solvent, and after giving effect to the initial extensions of credit, if any, to be made on the Closing Date, the Borrower will be Solvent.

[Signature page follows]

IN WITNESS WHEREOF, the undersigned has executed this Solvency Certificate as of this
____ day of [____], 2012.

By: _____
Name:
Title:

**EXHIBIT H
TO CREDIT AGREEMENT**

FORM OF COMPLIANCE CERTIFICATE

Pursuant to Section 6.01(E) of the Credit Agreement, dated as of [____], 2012 (as amended, supplemented or modified and in effect from time to time, the "Credit Agreement"; unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement), by and among BIG RIVERS ELECTRIC CORPORATION, a Kentucky cooperative corporation (the "Borrower"), the several financial institutions or entities from time to time parties thereto and COBANK, ACB, a federally chartered instrumentality of the United States, as administrative agent, issuing lender, lead arranger and book runner, the undersigned [insert name of officer or authorized position], the [insert title of office or authorized position] of the Borrower, hereby certifies on behalf of the Borrower as follows:

(A) As of the [quarter]/[year] ending _____, 20__, the statements referenced below (i) have been prepared in accordance with applicable GAAP (in the case of any quarterly financial statements, subject to normal year end audit adjustments and lack of notes) and (ii) are fairly stated in all material respects (subject to normal year end audit adjustments and the lack of notes).

(B) Attached hereto as Schedule 1 are the [quarterly][annual] financial statements for the fiscal period cited above.

(C) [Attached hereto as Schedule 2 (Minimum Margins for Interest) are calculations demonstrating compliance by the Borrower with Section 8.01 of the Credit Agreement.]⁸

(E) [Attached hereto as Schedule 3 (Total Debt to Capitalization) are calculations demonstrating compliance by the Borrower with Section 8.02 of the Credit Agreement.]⁹

(F) [Attached hereto as Schedule 4 (Ratings) are the Borrower's Ratings from each Rating Agency which has issued a Rating on the Borrower.]¹⁰

(G) No Default or Event of Default has occurred during the period covered by this Compliance Certificate, except as indicated on a separate page attached hereto, containing a statement as to the nature of such Default or Event of Default, whether such Default or Event of Default is continuing and, if continuing, an explanation of the action taken or proposed to be taken by the Borrower with respect thereto.

⁸ In connection with the delivery of annual financial statements only.

⁹ In connection with the delivery of annual financial statements only.

¹⁰ In connection with the delivery of annual financial statements only.

[Signature page follows.]

BIG RIVERS ELECTRIC CORPORATION

By: _____
Name:
Title:

Schedule 1 to Compliance Certificate

[Annual][Quarterly] Financials

[Attached]

Schedule 2 to Compliance Certificate

Minimum Margins For Interest

Margins for Interest Ratio is calculated, as of each fiscal year, as calculated in the Indenture in effect on the Closing Date.

As of the fiscal year ended _____, such calculation was as follows:

Margins for Interest:

net margins of the Borrower for such fiscal year¹¹ _____

plus

the amount, if any, included in the computation of net margins for accruals for federal and state income and other taxes imposed on income after deduction of interest expense for the fiscal year: _____

plus

the amount, if any, included in the computation of net margins for any losses incurred by any Subsidiary or Affiliate of the Borrower _____

plus

the amount, if any, the Borrower actually receives in the fiscal year as a dividend or other distribution of earnings of any Subsidiary or Affiliate (whether or not such earnings were for the fiscal year or any earlier fiscal year) _____

minus

the amount, if any, included in the computation of net margins for any earnings or profits of any subsidiary or Affiliate of the Borrower _____

minus

the amount, if any, the Borrower actually contributes to the capital of, or actually pays under a guarantee by the Borrower of _____

¹¹ Net margins shall be determined in accordance with Accounting Requirements (as defined in the Indenture in effect as of the Closing Date) and shall include revenues, subject to a possible refund at a future date, but which shall exclude provisions for any: (i) non-recurring charge to income, whether or not recorded as such on the Borrower's books, of whatever kind or nature (including the non-recoverability of assets or expenses), except to the extent the Board of Directors determines to recover such non-recurring charge in Rates (as defined in the Indenture in effect as of the date of the Credit Agreement), and (ii) refund of revenues collected or accrued by the Borrower in any prior year subject to possible refund.

an obligation of, any Subsidiary or Affiliate in the fiscal year to the extent of any accumulated losses incurred by such Subsidiary or Affiliate (whether or not such losses were for such fiscal year or any earlier fiscal years), but only to the extent (x) such losses have not otherwise caused other contributions or guarantee payments to be included in net margins for purposes of computing Margins for Interest for a prior fiscal year and (y) such amount has not otherwise been included in net margins:

Equal

Interest Charges (as defined in the Indenture in effect as of the date of the Closing Date):

Margins for Interest Ratio (sum of (a) Margins For Interest plus (b) Interest Charges, divided by Interest Charges):

_____ ¹²

¹² Must be at least 1.10 to comply with covenant.

Schedule 3 to Compliance Certificate

Total Debt to Capitalization

<i>Total Debt:</i> ¹³	
<i>Total Capitalization:</i> ¹⁴	
<i>Total Debt to Capitalization Ratio:</i>	15

¹³ Total Debt shall mean the sum of (a) all indebtedness for borrowed money, (b) obligations which are evidenced by notes, bonds debentures or similar instruments, and (c) that portion of obligations with respect to capital leases or other capitalized agreements that are properly classified as a liability on the balance sheet in conformity with GAAP or which are treated as operating leases under regulations applicable to them but which otherwise would be required to be capitalized under GAAP.

¹⁴ Total Capitalization shall mean Total Debt plus the difference between total assets less total liabilities (both in accordance with GAAP), [except that contributions in aid of construction, advances for construction, customer deposits, or similar items reducing rate base calculations shall be excluded.]

¹⁵ Must be no more than 0.80:1.00 to be in compliance.

Schedule 4 to Compliance Certificate

Borrower's Ratings

**EXHIBIT I
TO CREDIT AGREEMENT**

FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT

Assignment and Assumption Agreement

This Assignment and Assumption Agreement (the "Assignment and Assumption") is dated as of the Effective Date of Assignment set forth below and is entered into by and between the Assignor (as defined below) and the Assignee (as defined below). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement (as defined below), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date of Assignment inserted by the Administrative Agent as contemplated below (A) all of the Assignor's rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below and (B) to the extent permitted to be assigned under applicable Requirement of Law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (A) above (the rights and obligations sold and assigned by the Assignor to the Assignee pursuant to clauses (A) and (B) above being referred to herein collectively as the "Assigned Interest"). Each such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1. Assignor : _____ (the "Assignor")
2. Assignee : _____ (the "Assignee")
3. Credit Agreement: Credit Agreement, dated as of [____], 2012 (as amended, supplemented or modified and in effect from time to time, the "Credit Agreement"), by and among BIG RIVERS ELECTRIC CORPORATION), a Kentucky cooperative corporation (the "Borrower"), the several financial institutions or entities from time to time parties thereto and COBANK, ACB, a federally chartered instrumentality of the United States, as administrative agent, issuing lender, lead arranger and book runner.
4. Assigned Interest:

Amount of Commitment/Loans Assigned	Percentage of Commitment/Loans Assigned
\$	%

\$	%
\$	%

5. Effective Date of Assignment: _____, 201__¹⁶ (the "Effective Date of Assignment")

(SIGNATURE PAGES FOLLOW)

¹⁶ To be inserted by Administrative Agent and which shall be the effective date of recordation of transfer in the Register therefor.

The terms set forth in this Assignment and Assumption are hereby agreed to:

[Name of Assignee]

[Name of Assignor]

By: _____
Name:
Title:

By: _____
Name:
Title:

Consented¹⁷ to:

COBANK, ACB, as Administrative Agent

By: _____
Name:
Title:

Consented¹⁸ to:

BIG RIVERS ELECTRIC CORPORATION

By: _____
Name:
Title:

¹⁷ Consent of Administrative Agent is not required if the Assignor is assigning its Assigned Interests to an Affiliate of the Assignor, another Lender, an Affiliate of another Lender or an Approved Fund.

¹⁸ Consent of the Borrower is not required if the Assignor is assigning its Assigned Interests to an Affiliate of the Assignor, another Lender, an Affiliate of another Lender, an Approved Fund or if a Default or an Event of Default has occurred and is continuing.

TO ASSIGNMENT AND ASSUMPTION

STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION1. Representations and Warranties.

1.1 Assignor. The Assignor (A) represents and warrants that (1) it is the legal and beneficial owner of the Assigned Interest, (2) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (3) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (B) assumes no responsibility with respect to (1) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (2) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (3) the financial condition of the Borrower or its Affiliates or any other Person obligated in respect of any Loan Document or (4) the performance or observance by the Borrower or its Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2. Assignee. The Assignee (A) represents and warrants that (1) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (2) it satisfies the requirements to be an assignee under the Credit Agreement (subject to such consents, if any, as may be required under the Credit Agreement), (3) from and after the Effective Date of Assignment, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (4) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, (5) it has received a copy of the Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to the Credit Agreement, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest, and (6) it has, independently and without reliance upon Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest; and (B) agrees that (1) it will, independently and without reliance on Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (2) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date of Assignment, Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date of Assignment and to the Assignee for amounts which have accrued from and after the Effective Date of Assignment.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an

executed counterpart of a signature page of this Assignment and Assumption by telecopy or by PDF shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the laws of the State of New York.

**EXHIBIT J
TO CREDIT AGREEMENT**

FORM OF NOTE

\$_[_____]

_____, 2012

FOR VALUE RECEIVED, BIG RIVERS ELECTRIC CORPORATION, a Kentucky cooperative corporation (the "**Borrower**") **HEREBY PROMISES TO PAY** to [LENDER] (the "**Lender**"), or its assigns, in lawful money of the United States and in immediately available funds, the principal amount of [_____] DOLLARS (\$[_____]), or, if less, the aggregate unpaid principal amount of the Loans (as defined in the Credit Agreement referred to below) made by Lender to the Borrower pursuant to the Credit Agreement and outstanding on the Commitment Termination Date (as defined in the Credit Agreement), whichever is less. The Borrower also promises to pay interest on the unpaid principal balance of the Loans for the period such balance is outstanding in like money, at the rates of interest, at the times, and calculated in the manner, set forth in Credit Agreement. Any amount of principal and, to the extent provided by law, interest, hereof which is not paid when due, whether at stated maturity, by acceleration, or otherwise, shall bear interest from the date when due until said principal amount is paid in full, payable on demand, at a rate per annum equal at all times to the rates set forth in Section 2.09 of the Credit Agreement. All payments made hereunder shall be made at the times and in the manner set forth in the Credit Agreement.

The Borrower hereby authorizes the Lender to endorse on the schedule annexed to this Note: (i) the amount and Type of all Loans; (ii) in the case of LIBOR Loans, the applicable Interest Periods; and (iii) all renewals, conversions and payments of principal and interest in respect of such Loans, which endorsements shall be presumed correct absent manifest error as to the outstanding principal amount of, and accrued and unpaid interest on, the Loans; provided however, that the failure to make such notation with respect to any Loan or payment shall not limit or otherwise affect the obligation of the Borrower under the Credit Agreement or this Note.

This is a Note referred to in that certain Credit Agreement, dated as of [____], 2012, by and among the Borrower, the several financial institutions or entities from time to time parties thereto, including the Lender, and COBANK, ACB, a federally chartered instrumentality of the United States, as administrative agent, issuing lender, lead arranger and book runner, as amended, supplemented or modified from time to time (the "Credit Agreement"), to evidence the Loans made by the Lender thereunder, all of the terms and provisions of which are hereby incorporated by reference. All capitalized terms used herein and not defined herein shall have the meanings given to them in the Credit Agreement.

The Credit Agreement provides for the acceleration of the maturity of principal upon the occurrence of an Event of Default and for prepayments on the terms and conditions specified therein.

The Borrower hereby waives presentment for payment, demand, notice of protest, notice of dishonor, and any other notice or formality with respect to this Note, and all defenses on the ground of delay or of any extension of time for payment hereof which may, without obligation, hereafter be given by the holder hereof.

Except to the extent governed by applicable federal law, this Note shall be governed by, and interpreted and construed in accordance with, the laws of the State of New York, without reference to choice of law doctrine.

BIG RIVERS ELECTRIC CORPORATION

By: _____
Name:
Title:

CFC Loan No. KY062-A-9003

\$302,000,000.00

BIG RIVERS ELECTRIC CORPORATION
FIRST MORTGAGE NOTES, SERIES 2012B

ISSUANCE DATE: _____, 2012

BIG RIVERS ELECTRIC CORPORATION, a cooperative corporation organized and existing under the laws of the Commonwealth of Kentucky (the "Borrower"), for value received, hereby promises to pay, without setoff, deduction, recoupment or counterclaim, to the order of **NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION** (the "Payee"), at its office in Dulles, Virginia or such other location as the Payee may designate to the Borrower, in lawful money of the United States, the principal sum of **THREE HUNDRED TWO MILLION AND 00/100 DOLLARS (\$302,000,000.00)**, or such lesser sum of the aggregate unpaid principal amount of all advances made by the Payee pursuant to that certain Loan Agreement dated as of even date herewith between the Borrower and the Payee, as it may be amended from time to time (herein called the "Loan Agreement"), and to pay interest on all amounts remaining unpaid hereunder from the date of each advance in like money, at said office, at the rate and in amounts and payable on the dates provided in the Loan Agreement together with any other amount payable under the Loan Agreement. If not sooner paid, any balance of the principal amount and interest accrued thereon shall be due and payable on the Maturity Date (as defined in the Loan Agreement); *provided, however*, that if such date is not a Payment Date (as defined in the Loan Agreement), then the Maturity Date shall be the Payment Date immediately preceding such date.

This promissory note (this "Note") is secured under the Indenture dated as of July 1, 2009, made by the Borrower to U.S. Bank National Association, as Trustee thereunder, as it has been or shall hereafter be supplemented, amended, consolidated or restated from time to time (the "Indenture"). This Note is one of the "Notes" referred to in, and has been executed and delivered pursuant to, the Loan Agreement, and constitutes an Obligation (as defined in the Indenture) under the Indenture. This Note is equally and ratably secured, to the extent provided in the Indenture, by the Trust Estate, except and excluding the Excepted Property.

This Note is a registered Obligation and, as provided in the Indenture, upon surrender of this Note for registration of transfer, accompanied by a written instrument of transfer (in substantially the same form attached hereto as Exhibit A) duly executed, by the registered Holder (as defined in the Indenture) hereof or such Holder's attorney duly authorized in writing, a new secured promissory note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Borrower may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Borrower will not be affected by any notice to the contrary.

The principal hereof and accrued interest thereon may be declared to be forthwith due and payable in the manner, upon the conditions, and with the effect

CFC NOTE
KY062-A-9003 (LICHTEA)
165371-3

provided in the Indenture, and with respect to any other amount due under the Loan Agreement, as provided in the Indenture or the Loan Agreement.

The Borrower waives demand, presentment for payment, notice of dishonor, protest, notice of protest, and notice of non-payment of this Note.

This Note shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the Borrower has caused this Note to be executed and attested to by duly authorized officers of the Borrower.

(SEAL)

BIG RIVERS ELECTRIC CORPORATION

Name: Mark A. Bailey
Title: President and Chief Executive Officer

Attest:

Name:
Title:

[TRUSTEE'S CERTIFICATE OF AUTHENTICATION APPEARS ON FOLLOWING
PAGE]

This Note is one of the "Obligations" referred to in the Indenture, dated as of July 1, 2009, between Big Rivers Electric Corporation, as Grantor, and U.S. Bank National Association, as Trustee.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Signatory

Date of Authentication: _____

Exhibit A

FORM OF TRANSFER NOTICE

FOR VALUE RECEIVED the undersigned registered Noteholder hereby sell(s) assign(s) and transfer(s) unto

Insert Taxpayer Identification No.

(Please print or typewrite name and address including zip code of assignee)

the within Note and all rights thereunder, hereby irrevocably constituting and appointing

attorney to transfer said Note on the books kept for registration thereof, with full power of substitution in the premises.

Date: _____

(Signature of Transferor)

NOTE: The signature to this assignment must correspond with the name as written upon the face of the within-mentioned instrument in every particular, without alteration or enlargement or any change whatsoever.

NOTE: The signature must be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program) pursuant to S.E.C. Rule 17Ad-15.

National Rural Utilities Cooperative Finance Corporation hereby authorizes the Trustee, as Obligation Registrar for the First Mortgage Notes, Series 2012B, to transfer this Note under the Indenture pursuant to the instructions above.

National Rural Utilities Cooperative Finance Corporation

By: _____
Name: _____
Title: _____

LOAN AGREEMENT

LOAN AGREEMENT (this "**Agreement**") dated as of _____, 2012 between BIG RIVERS ELECTRIC CORPORATION (the "**Borrower**"), a cooperative corporation organized and existing under the laws of the Commonwealth of Kentucky, and NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION ("**CFC**"), a cooperative association organized and existing under the laws of the District of Columbia.

RECITALS

WHEREAS, the Borrower has applied to CFC for loans for the purposes set forth in Schedule 1 hereto, and CFC is willing to make such loans to the Borrower on the terms and conditions stated herein; and

WHEREAS, the Borrower has agreed to execute two (2) promissory notes to evidence an indebtedness in the aggregate principal amount of the CFC Commitment (as hereinafter defined).

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto agree and bind themselves as follows:

ARTICLE I

DEFINITIONS

Section 1.01 Definitions. Capitalized terms used herein shall have the meanings as set forth (i) below, or (ii) elsewhere herein as indicated by such terms shown in quotation marks within parentheses. All such definitions shall be equally applicable to the singular and the plural form thereof. Capitalized terms that are not defined herein shall have the meanings as set forth in the Indenture (as hereinafter defined).

"Advance" shall mean the advance of funds by CFC to the Borrower pursuant to the terms and conditions of this Agreement.

"Affiliate" shall have the meaning set forth in the Indenture.

"Amortization Basis Date" shall mean the first calendar day of the month following the end of the Billing Cycle in which the Advance occurs, provided, however, that if the Advance is made on the first day of a Billing Cycle, and such day is a Business Day, then the Amortization Basis Date shall be the date of the Advance.

"Billing Cycle" shall mean any three-month period ending on, and including, a Payment Date.

"Business Day" shall mean any day that both CFC and the depository institution CFC utilizes for funds transfers hereunder are open for business.

"Capital Certificate" shall mean a certificate, or book entry form of account, evidencing the Borrower's purchase of subordinated debt instruments issued by CFC from time to time. Such instruments may be denoted by CFC as "Loan Capital Term Certificates," "Member Capital Securities," "Subordinated Term Certificates," or other like designations.

"CFC Commitment" shall have the meaning as defined in Schedule 1.

"CFC Fixed Rate" shall mean (i) such fixed rate as is then available for loans similarly classified pursuant to CFC's policies and procedures then in effect, or (ii) such other fixed rate as may be agreed to in writing by the parties.

"CFC Fixed Rate Term" shall mean the specific period of time that a CFC Fixed Rate is in effect for an Advance.

"CFC Obligations" shall mean any and all liabilities, obligations or indebtedness owing by the Borrower to CFC under the Loan Documents, of any kind or description, irrespective of whether for the payment of money, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising.

"CFC Variable Rate" shall mean (i) the rate established by CFC for variable interest rate long-term loans similarly classified pursuant to the long-term loan programs established by CFC from time to time, or (ii) such other variable rate as may be agreed to by the parties.

"Closing Date" shall mean the date specified on Schedule 1.

"Conversion Request" shall mean a written request from any duly authorized officer or other employee of the Borrower requesting an interest rate conversion available pursuant to the terms of this Agreement.

"Default Rate" shall mean a rate per annum equal to the interest rate in effect for an Advance plus two hundred (200) basis points.

"Direct Serve Contracts" shall mean wholesale electric service contracts (together with material amendments or supplements thereto and all successor or replacement contracts and agreements thereto and thereof) with a member of Borrower to provide wholesale electric service directly from Borrower's transmission system to any customer for which the member has an electric service contract with such customer.

"Environmental Laws" shall mean all applicable laws, rules and regulations promulgated by any Governmental Authority with which the Borrower is required to comply, regarding the use, treatment, discharge, storage, management, handling, manufacture, generation, processing, recycling, distribution, transport, release of or exposure to any Hazardous Material.

"Environmental Permits" shall mean permits or licenses issued by any Governmental Authority under applicable Environmental Laws.

"Equity Note" shall mean the promissory note, payable to the order of CFC, executed by the Borrower, dated as of even date herewith, pursuant to this Agreement as identified on Schedule 1 hereto, and shall include all substitute, amended or replacement promissory notes.

"Governmental Authority" shall mean the government of the United States of America, any state or other political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Hazardous Material" shall mean any (a) petroleum or petroleum products, radioactive materials, asbestos-containing materials, polychlorinated biphenyls, lead and radon gas, and (b) any other substance that is defined and regulated as hazardous or toxic or as a pollutant or contaminant in any applicable Environmental Law.

"Indenture" shall have the meaning as described in Schedule 1.

"Interest Charges" shall have the meaning set forth in the Indenture.

"Interest Rate Adder" shall mean an amount of additional interest, expressed in basis points, added to the then prevailing rate of interest on an outstanding Advance.

"Interest Rate Reset Date" shall mean, with respect to any Advance, the first day following the expiration of the CFC Fixed Rate Term for such Advance.

"Lien" shall mean any statutory or common law consensual or non-consensual mortgage, pledge, security interest, encumbrance, lien, right of set off, claim or charge of any kind, *including, without limitation, any conditional sale or other title retention transaction, any lease transaction in the nature thereof and any secured transaction under the Uniform Commercial Code.*

"Loan Documents" shall mean this Agreement, the Note, the Indenture and the Supplemental Indenture.

"Long-Term Debt" shall mean the aggregate principal amount of Outstanding Secured Obligations and Prior Lien Obligations of the Borrower computed pursuant to Accounting Requirements.

"Make-Whole Premium" shall mean, with respect to any Prepaid Principal Amount, an amount calculated as set forth below. The Make-Whole Premium represents CFC's reinvestment loss resulting from making a fixed rate loan.

(1) Compute the amount of interest ("**Loan Interest**") that would have been due on the Prepaid Principal Amount at the applicable CFC Fixed Rate for the period from the prepayment date through the end of the CFC Fixed Rate Term (such period is hereinafter referred to as the "**Remaining Term**"), calculated on the basis of a 30-day month/360-day year, adjusted to include any amortization of principal in accordance with the amortization schedule that would have been in effect for the Prepaid Principal Amount.

(2) Compute the amount of interest ("**Investment Interest**") that would be earned on the Prepaid Principal Amount (adjusted to include any applicable amortization) if invested in a United States Treasury Note with a term equivalent to the Remaining Term, calculated on the basis of a 30-day month/360-day year. The yield used to determine the amount of Investment Interest shall be based upon United States Treasury Note yields as reported no more than two Business Days prior to the prepayment date in Federal Reserve statistical release H.15 (519), under the caption "U.S. Government Securities/Treasury Constant Maturities". If there is no such United States Treasury Note under said caption with a term equivalent to the Remaining Term, then the yield

shall be determined by interpolating between the terms of whole years nearest to the Remaining Term.

(3) Subtract the amount of Investment Interest from the amount of Loan Interest. If the difference is zero or less, then the Make-Whole Premium is zero. If the difference is greater than zero, then the Make-Whole Premium is a sum equal to the present value of the difference, applying as the present value discount a rate equal to the yield utilized to determine Investment Interest.

"Margins for Interest" shall have the meaning set forth in the Indenture.

"Margins for Interest Ratio" means, for any period, (i) the sum of (a) Margins for Interest plus (b) Interest Charges, divided by (ii) Interest Charges.

"Material Adverse Effect" means an effect on the operations, business, assets, liabilities (actual or contingent) or condition (financial or otherwise) of the Borrower or its Subsidiaries, taken as a whole, the result of which would, or would reasonably be expected to, materially adversely affect (a) the ability of the Borrower to repay Advances or perform any of its other obligations under this Agreement, or (b) the validity or enforceability of this Agreement or the rights or benefits available to CFC under this Agreement or any of the other Loan Documents.

"Material Direct Serve Contracts" shall mean any Direct Serve Contract to (i) any smelter to which a member of the Borrower supplies power, and (ii) any customer with a contract load of 25 megawatts or greater.

"Maturity Date", with respect to the Note, shall mean the dates identified in the table in Item No. 5 of Schedule 1.

"Member Wholesale Power Contracts" shall mean the Borrower's power supply contracts with its members (together with material amendments and supplements thereto) and all successor or replacement contracts and agreements thereto or thereof, excluding the Direct Serve Contracts.

"Note" shall mean the Equity Note and/or the Refinance Note, as the context shall require.

"Payment Date" shall have the meaning set forth on Schedule 1.

"Payment Notice" shall mean a notice furnished by CFC to the Borrower that indicates the amount of each payment of interest or interest and principal and the total amount of each payment due under this Agreement and the Note.

"Prepaid Principal Amount" shall mean all or any part of the outstanding principal of an Advance with a CFC Fixed Rate paid prior to the expiration of the CFC Fixed Rate Term applicable thereto.

"Prepayment Fee" shall mean an amount equal to 0.33% of the Prepaid Principal Amount of any Advance.

"Refinance Note" shall mean the secured promissory note, payable to the order of CFC, executed by the Borrower, dated as of even date herewith, pursuant to this Agreement as identified on Schedule 1 hereto, and shall include all substitute, amended or replacement promissory notes.

"RUS" shall mean the Rural Utilities Service, an agency of the United States Department of Agriculture, or if at any time after the execution of this Agreement RUS is not existing and performing the duties of administering a program of rural electrification as currently assigned to it, then the Person performing such duties at such time.

"RUS Series A Note" shall mean that certain RUS 2009 Promissory Note Series A, dated July 16, 2009 made by the Borrower to the United States of America, in the original principal amount of \$602,573,536, maturing on July 1, 2021, and being identified as an RUS Obligation under the Indenture.

"Subsidiary" shall have the meaning set forth in the Indenture.

"Supplemental Indenture" shall mean that certain Third Supplemental Indenture between Borrower, as grantor, and U.S. Bank National Association, as trustee, dated as of _____, 2012.

"Treasury Note" shall mean a U.S. Dollar-denominated senior debt security of the United States of America issued by the U.S. Treasury Department and backed by the full faith and credit of the United States of America.

"Trust Estate" shall have the meaning set forth in the Indenture.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.01 Closing Date Representations and Warranties. The Borrower represents and warrants to CFC that as of the Closing Date:

A. Litigation. Except as disclosed on Schedule 2.01A, there are no outstanding judgments, suits, claims, actions or proceedings pending or, to the knowledge of the Borrower, threatened against the Borrower or any of its properties which, if adversely determined, either individually or collectively, would reasonably be expected to have a Material Adverse Effect. The Borrower is not, to its knowledge, in default or violation with respect to any judgment, order, writ, injunction, decree, rule or regulation of any Governmental Authority which would reasonably be expected to have a Material Adverse Effect.

B. Financial Statements. The balance sheet of the Borrower as at the date identified in Schedule 1, the statement of operations of the Borrower for the period ending on said date, and the interim financial statements of the Borrower as at the date identified in Schedule 1, all heretofore furnished to CFC, fairly present, in all material respects, the financial condition of the Borrower as at said dates and fairly reflect its operations for the periods ending on said dates. There has been no change in the financial condition or operations of the Borrower from that set forth in said financial statements that would reasonably be expected to have a Material Adverse Effect.

C. Disclosure. To the Borrower's knowledge, information and belief, neither this Agreement nor any document, certificate or financial statement listed on Schedule 2.01C (all such documents, certificates and financial statements to be taken as a whole) as of the date of delivery thereof, and in the light of the circumstances under which they were made, contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements contained herein and therein not materially misleading, provided that, with respect to projected financial information, the Borrower represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

D. Environmental Matters. Except as disclosed on Schedule 2.01D, and except as to matters which individually or in the aggregate would not reasonably be expected to have a Material Adverse Effect, (i) the Borrower is in substantial compliance with all applicable Environmental Laws (including, but not limited to, having any required Environmental Permits), (ii) to Borrower's knowledge, there have been no releases (other than releases remediated in substantial compliance with applicable Environmental Laws and air emissions) from any underground or aboveground storage tanks (or piping associated therewith) that are present on the Trust Estate, (iii) the Borrower has not received written notice or claim of any violation of any Environmental Law from a Governmental Authority and failed to take appropriate action to remedy, cure, defend, or otherwise affirmatively respond to the matter in order to comply with any Environmental Law that is the subject of such written notice or claim, (iv) to the best of the Borrower's knowledge, there is no pending investigation of the Borrower in regard to any Environmental Law, and (v) to the best of the Borrower's knowledge, there has not been any unauthorized release (other than releases remediated in compliance with Environmental Laws) that has resulted in the presence of Hazardous Materials on property owned, leased or operated by the Borrower for which the Borrower could reasonably be held responsible for mitigation under any Environmental Law.

E. Good Standing. The Borrower is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization, and, except where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect, is duly qualified to do business and is in good standing in those states in which it is required to be qualified to conduct its business. The Borrower is a member in good standing of CFC.

F. Subsidiaries and Ownership. Schedule 1 hereto sets forth a complete and accurate list of the Subsidiaries of the Borrower showing the percentage of the Borrower's ownership of the outstanding stock, membership interests or partnership interests, as applicable, of each Subsidiary.

G. Authority; Validity. The Borrower has the power and authority to enter into this Agreement, the Note and the Supplemental Indenture; to make the borrowing hereunder; to execute and deliver all documents and instruments required hereunder and to incur and perform the obligations provided for herein, in the Note and in the Indenture, all of which have been duly authorized by all necessary and proper action; and no consent or approval of any Person, including, as applicable and without limitation, members of the Borrower, which has not been obtained is required as a condition to the validity or enforceability hereof or thereof.

Each of this Agreement, the Note and the Supplemental Indenture is, and when fully executed and delivered will be, legal, valid and binding upon the Borrower and enforceable against the Borrower in accordance with its terms, subject to applicable bankruptcy, insolvency,

reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity.

H. No Conflicting Agreements. The execution and delivery of the Loan Documents and performance by the Borrower of the obligations hereunder and thereunder, and the transactions contemplated hereby or thereby, will not in any material respect: (i) violate any provision of law, any order, rule or regulation of any Governmental Authority, any award of any arbitrator, the articles of incorporation or by-laws of the Borrower, the Indenture or any material contract, agreement, mortgage, deed of trust or other instrument to which the Borrower is a party or by which it or any of its property is bound; or (ii) be in conflict with, result in a breach of or constitute (with due notice and/or lapse of time) a default under, any such award, the Indenture or any such contract, agreement, mortgage, deed of trust or other instrument, or result in the creation or imposition of any Lien (other than contemplated by the Indenture) upon any material assets of the Borrower; in each case where such violation or conflict of which would reasonably be expected to have a Material Adverse Effect.

I. Taxes. The Borrower has filed or caused to be filed all federal, state and local tax returns which are required to be filed and has paid or caused to be paid all federal, state and local taxes, assessments, and governmental charges and levies thereon, including interest and penalties to the extent that such taxes, assessments, and governmental charges and levies have become due, except (i) for such taxes, assessments, and governmental charges and levies which the Borrower is contesting in good faith by appropriate proceedings for which adequate reserves have been set aside, if such reserves are required by Accounting Requirements, or (ii) to the extent the failure to do so would not reasonably be expected to have a Material Adverse Effect.

J. Licenses and Permits. The Borrower has duly obtained and now holds all licenses, permits, certifications, approvals and the like necessary to own and operate its property and business that are required by Governmental Authorities and each remains valid and in full force and effect, except for failures to obtain or hold such items as would not reasonably be expected to have a Material Adverse Effect.

K. Required Approvals. The Borrower has obtained all licenses, consents or approvals of all Governmental Authorities that the Borrower is required to obtain in order for the Borrower to enter into and perform under this Agreement, the Note and the Supplemental Indenture. Each such certificate, authorization, consent, permit, license and approval is in full force and effect.

L. Compliance with Laws. To the best of the Borrower's knowledge, the Borrower is in compliance with all applicable requirements of law and all applicable rules and regulations of each Governmental Authority, except for any such failures of compliance as would not reasonably be expected to have a Material Adverse Effect.

M. No Other Liens. As to the Trust Estate, the Borrower has not, without the prior written approval of CFC, executed or authenticated any security agreement or mortgage, or filed or authorized any financing statement to be filed, other than as provided for under the Indenture or as permitted by the Indenture, including Permitted Exceptions as permitted by the Indenture.

N. Borrower's Legal Status. Schedule 1 hereto accurately sets forth: (i) the Borrower's exact legal name, (ii) the Borrower's organizational type and jurisdiction of organization, (iii) the Borrower's organizational identification number or accurate statement that

the Borrower has none, and (iv) the Borrower's place of business or, if more than one, its chief executive office as well as the Borrower's mailing address if different.

O. Use of Proceeds. The Borrower will use the proceeds of the Notes solely for the purposes identified in Schedule 1 hereto.

P. Member Wholesale Power Contracts and Material Direct Serve Contracts. The Borrower has heretofore delivered to CFC complete and correct copies of the Member Wholesale Power Contracts and Material Direct Serve Contracts in effect on the date hereof. Identified on Schedule 2.01P are the Member Wholesale Power Contracts and the Material Direct Serve Contracts in effect as of the Closing Date. To the best of the Borrower's knowledge, after due inquiry, there is no condition or circumstance that would impair any member's ability to perform its obligations under any Member Wholesale Power Contract or Material Direct Serve Contract to which it is a party. The Member Wholesale Power Contracts and Direct Serve Contracts are legal, valid and binding upon the Borrower and enforceable against the Borrower in accordance with their respective terms.

ARTICLE III

REFINANCE LOAN

Section 3 Scope. The provisions of this Article III shall apply solely to the Refinance Note and the Advance thereunder.

Section 3.01 Advance. The amount of the Refinance Note shall be fully advanced on the Closing Date. No further Advances of the Refinance Note shall be available after the Closing Date.

Section 3.02 Interest Rate and Payment. The Refinance Note shall be payable and bear interest as follows:

A. Maturity; Amortization; Payments.

(i) Maturity Date. The Refinance Note shall have a Maturity Date that is not more than twenty (20) years from the date hereof, *provided, however*, that if such date is not a Payment Date, then the Maturity Date shall be the Payment Date immediately preceding such date.

(ii) Amortization. The principal amount of the Refinance Note shall amortize according to the amortization method set forth in item 5 on Schedule 1, *provided, however*, that the amortization period for the Refinance Note shall not extend beyond the applicable Maturity Date. The Borrower shall promptly pay interest and principal in the amounts shown in the Payment Notice. If not sooner paid, any amount due on account of the unpaid principal, interest accrued thereon and fees, if any, shall be due and payable on the Refinance Note Maturity Date.

(iii) Payments. The Borrower shall make each payment required to be made by it hereunder or under the Refinance Note (whether of principal, interest or fees, or otherwise) on the date when due, in immediately available funds, without set-off or counterclaim.

B. Application of Payments. Each payment shall be applied to the CFC Obligations, first to any fees, costs, expenses or charges other than interest or principal, second to interest accrued, and the balance to principal.

C. Selection of Interest Rate and Interest Rate Computation. Prior to the Advance on the Refinance Note, the Borrower must select in writing either a CFC Fixed Rate or the CFC Variable Rate, as follows:

(i) CFC Fixed Rate. If the Borrower selects a CFC Fixed Rate for the Advance, then such rate shall be in effect for the CFC Fixed Rate Term selected by the Borrower. On the Interest Rate Reset Date for such Advance, the Borrower may then select any available interest rate option for such Advance pursuant to CFC's policies of general application. The Advance shall bear interest according to the interest rate option so selected beginning on the Interest Rate Reset Date. If the Borrower does not select an interest rate in writing prior to the Interest Rate Reset Date, then beginning on the Interest Rate Reset Date the Advance shall bear interest at the CFC Variable Rate. The Borrower may not select a CFC Fixed Rate with a CFC Fixed Rate Term that extends beyond the applicable Maturity Date. Interest on amortizing Advances bearing interest at a CFC Fixed Rate shall be computed for the actual number of days elapsed on the basis of a year of 365 days, until the first day of the Billing Cycle in which the Amortization Basis Date occurs; interest shall then be computed on the basis of a 30-day month and 360-day year. Interest on non-amortizing Advances bearing interest at a CFC Fixed Rate shall be computed for the actual number of days elapsed on the basis of a year of 365 days.

(ii) CFC Variable Rate. If the Borrower has selected the CFC Variable Rate for the Advance, then such CFC Variable Rate shall apply until the Maturity Date, unless the Borrower elects to convert to a CFC Fixed Rate pursuant to the terms hereof. Interest on Advances bearing interest at the CFC Variable Rate shall be computed for the actual number of days elapsed on the basis of a year of 365 days.

Section 3.03 Conversion of Interest Rates. The interest rate conversion options set forth in this Section 3.03 are available to the Advance on the Refinance Note.

A. CFC Variable Rate to a CFC Fixed Rate. The Borrower may at any time convert from the CFC Variable Rate to a CFC Fixed Rate by submitting to CFC a Conversion Request requesting that a CFC Fixed Rate apply to any outstanding Advance. The rate shall be equal to the rate of interest offered by CFC in effect on the date of the Conversion Request. The effective date of the new interest rate shall be a date determined by CFC for loans similarly classified pursuant to CFC's policies and procedures then in effect.

B. CFC Fixed Rate to CFC Variable Rate. The Borrower may at any time convert a CFC Fixed Rate to the CFC Variable Rate by: (i) submitting a Conversion Request requesting that the CFC Variable Rate apply to any outstanding Advance; and (ii) paying to CFC promptly upon receipt of an invoice any applicable conversion fee calculated for loans similarly classified pursuant to CFC's policies and procedures then in effect. The effective date of the CFC Variable Rate shall be a date determined by CFC pursuant to its policies of general application following receipt of the Conversion Request.

C. A CFC Fixed Rate to another CFC Fixed Rate. The Borrower may at any time convert from a CFC Fixed Rate to another CFC Fixed Rate if the Borrower: (i) submits a Conversion Request requesting that a CFC Fixed Rate apply to any Advance and (ii) pays to

CFC promptly upon receipt of an invoice any applicable conversion fee calculated pursuant to CFC's long-term loan policies as established from time to time for similarly classified long-term loans. The effective date of the new interest rate shall be a date determined by CFC pursuant to its policies of general application following receipt of the Conversion Request.

Section 3.04 Optional Prepayment. The Borrower may at any time, on not less than fifteen (15) days prior written notice to CFC, prepay the Advance, in whole or in part. In the event the Borrower prepays all or any part of the Advance (regardless of the source of such prepayment and whether voluntary, by acceleration or otherwise), the Borrower shall pay any Prepayment Fee and/or Make-Whole Premium as CFC may prescribe pursuant to the terms of this Section 3.04. All prepayments shall be accompanied by payment of accrued and unpaid interest on the amount of and to the date of the repayment. All prepayments shall be applied first to fees, second to the payment of accrued and unpaid interest, and then to the unpaid balance of the principal amount of the Advance.

If the Advance bears interest at the CFC Variable Rate, then the Borrower may on any Business Day prepay the Advance or any portion thereof, provided that the Borrower pays together therewith the Prepayment Fee. If the Advance bears interest at a CFC Fixed Rate, then the Borrower may prepay the Advance on (a) the Business Day before an Interest Rate Reset Date, provided that the Borrower pays together therewith the Prepayment Fee, or (b) any other Business Day, provided that the Borrower pays together therewith the Prepayment Fee and any applicable Make-Whole Premium.

ARTICLE IIIA

EQUITY LOAN

Section 3A. Scope. The provisions of this Article IIIA shall apply solely to the Equity Note and Advances thereunder.

Section 3A.01 Advance. On the Closing Date, Borrower will finance the purchase of Capital Certificates with the proceeds of the Equity Note. The amount of the Advance made on the Equity Note shall equal 14.29% of the Advance on the Refinance Note. The principal amount at any one time outstanding shall not exceed the portion of the CFC Commitment allocated to the Equity Note. The obligation of the Borrower to repay the Advance shall be evidenced by the Equity Note.

Section 3A.02 Term; Amortization. The Advance shall have a term concurrent with the corresponding Advance on the Refinance Note. The Advance shall amortize proportionally to the corresponding Advance on the Refinance Note.

Section 3A.03 Use of Proceeds. The Advance shall be made solely to purchase the Capital Certificates required under the terms of this Agreement.

Section 3A.04 Payment. On each Payment Date, the Borrower shall promptly pay interest and/or principal, as applicable, in the amounts then due. If not sooner paid, any amount due on account of the unpaid principal, interest accrued thereon and fees, if any, shall be due and payable on the Maturity Date.

Section 3A.05 Application of Payments. Each payment shall be applied first to any fees, costs, expenses or charges other than interest or principal, second to interest accrued, and the balance to principal.

Section 3A.06 Interest Rate. Each Advance shall bear interest at the CFC Fixed Rate for twenty (20) year loans, as in effect on the date of the Advance hereunder, which rate shall be fixed to the Maturity Date. Interest on the Advance bearing interest at a CFC Fixed Rate shall be computed for the actual number of days elapsed on the basis of a year of 365 days. No provision of this Agreement or of the Equity Note shall require the payment, or permit the collection, of interest in excess of the highest rate permitted by applicable law.

Section 3A.07 Prepayment. The Borrower may at any time, on not less than fifteen (15) days' written notice to CFC, make a prepayment on the Equity Note, together with the interest accrued to the date of prepayment. No prepayment premium shall be charged.

Section 3A.08 Security. The Borrower agrees that CFC shall retain possession of the original equity term certificates (which may be in book entry form) as security against payment hereunder, and upon the occurrence of an Event of Default, may exercise setoff rights with respect thereto.

ARTICLE IIIB

GENERAL LOAN PROVISIONS

Section 3B.01 Mandatory Prepayment – Change in Structure. If the Borrower shall merge, consolidate or have all or substantially all of the assets of the Borrower acquired, then upon the effective date of such change, the Borrower shall prepay the outstanding principal balance of all CFC Obligations, together with any accrued but unpaid interest thereon, any unpaid costs or expenses provided for herein, the Prepayment Fee and a Make-Whole Premium, if any. Notwithstanding the foregoing, no prepayment shall be required under this Section 3.01.E if, after giving effect to such change, the Borrower, or its successor in interest, is engaged in the furnishing of electric utility services to its members and is organized as a cooperative, *nonprofit corporation*, *public utility district*, *municipality*, or other public governmental body and is, or becomes, a member of CFC.

Section 3B.02 Usury Savings Clause. No provision of this Agreement or of the Note shall require the payment, or permit the collection, of interest in excess of the highest rate permitted by applicable law.

Section 3B.03 Default Rate. If the Borrower defaults on its obligation to make a payment due hereunder by the applicable Payment Date, and such default continues for thirty (30) days thereafter, then beginning on the thirty-first (31st) day after the Payment Date and for so long as such default continues, the interest rate on all Advances shall be the Default Rate.

Section 3B.04 Invoice. CFC will invoice the Borrower at least ten (10) days before each Payment Date, provided, however, that CFC's failure to send an invoice shall not constitute a waiver by CFC or be deemed to relieve the Borrower of its obligation to make payments as and when due as provided for herein.

ARTICLE IV

CONDITIONS

Section 4.01 Conditions of Closing. This Agreement shall become effective only upon the satisfaction of the following conditions as of the Closing Date.

A. Legal Matters. All legal matters incident to the consummation of the transactions hereby contemplated shall be reasonably satisfactory to counsel for CFC and, as to all matters of local law, to such local counsel as counsel for CFC may retain. CFC's execution of this Agreement shall evidence satisfaction of this condition.

B. Documents. CFC shall have been furnished with (i) the executed Loan Documents, (ii) certified copies of all such organizational documents and proceedings of the Borrower authorizing the transactions hereby contemplated as CFC shall reasonably require, (iii) an opinion of counsel for the Borrower addressing such legal matters as CFC shall reasonably require, and (iv) all other such documents as CFC may reasonably request. CFC's execution of this Agreement shall evidence satisfaction of this condition.

C. Government Approvals. The Borrower shall have furnished to CFC true and correct copies of all certificates, authorizations, consents, permits and licenses from Governmental Authorities (if any) that are necessary for the execution or delivery of the Loan Documents or performance by the Borrower of the obligations thereunder. No certificate, authorization, consent, permit, license or approval of any Governmental Authority that is required to enable the Borrower to (a) enter into the Loan Documents, (b) perform all of the obligations provided for in such documents, shall have been invalidated, rescinded, stayed or determined to be invalid in any material respect by any Governmental Authority.

D. Indenture; Supplemental Indenture; UCC Filings. The Indenture and the Supplemental Indenture shall have been duly filed, recorded or indexed in all jurisdictions necessary to provide the Trustee thereunder a perfected lien, subject to Permitted Exceptions, on all of the Trust Estate, all in accordance with applicable law, and the Borrower shall have paid all applicable taxes, recording and filing fees and caused satisfactory evidence thereof to be furnished to CFC. Uniform Commercial Code financing statements (and any continuation statements and other amendments thereto that CFC shall require) shall have been duly filed, recorded or indexed in all jurisdictions necessary (and in any other jurisdiction that CFC shall have reasonably requested) to provide the Trustee a perfected security interest, subject to Permitted Exceptions, in the Trust Estate which may be perfected by the filing of a financing statement, all in accordance with applicable law, and the Borrower shall have paid all applicable taxes, recording and filing fees and caused satisfactory evidence thereof to be furnished to CFC.

E. Representations and Warranties. The representations and warranties of the Borrower set forth in Section 2.01 shall be true and correct.

F. Defaults. No event or condition has occurred that constitutes an Event of Default, or which upon notice hereunder, lapse of time hereunder or both would, unless cured or waived, become an Event of Default.

G. Material Adverse Effect. No event or condition has occurred that would result in a Material Adverse Effect.

H. Note Authentication. The Refinance Note shall have been duly authenticated by the Trustee as Obligations secured under the Indenture.

I. Member Wholesale Power Contract Amendments; Material Direct Serve Contracts. CFC shall have received true and correct copies of the Member Wholesale Power Contracts and Material Direct Serve Contracts listed on Schedule 2.01P, including any and all material amendments, supplements or modifications thereto, certified by a senior authorized representative of Borrower (e.g., president, vice-president, general manager, chief financial officer or persons that hold equivalent titles).

J. Additional Financing. Borrower shall provide evidence satisfactory to CFC that Borrower (i) has closed and received funds from a non-CFC secured financing in an amount of at least \$140,000,000 for purposes of refinancing the RUS Series A Note, or (ii) will close simultaneous herewith and obtain a same day (i.e., day of closing) funding from a non-CFC secured financing in an amount of at least \$140,000,000 for purposes of refinancing the RUS Series A Note.

K. Funding of Proceeds under Refinance Note and Equity Note. On the Closing Date, the proceeds of the Equity Note and Refinance Note shall be funded contemporaneously to Borrower.

L. Requisition for Advance. The Borrower will requisition the Advance under the Refinance Note by submitting its written requisition to CFC, in the form attached hereto as Exhibit A, and otherwise in form and substance satisfactory to CFC. The requisition for Advance on the Refinance Note shall be made only for the purposes set forth in Schedule 1 hereto.

M. Other Information. The Borrower shall have furnished such other information as CFC may reasonably require, including but not limited to (i) additional information regarding the use of the Advance, (ii) feasibility studies, cash flow projections, financial analyses and pro forma financial statements sufficient to demonstrate to CFC's reasonable satisfaction that after giving effect to the Advance requested, the Borrower shall continue to achieve the Margins for Interest Ratio set forth in Section 5.01.A herein, to meet all of its debt service obligations, and otherwise to perform and to comply with all other covenants and conditions set forth in this Agreement, and (iii) any other information as CFC may reasonably request.

N. CFC Expenses. The obligation of CFC to extend credit pursuant to the terms hereof is subject to the payment by the Borrower of the reasonable out-of-pocket fees and expenses incurred by CFC in connection with the (i) underwriting of the facilities described herein, and (ii) the negotiation, preparation, execution and delivery of this Agreement and the other Loan Documents (including, without limitation, any engineering and legal expenses associated with the loan facilities described herein).

ARTICLE V

COVENANTS

Section 5.01 Covenants. The Borrower covenants and agrees with CFC that after the Closing Date and until payment in full of the Notes and performance of all obligations of the Borrower hereunder:

A. Margins for Interest Ratio. The Borrower shall comply, in all respects, with the Margin for Interest Ratio covenant set forth in Section 13.14 of the Indenture.

B. Annual Certificates. Within one hundred twenty (120) days after the close of each fiscal year, commencing with the year in which this Agreement is effective, the Borrower will deliver to CFC a written statement, in form and substance satisfactory to CFC, either (a) signed by the Borrower's President and Chief Executive Officer (or equivalent chief executive officer) or (b) submitted electronically through means made available to the Borrower by CFC, stating that during such year, and that to the best of said person's knowledge, the Borrower has fulfilled all of its obligations in all material respects under this Agreement, the Notes and the Indenture throughout such year or, if there has been a default in the fulfillment of any such obligations, specifying each such default known to said person and the nature and status thereof.

C. Financial Books; Financial Reports; Right of Inspection.

(i) Within one hundred twenty (120) days after the end of each fiscal year of the Borrower, the Borrower shall provide to CFC the audited consolidated balance sheets and related statements of operations, statement of equities and statement of cash flows of the Borrower and its Subsidiaries as of the end of and for such year, setting forth in each case in comparative form the figures for the previous fiscal year, reported on by independent public accountants (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of the Borrower and its Subsidiaries on a consolidated basis in accordance with the Accounting Requirements.

(ii) Within sixty (60) days after the end of each of the first three (3) fiscal quarters of each fiscal year of the Borrower, the Borrower shall provide to CFC the unaudited consolidated balance sheets and related statements of operations, and such other interim statements as may reasonably be requested, of the Borrower and its Subsidiaries as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for (or, in the case of the balance sheet, as of the end of) the corresponding period or periods of the previous fiscal year, which shall present fairly in all material respects the financial condition and results of operations of the Borrower and its Subsidiaries on a consolidated basis in accordance with the Accounting Requirements, subject to changes resulting from audit and normal year-end audit adjustments.

(iii) Within one hundred twenty (120) days after the end of each the Borrower's fiscal years during the term hereof, the Borrower shall furnish to CFC a statement, setting forth in reasonable detail its calculation of its Margins for Interest Ratio for the prior fiscal year and two prior fiscal years, signed either by its President and Chief Executive Officer (or equivalent chief executive officer, its Vice President and Chief Financial Officer (or equivalent chief financial officer), or such other officer that reports directly or indirectly to its Vice President and Chief Financial Officer (or equivalent chief financial officer).

(iv) Within thirty (30) days after (a) the end of each the Borrower's fiscal years during the term hereof or (b) CFC's request, the Borrower shall furnish to CFC updated cash flow projections for the succeeding fiscal year, which projections shall be in form and substance reasonably satisfactory to CFC and certified by the Borrower's Vice President and Chief

Financial Officer (or equivalent chief financial officer) or another duly authorized executive officer of the Borrower.

(v) The Borrower shall provide, within fifteen (15) days after the same may come available, copies of the Borrower's budgets and financial plans approved by the Borrower's Board of Directors.

(vi) The Borrower will keep proper books of record and account, in which full and correct entries shall be made of all dealings or transactions of or in relation to the Obligations and the plant, properties, business and affairs of the Borrower in accordance with Accounting Requirements. The Borrower will, upon reasonable written notice by CFC to the Borrower and at the expense of the Borrower, permit CFC, by its representatives, to inspect the plants and properties, books of account, records, reports and other papers of the Borrower, and to take copies and extracts therefrom, and will afford and procure a reasonable opportunity to make any such inspection, and the Borrower will furnish to CFC any and all information as CFC may reasonably request, with respect to the performance by the Borrower of its covenants in this Agreement; provided, however, the Borrower shall not be required to make available any information supplied to it by a third party which is subject to a confidentiality agreement with such third party except to the extent allowed by, and subject to the terms of such confidentiality agreement.

D. Funds Requisition; Interest Rate Elections. The Borrower agrees (i) that CFC may rely conclusively upon the interest rate option, interest rate term and other written instructions submitted to CFC, and (ii) that such instructions shall constitute a covenant under this Agreement to repay the Advance in accordance with such instructions, the applicable Notes, the Indenture and this Agreement.

E. Compliance with Laws. The Borrower shall remain in compliance with all applicable requirements of law and applicable rules and regulations of each Governmental Authority, except for any such failures of compliance as would not reasonably be expected to have a Material Adverse Effect or as provided in Section 5.01.H.

F. Taxes. The Borrower shall pay, or cause to be paid all taxes, assessments or governmental charges lawfully levied or imposed on or against it and its properties prior to the time they become delinquent, except (i) for such taxes, assessments, and governmental charges and levies which the Borrower is contesting in good faith by appropriate proceedings for which adequate reserves have been set aside, if such reserves are required by Accounting Requirements, or (ii) to the extent the failure to do so would not reasonably be expected to have a Material Adverse Effect.

G. Further Assurances. The Borrower shall execute any and all further documents, financing statements, agreements and instruments, and take all such further actions (including the filing and recording of financing statements, fixture filings, mortgages, deeds of trust and other documents), which may be required under any applicable law, or which CFC may reasonably request, to effectuate the transactions contemplated by the Loan Documents or to grant, preserve, protect or perfect the Liens created or intended to be created by the Indenture. The Borrower also agrees to provide to CFC, from time to time upon request, evidence reasonably satisfactory to CFC as to the perfection and priority, or continued perfection and priority, of the Liens preserved, created or intended to be created by the Indenture.

H. Notices of Environmental Actions. If Borrower receives any written communication from a Governmental Authority alleging Borrower's material violation of any Environmental Law, then Borrower shall provide CFC with a copy thereof within thirty (30) days after receipt, and promptly take appropriate action to remedy, cure, defend, or otherwise affirmatively respond to the matter in order to comply with any Environmental Law that is the subject of such written communication, except such notices of violations which, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

I. Accounting Requirements. For purposes of determining any computation made under this Agreement, and notwithstanding Section 1.1D of the Indenture, the Borrower shall only apply those Accounting Requirements in use in the United States at the time of the determination of such computation.

J. Use of Proceeds; RUS. The Borrower shall use the proceeds of the Notes solely for the purposes identified in Schedule 1 hereto. With respect to the proceeds of the Refinance Note, the Borrower agrees that (i) upon receipt of the Advance of the amount evidenced by the Refinance Note, together with the proceeds received by Borrower from the non-CFC secured financing, as required pursuant to Section 4.01.J hereof, Borrower will immediately prepay a portion of the unpaid balance of the RUS Series A Note so as to reduce the remaining unpaid balance thereof to not more than \$85,000,000, and (ii) Borrower will not take any action to cause the remaining unpaid balance of the RUS Series A Note to exceed the amount of \$85,000,000. In furtherance of the foregoing, Borrower agrees to promptly cause a modification to the maximum principal balance schedule of the RUS Series A Note in order to reflect that the maximum principal balance set forth therein and/or available thereunder shall not exceed \$85,000,000. Borrower agrees to provide evidence of such modification to CFC promptly after finalization of same.

K. Capital Certificates. In accordance with CFC's policies of general application, Borrower agrees that CFC may at all times retain Capital Certificates purchased by Borrower in an amount equal to 12.5% of the aggregate outstanding balance of the Refinance Note and the Equity Note.

L. Default Notices. The Borrower shall provide CFC any notice delivered by the Borrower to the Trustee pursuant to Section 13.12 of the Indenture promptly after delivering such notice to the Trustee.

M. Notice; Member Wholesale Power Contracts and Direct Serve Contracts. The Borrower will furnish to CFC prompt written notice of the following:

(i) any permitted termination of, modification to or supplement to a Member Wholesale Power Contract that will result in a material change thereto;

(ii) any (a) permanent shutdown or material curtailment of the operations of any Borrower member retail customer for which wholesale service is provided under a Direct Serve Contract, (b) material modification to a Direct Serve Contract, and (c) termination of any Direct Serve Contract.

N. Compliance with Indenture Covenants. Borrower shall comply with all the covenants identified in Article XI and Article XIII of the Indenture.

O. New Member Wholesale Power Contract; New Material Direct Serve Contracts. Borrower shall provide CFC with copies of any new Member Wholesale Power Contract and new Material Direct Serve Contracts (together with material amendments or supplements thereto and all successor or replacement contracts and agreements thereto and thereof) entered into after the Closing Date.

Section 5.02 Negative Covenants. The Borrower covenants and agrees with CFC that until payment in full of the Notes and performance of all obligations of the Borrower hereunder, the Borrower will not, directly or indirectly, without CFC's prior written consent, cause any violations of the following covenants:

A. Limitations on Liens. The Borrower will not create or incur or suffer or permit to be created or incurred or to exist any mortgage, lien, charge or encumbrance on or pledge of any of the Trust Estate prior to or upon a parity with the lien of the Indenture except for Permitted Exceptions and those exceptions set forth in Section 13.6 A. and 13.6 B. of the Indenture.

B. Limitations on Mergers. The Borrower shall not consolidate with or merge into any other Person or convey or transfer the Trust Estate substantially as an entirety to any Person, except as may be permitted pursuant to the terms and provisions of Section 11.1 of the Indenture.

C. No Change in Fiscal Year. The Borrower will not change its fiscal year from the fiscal year existing on the Closing Date without the prior written consent of CFC, not to be unreasonably withheld.

D. Member Wholesale Power Contracts. The Borrower will not, and will not consent to, the termination of any one or more Member Wholesale Power Contracts that, individually or in the aggregate, represent 20% or more of the Borrower's revenue base (other than at the end of the contract term or a voluntary termination provided by the contract terms).

ARTICLE VI

EVENTS OF DEFAULT

Section 6.01 Events of Default. The following shall be Events of Default under this Agreement:

A. Payment. The Borrower shall fail to pay any amount due under the terms of a Note or this Agreement within five (5) Business Days of when the same is due and payable, whether by acceleration or otherwise;

B. Financial Reports. The Borrower shall fail to provide the financial reports required by Section 5.01.C within the time period specified therein;

C. Margins for Interest Ratio. The Borrower shall fail to comply with Section 13.14 of the Indenture;

D. Representations and Warranties. Any representation or warranty made by the Borrower herein shall prove to be false or misleading in any material respect at the time made if

such false or misleading representation or warranty is, in CFC's reasonable judgment, one that a prudent lender would consider material to its decision to extend credit;

E. Other Covenants. (i) Default by the Borrower in the observance or performance of the covenant contained in Section 5.01.J of this Agreement, or (ii) default by the Borrower in the observance or performance of any other covenant contained in this Agreement, other than those identified in Section 5.02, which shall continue for thirty (30) calendar days after written notice thereof shall have been given to the Borrower by CFC; *provided, however*, that if the default cannot be cured within such thirty (30) day period despite the Borrower's good faith and diligent efforts to do so, the cure period shall be extended as is reasonably necessary beyond such thirty (30) day period (but in no event longer than sixty (60) days) if remedial action likely to result in a cure is promptly instituted within such thirty (30) day period and is thereafter diligently pursued until the default is corrected;

F. Corporate Existence. The Borrower shall forfeit or otherwise be deprived of its corporate charter, franchises, permits, easements, consents or licenses required to carry on any material portion of its business;

G. Negative Covenants. The Borrower shall fail to comply with the Section 5.02 of this Agreement; or

H. Indenture Obligations. An "Event of Default," as defined in the Indenture, shall have occurred and be continuing, provided such "Event of Default" has not been waived or cured as provided for under the terms of the Indenture.

ARTICLE VII

REMEDIES

Section 7.01 General Remedies. If any of the Events of Default listed in Article VI hereof shall occur after the date of this Agreement and shall not have been remedied within the applicable grace periods specified therein (if any), then CFC may:

- (i) exercise rights of setoff or recoupment and apply any and all amounts held, or hereby held, by CFC or owed to the Borrower or for the credit or account of the Borrower against any and all of the CFC Obligations of the Borrower now or hereafter existing hereunder or under the Notes, including, but not limited to, patronage capital allocations and retirements, money due to the Borrower from Capital Certificates, and any membership or other fees that would otherwise be returned to the Borrower. The rights of CFC under this Section 7.01 are in addition to any other rights and remedies (including other rights of setoff or recoupment) which CFC may have. The Borrower waives all rights of setoff, deduction, recoupment or counterclaim;
- (ii) pursue all rights and remedies available to CFC that are contemplated by the Indenture in the manner, upon the conditions, and with the effect provided in the Indenture, including, but not limited to, a suit for specific performance, injunctive relief or damages; and
- (iii) pursue any other rights and remedies available to CFC at law or in equity.

Section 7.02 Interest Rate Adder. In addition to the remedies set forth in Section 7.01, upon the occurrence of an Event of Default, an Interest Rate Adder of two hundred (200) basis points shall be imposed on the outstanding principal amount of all Advances until such Event of Default is cured. The effective date of an Interest Rate Adder imposed or eliminated pursuant to this Section 7.02 shall be the first (1st) day of month following the occurrence of the Event of Default or the cure thereof, as applicable.

Section 7.03 Concurrent Remedies. Nothing herein shall limit the right of CFC to pursue all rights and remedies available to a creditor following the occurrence of an Event of Default. Each right, power and remedy of CFC shall be cumulative and concurrent, and recourse to one or more rights or remedies shall not constitute a waiver of any other right, power or remedy.

ARTICLE VIII

MISCELLANEOUS

Section 8.01 Notices. All notices, requests and other communications provided for herein including, without limitation, any modifications of, or waivers, requests or consents under, this Agreement shall be given or made in writing (including, without limitation, by telecopy) and delivered to the intended recipient at the "Address for Notices" specified below; or, as to any party, at such other address as shall be designated by such party in a notice to each other party. All such communications shall be deemed to have been duly given (i) when personally delivered including, without limitation, by overnight mail or courier service, (ii) in the case of notice by United States mail, certified or registered, postage prepaid, return receipt requested, upon receipt thereof, or (iii) in the case of notice by telecopy, upon transmission thereof, provided such transmission is promptly confirmed by either of the methods set forth in clauses (i) or (ii) above in each case given or addressed as provided for herein. The Address for Notices of each of the respective parties is as follows:

National Rural Utilities Cooperative Finance Corporation
20701 Cooperative Way
Dulles, Virginia 20166
Attention: General Counsel
Fax # 866-230-5635

The Borrower:

The address set forth in
Schedule 1

Section 8.02 Expenses. The Borrower shall reimburse CFC for any reasonable costs and out-of-pocket expenses paid or incurred by CFC (including, without limitation, reasonable fees and expenses of outside attorneys, paralegals and consultants) for all actions CFC takes, (a) to enforce the payment of any CFC Obligation, to effect collection of any Trust Estate, or in preparation for such enforcement or collection, (b) to institute, maintain, preserve, enforce and foreclose on the Lien of the Indenture on any of the Trust Estate, whether through judicial proceedings or otherwise, (c) to restructure any CFC Obligation, (d) to review, approve or grant any consents or waivers hereunder, (e) to prepare, negotiate, execute, deliver, review, amend or modify this Agreement, and (f) to prepare, negotiate, execute, deliver, review, amend or

modify any other agreements, documents and instruments deemed necessary or appropriate by CFC in connection with any of the foregoing.

The amount of all such expenses identified in this Section 8.02 shall be payable upon demand, and if not paid, shall accrue interest at the then prevailing CFC Variable Rate, plus 200 basis points.

Section 8.03 Late Payments. If payment of any amount due hereunder is not received at CFC's office in Dulles, Virginia, or such other location as CFC may designate to the Borrower within five (5) Business Days after the due date thereof, the Borrower will pay to CFC, in addition to all other amounts due under the terms of the Loan Documents, any late-payment charge as may be fixed by CFC from time to time pursuant to its policies of general application as in effect from time to time.

Section 8.04. Non-Business Day Payments. If any payment to be made by the Borrower hereunder shall become due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall be included in computing any interest in respect of such payment.

Section 8.05 Filing Fees. To the extent permitted by law, the Borrower agrees to pay all expenses of CFC (including the reasonable fees and expenses of its counsel) in connection with the filing, registration, recordation or perfection of the Supplemental Indenture and UCC Financing Statements, including, without limitation, all documentary stamps, recordation and transfer taxes and other costs and taxes incident to execution, filing, registration or recordation of any document or instrument in connection herewith. The Borrower agrees to save harmless and indemnify CFC from and against any liability resulting from the failure to pay any required documentary stamps, recordation and transfer taxes, recording costs, or any other expenses incurred by CFC in connection with this Agreement. The provisions of this Section shall survive the execution and delivery of this Agreement and the payment of all other amounts due under the Loan Documents.

Section 8.06 Waiver; Modification. No failure on the part of CFC to exercise, and no delay in exercising, any right or power hereunder or under the other Loan Documents shall operate as a waiver thereof, nor shall any single or partial exercise by CFC of any right hereunder, or any abandonment or discontinuance of steps to enforce such right or power, preclude any other or further exercise thereof or the exercise of any other right or power. No modification or waiver of any provision of this Agreement, the Notes or the other Loan Documents (except as otherwise provided in the Indenture) and no consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be in writing by the party granting such modification, waiver or consent, and then such modification, waiver or consent shall be effective only in the specific instance and for the purpose for which given.

SECTION 8.07 GOVERNING LAW; SUBMISSION TO JURISDICTION; WAIVER OF JURY TRIAL.

(A) THE PERFORMANCE AND CONSTRUCTION OF THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE COMMONWEALTH OF VIRGINIA.

(B) THE BORROWER HEREBY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF THE UNITED STATES COURTS LOCATED IN VIRGINIA AND OF ANY STATE COURT

SO LOCATED FOR PURPOSES OF ALL LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. THE BORROWER IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTIONS THAT IT MAY NOW OR HEREAFTER HAVE TO THE ESTABLISHING OF THE VENUE OF ANY SUCH PROCEEDINGS BROUGHT IN SUCH A COURT AND ANY CLAIM THAT ANY SUCH PROCEEDING HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(C) THE BORROWER AND CFC EACH HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

SECTION 8.08 INDEMNIFICATION. THE BORROWER HEREBY INDEMNIFIES AND AGREES TO HOLD HARMLESS, AND DEFEND CFC AND ITS MEMBERS, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, ATTORNEYS AND REPRESENTATIVES (EACH AN "INDEMNITEE") FOR, FROM, AND AGAINST ALL CLAIMS, DAMAGES, LOSSES, LIABILITIES, COSTS, AND EXPENSES (INCLUDING, WITHOUT LIMITATION, COSTS AND EXPENSES OF LITIGATION AND REASONABLE ATTORNEYS' FEES) ARISING FROM ANY CLAIM OR DEMAND IN RESPECT OF THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS, THE TRUST ESTATE, OR THE TRANSACTIONS DESCRIBED IN THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS AND ARISING AT ANY TIME, WHETHER BEFORE OR AFTER PAYMENT AND PERFORMANCE OF ALL OBLIGATIONS UNDER THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS IN FULL, EXCEPTING ANY SUCH MATTERS ARISING FROM, AND TO THE EXTENT OF, THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF CFC OR ANY INDEMNITEE. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN SECTION 8.10, THE OBLIGATIONS IMPOSED UPON THE BORROWER BY THIS SECTION SHALL SURVIVE THE REPAYMENT OF THE NOTES, THE TERMINATION OF THIS AGREEMENT AND THE TERMINATION OR RELEASE OF THE LIEN OF THE INDENTURE.

Section 8.09 Complete Agreement. This Agreement, together with the schedules to this Agreement, the Notes and the other Loan Documents, and the other agreements and matters referred to herein or by their terms referring hereto, is intended by the parties as a final expression of their agreement and is intended as a complete statement of the terms and conditions of their agreement. In the event of any conflict in the terms and provisions of this Agreement and any other Loan Documents (other than the Indenture), the terms and provisions of this Agreement shall control.

Section 8.10 Survival; Successors and Assigns. All covenants, agreements, representations and warranties of the Borrower which are contained in this Agreement shall survive the execution and delivery to CFC of the Loan Documents and the making of the Advances and shall continue in full force and effect until all of the CFC Obligations have been paid in full. All covenants, agreements, representations and warranties of the Borrower which are contained in this Agreement are personal to CFC and shall not inure to the benefit of the successors and assigns of CFC. The Borrower shall not have the right to assign its rights or obligations under this Agreement without the prior written consent of CFC.

Section 8.11 Use of Terms. The use of the singular herein shall also refer to the plural, and vice versa.

Section 8.12 Headings. The headings and sub-headings contained in this Agreement are intended to be used for convenience only and do not constitute part of this Agreement.

Section 8.13 Severability. If any term, provision or condition, or any part thereof, of this Agreement, the Notes or the other Loan Documents shall for any reason be found or held invalid or unenforceable by any governmental agency or court of competent jurisdiction, such invalidity or unenforceability shall not affect the remainder of such term, provision or condition nor any other term, provision or condition, and this Agreement, the Notes and the other Loan Documents shall survive and be construed as if such invalid or unenforceable term, provision or condition had not been contained therein.

Section 8.14 Binding Effect. This Agreement shall become effective when it shall have been executed by both the Borrower and CFC and thereafter shall be binding upon and inure to the benefit of the Borrower and CFC and their respective successors and assigns as provided in Section 8.10.

Section 8.15 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same document. Signature pages may be detached from the counterparts and attached to a single copy of this Agreement to physically form one document.

Section 8.16 Schedules; Exhibits. All Schedules and Exhibits are integral parts of this Agreement.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and effective as of the day and year first above written.

BIG RIVERS ELECTRIC CORPORATION

By: _____
Name: _____
Title: _____

**NATIONAL RURAL UTILITIES
COOPERATIVE FINANCE CORPORATION**

By: _____
Dan Lyzinski
Assistant Secretary-Treasurer

Attest: _____
Assistant Secretary-Treasurer

SCHEDULE 1

1. The purpose of the Refinance Note is to partially refinance certain RUS indebtedness evidenced by that certain RUS Series A Note secured under the Indenture. The purpose of the Equity Note is to fund the purchase of Capital Certificates, and the proceeds thereof shall be used solely for such purpose.
2. The aggregate CFC Commitment is \$345,155,800.00, *provided, however,* that \$302,000,000 shall be available on the Refinance Note, and \$43,155,800.00 shall be available on the Equity Note.
3. The Indenture referred to in Section 1.01 is that certain Indenture between Big Rivers Electric Corporation, as grantor, and U.S. Bank National Association, as trustee, date as of July 1, 2009, as supplemented, amended, consolidated, or restated from time to time.
4. The Closing Date referred to in Section 1.01 is _____, 2012.
5. The Notes executed pursuant hereto and the amortization method for such Notes are as follows:

NOTE	LOAN NUMBER	AMOUNT	MATURITY DATE	AMORTIZATION METHOD
REFINANCE NOTE	KY062-A-9003	\$302,000,000.00	Twenty (20) Years from the Closing Date	Level Debt Service
EQUITY NOTE	KY062-A-9004	\$43,155,800.00	Twenty (20) Years from the Closing Date	Level Debt Service

6. The Payment Date referred to in Section 1.01 is the last day of each of February, May, August and November, provided that if such last day is not a Business Day, the first Business Day thereafter.
7. The date of the interim financial statements referred to in Section 2.01B is January 31, 2012.
8. The Subsidiaries of the Borrower referred to in Section 2.01.F are: N/A.
9. The date of the Borrower's balance sheet referred to in Section 2.01.B is December 31, 2010.
10. The Borrower's exact legal name is: Big Rivers Electric Corporation.
11. The Borrower's organizational type is: Cooperative Corporation.
12. The Borrower is organized under the laws of the state/commonwealth of: Kentucky.
13. The Borrower's organizational identification number is: 0004242.

14. The place of business or, if more than one, the chief executive office of the Borrower referred to in Section 2.01.N is 201 Third Street, Henderson, KY 42420.
15. The address for notices to the Borrower referred to in Section 8.01 is P.O. Box 24 Henderson, KY 42419-0024, Attention: President and Chief Executive Officer with a copy to: Chief Financial Officer, Fax: 270-827-2558; with a copy to: James M. Miller, Esq., Sullivan, Mountjoy, Stainback & Miller, P.S.C., 100 St. Ann Building, Owensboro, KY 42303.

Schedule 2.01A

LITIGATION

[To be prepared by Borrower]

Schedule 2.01C

DISCLOSURE

[To be prepared by Borrower]

Schedule 2.01D

ENVIRONMENTAL MATERS

[To be prepared by Borrower]

Schedule 2.01P

**MEMBER WHOLESALE POWER CONTRACTS
AND
MATERIAL DIRECT SERVE CONTRACTS**

[To be prepared by Borrower]

THIRD SUPPLEMENTAL INDENTURE
(to that certain Indenture dated as of July 1, 2009)
dated as of [____], 2012

Relating to the Big Rivers Electric Corporation
First Mortgage Notes, Series 2012B
Authorized by this Third Supplemental Indenture

BIG RIVERS ELECTRIC CORPORATION

to

**U.S. BANK NATIONAL ASSOCIATION,
TRUSTEE**

FIRST MORTGAGE OBLIGATIONS

- THIS INSTRUMENT IS A MORTGAGE.
- THIS INSTRUMENT GRANTS A SECURITY INTEREST IN A TRANSMITTING UTILITY.
- BIG RIVERS ELECTRIC CORPORATION IS A TRANSMITTING UTILITY.
- THIS INSTRUMENT CONTAINS PROVISIONS THAT COVER REAL AND PERSONAL PROPERTY, AFTER-ACQUIRED PROPERTY, FIXTURES AND PROCEEDS.
- FUTURE ADVANCES AND FUTURE OBLIGATIONS ARE SECURED BY THIS INSTRUMENT.
- THE MAXIMUM ADDITIONAL INDEBTEDNESS WHICH MAY BE SECURED HEREUNDER IS \$[3,000,000,000].
- THE TYPES OF PROPERTY COVERED BY THIS INSTRUMENT ARE DESCRIBED ON PAGES 2 THROUGH 3.
- THE ADDRESSES AND THE SIGNATURES OF THE PARTIES TO THIS INSTRUMENT ARE STATED ON PAGES 1, S-1 AND S-2.

THIS INDENTURE WAS PREPARED BY JAMES M. MILLER OF SULLIVAN, MOUNTJOY, STAINBACK & MILLER, P.S.C., 100 ST. ANN BUILDING, OWENSBORO, KENTUCKY 42303, ATTORNEY FOR BIG RIVERS ELECTRIC CORPORATION.

Signed: _____

THIS THIRD SUPPLEMENTAL INDENTURE, dated as of [____], 2012 (this “Third Supplemental Indenture”), is between **BIG RIVERS ELECTRIC CORPORATION**, a cooperative corporation organized under the laws of the Commonwealth of Kentucky, as Grantor (hereinafter called the “Company”), whose post office address is 201 Third Street, Henderson, Kentucky 42420, and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association, as trustee (in such capacity, the “Trustee”), whose post office address is 225 Asylum Street, Hartford, Connecticut 06103;

WHEREAS, the Company has heretofore executed and delivered to the Trustee an Indenture, dated as of July 1, 2009 (the “Original Indenture”, as heretofore, hereby and hereafter supplemented being sometimes referred to as the “Indenture”), for the purpose of securing its Existing Obligations and providing for the authentication and delivery of Additional Obligations (capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Original Indenture) by the Trustee from time to time under the Original Indenture, which is filed of record as shown on Exhibit A hereto;

WHEREAS, in connection herewith, the Company will enter into a Loan Agreement, dated as of [____], 2012 (the “Loan Agreement”), with National Rural Utilities Cooperative Finance Corporation (“CFC”), pursuant to which CFC has agreed to loan the Company \$345,155,800 and, in connection therewith, the Company will secure certain of its obligations under the Loan Agreement under this Third Supplemental Indenture; and

WHEREAS, the Company desires to execute and deliver this Third Supplemental Indenture, in accordance with the provisions of the Original Indenture, for the purpose of providing for the creation and designation of the First Mortgage Notes, Series 2012B, in the principal amount of \$[302,000,000] (the “First Mortgage Notes, Series 2012B”) as an Additional Obligation and specifying the form and provisions of the First Mortgage Notes, Series 2012B; and

WHEREAS, Section 12.1 of the Original Indenture provides that, without the consent of the Holders of any of the Obligations at the time Outstanding, the Company, when authorized by a Board Resolution, and the Trustee, may enter into Supplemental Indentures for the purposes and subject to the conditions set forth in said Section 12.1; and

WHEREAS, all acts and proceedings required by law and by the Articles of Incorporation and Bylaws of the Company necessary to secure the payment of the principal of and interest on the First Mortgage Notes, Series 2012B, to make the First Mortgage Notes, Series 2012B issued hereunder, when executed by the Company, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal obligation of the Company, and to constitute the Indenture a valid and binding lien for the security of the First Mortgage Notes, Series 2012B, in accordance with its terms, have been done and taken; and the execution and delivery of this Third Supplemental Indenture has been in all respects duly authorized;

NOW, THEREFORE, THIS THIRD SUPPLEMENTAL INDENTURE WITNESSES, that, to secure the payment of the principal of (and premium, if any) and interest on the Outstanding Secured Obligations, including, when issued, the First Mortgage Notes, Series 2012B, to confirm the lien of the Indenture upon the Trust Estate, including property purchased, constructed or otherwise acquired by the Company since the date of execution of the Original Indenture, to secure performance of the covenants therein and herein contained, to declare the terms and conditions on which the First Mortgage Notes, Series 2012B are secured, and in consideration of the premises thereof and hereof, the Company by these presents does grant, bargain, sell, alienate, remise, release, convey, assign, transfer, mortgage, hypothecate, pledge, set over and confirm to (and does create a security interest in favor of) the Trustee, in trust with power of sale, all property, rights, privileges and franchises of the Company (except any Excepted Property) of the character described in the Granting Clauses of the Original Indenture, including all such property, rights, privileges and franchises acquired since the date of execution of the Original Indenture subject to all exceptions, reservations and matters of the character therein referred to, and subject in all cases to Sections 5.2 and 11.2 B of the Original Indenture and to the rights of the Company under the Original Indenture, including the rights set forth in Article V thereof; but expressly excepting and excluding from the lien and operation of the Indenture all properties of the character specifically excepted as "Excepted Property" in the Original Indenture to the extent contemplated thereby.

PROVIDED, HOWEVER, that if, upon the occurrence of an Event of Default under the Indenture, the Trustee, or any separate trustee or co-trustee appointed under Section 9.14 of the Original Indenture or any receiver appointed pursuant to statutory provision or order of court, shall have entered into possession of all or substantially all of the Trust Estate, all the Excepted Property described or referred to in Paragraphs A through H, inclusive, of "Excepted Property" in the Original Indenture then owned or thereafter acquired by the Company, shall immediately, and, in the case of any Excepted Property described or referred to in Paragraphs I, J and L of "Excepted Property" in the Original Indenture, upon demand of the Trustee or such other trustee or receiver, become subject to the lien of the Indenture to the extent permitted by law, and the Trustee or such other trustee or receiver may, to the extent permitted by law, at the same time likewise take possession thereof, and whenever all Events of Default shall have been cured and the possession of all or substantially all of the Trust Estate shall have been restored to the Company, such Excepted Property shall again be excepted and excluded from the lien of the Indenture to the extent and otherwise as hereinabove set forth and as set forth in the Indenture.

The Company may, however, pursuant to the Granting Clause Third of the Original Indenture, subject to the lien of the Indenture any Excepted Property, whereupon the same shall cease to be Excepted Property.

TO HAVE AND TO HOLD all such property, rights, privileges and franchises hereby and hereafter (by Supplemental Indenture or otherwise) granted, bargained, sold, alienated, remised, released, conveyed, assigned, transferred, mortgaged, hypothecated, pledged, set over or confirmed (or in which a security interest is granted)

as aforesaid, together with all the tenements, hereditaments and appurtenances thereto appertaining (said properties, rights, privileges and franchises, including any cash and securities hereafter deposited or required to be deposited with the Trustee (other than any such cash which is specifically stated in the Original Indenture not to be deemed part of the Trust Estate) being part of the Trust Estate), unto the Trustee, and its successors and assigns in the trust herein created, forever.

SUBJECT, HOWEVER, to (i) Permitted Exceptions and (ii) to the extent permitted by Section 13.6 of the Original Indenture as to property hereafter acquired (a) any duly recorded or perfected Prior Lien that may exist thereon at the date of the acquisition thereof by the Company and (b) purchase money mortgages, other purchase money liens, chattel mortgages, conditional sales agreements or other title retention agreements created by the Company at the time of acquisition thereof.

BUT IN TRUST, NEVERTHELESS, with power of sale, for the equal and proportionate benefit and security of the Holders from time to time of all the Outstanding Secured Obligations without any priority of any Outstanding Secured Obligation over any other Outstanding Secured Obligation and for the enforcement of the payment of Outstanding Secured Obligations in accordance with their terms.

UPON CONDITION that, until the happening of an Event of Default under the Indenture and subject to the provisions of Article V of the Original Indenture, and not in limitation of the rights elsewhere provided in the Original Indenture, including the rights set forth in Article V of the Original Indenture, the Company shall have the right to (i) possess, use, manage, operate and enjoy the Trust Estate (other than cash and securities constituting part of the Trust Estate that are deposited with the Trustee), (ii) explore for, gather, cut, mine and produce crops, timber, coal, ore, gas, oil, minerals or other natural resources and products, and to use, consume and dispose of any thereof, and (iii) collect, receive, use, make payments from, transfer, invest, otherwise utilize or employ amounts constituting or derived from the rents, issues, tolls, earnings, profits, revenues, products and proceeds from the Trust Estate or the operation of the property constituting part of the Trust Estate.

Should the indebtedness secured by the Indenture be paid according to the tenor and effect thereof when the same shall become due and payable and should the Company perform all covenants therein and herein contained in a timely manner, then the Indenture shall be canceled and surrendered.

AND IT IS HEREBY COVENANTED AND DECLARED that the First Mortgage Notes, Series 2012B are to be authenticated and delivered and the Trust Estate is to be held and applied by the Trustee, subject to the covenants, conditions and trusts set forth herein and in the Original Indenture, and the Company does hereby covenant and agree to and with the Trustee, for the equal and proportionate benefit of all Holders of the Outstanding Secured Obligations, as follows:

ARTICLE I

THE FIRST MORTGAGE NOTES, SERIES 2012B AND CERTAIN PROVISIONS RELATING THERETO

SECTION 1.01. Definitions.

All words and phrases defined in Article I of the Original Indenture shall have the same meaning in this Third Supplemental Indenture, including any exhibit hereto, except as otherwise appears herein or unless the context clearly requires otherwise.

SECTION 1.02. Authorization and Terms of the First Mortgage Notes, Series 2012B.

There shall be established a series of Additional Obligations known as and entitled the "First Mortgage Notes, Series 2012B" (hereinafter referred to as the "First Mortgage Notes, Series 2012B"), the form, terms and conditions of which shall be substantially as set forth in Sections 1.02-1.05 hereof. The First Mortgage Notes, Series 2012B are the same Notes described and defined in the Loan Agreement as the "Refinance Note." The aggregate principal face amount of the First Mortgage Notes, Series 2012B which shall be authenticated and delivered and Outstanding at any one time is limited to \$[302,000,000].

The First Mortgage Notes, Series 2012B shall be dated [____], 2012 and shall mature on [____, ____]. The First Mortgage Notes, Series 2012B shall bear interest and interest shall be payable as provided in Section 3.02 of the Loan Agreement. Interest shall accrue at a rate calculated pursuant to Section 3.02C and Section 3.03 of the Loan Agreement. The First Mortgage Notes, Series 2012B shall amortize as set forth in Section 3.02A of the Loan Agreement. Payments of principal of and interest on the First Mortgage Notes, Series 2012B shall be made on the last day of each of February, May, August and November, provided that if such last day is not a Business Day, the first Business Day thereafter. For purposes of such payments, the term Business Day is defined in the Loan Agreement as any day that both CFC and the depository institution CFC utilizes for funds transfers hereunder are open for business. In addition, upon the occurrence of an Event of Default (as defined in the Loan Agreement) under the Loan Agreement, an Interest Rate Adder (as defined in the Loan Agreement) of two hundred (200) basis points shall be imposed in the manner set forth in Section 7.02 of the Loan Agreement. The principal of, and the fees and interest on, the First Mortgage Notes, Series 2012B shall be paid to the Person in whose name that Obligation (or one or more Predecessor Obligations) is registered at the close of business on the 15th day (whether or not a Business Day) of the calendar month immediately preceding an interest payment (the "Record Date") applicable to such Payment Date (as defined in the Loan Agreement). Interest on the First Mortgage Notes, Series 2012B shall be computed for the actual number of days the loan is outstanding on a basis determined pursuant to Section 3.02C and Section 3.03 of the Loan Agreement.

The Company will act as the Paying Agent for the First Mortgage Notes, Series 2012B.

The First Mortgage Notes, Series 2012B shall be issued as fully registered notes without coupons and in minimum denominations of \$1.00 and any integral multiple of \$1.00 in excess thereof. The First Mortgage Notes, Series 2012B shall be registered in the name of CFC at 20701 Cooperative Way, Dulles, Virginia 20166 in certificated form.

SECTION 1.03. Mandatory Principal Repayment

(a) The First Mortgage Notes, Series 2012B shall be subject to mandatory prepayment pursuant to Section 3B.01 of the Loan Agreement.

(b) The First Mortgage Notes, Series 2012B that the Company acquires and surrenders (other than by means of mandatory prepayments as provided herein) will be credited against future mandatory prepayments for such First Mortgage Notes, Series 2012B and the principal payment to be made on the maturity date of such First Mortgage Notes, Series 2012B, in proportion to the respective amounts of those mandatory prepayments, subject to authorized denominations.

SECTION 1.04. Optional Prepayment

The Company may at any time, on not less than fifteen (15) days prior written notice to CFC, prepay the First Mortgage Notes, Series 2012B, in whole or in part, on or prior to their stated maturity only to the extent permitted by Section 3.04 of the Loan Agreement and for the amount, together with a prepayment premium, as provided in Section 3.04 of the Loan Agreement.

SECTION 1.05. Form of the First Mortgage Notes, Series 2012B.

The First Mortgage Notes, Series 2012B and the Trustee's authentication certificate to be executed on the First Mortgage Notes, Series 2012B shall be substantially in the form of Exhibit B attached hereto, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted in the Original Indenture.

ARTICLE II

MISCELLANEOUS

SECTION 2.01. Supplemental Indenture.

This Third Supplemental Indenture is executed and shall be construed as an indenture supplemental to the Original Indenture, and shall form a part thereof, and the Original Indenture, as hereby supplemented, is hereby confirmed. Except to the extent inconsistent with the express terms of this Third Supplemental Indenture and the Loan Agreement, all of the provisions, terms, covenants and conditions of the Original

Indenture shall be applicable to the First Mortgage Notes, Series 2012B to the same extent as if specifically set forth herein.

SECTION 2.02. Recitals.

All recitals in this Third Supplemental Indenture are made by the Company only and not by the Trustee; and all of the provisions contained in the Original Indenture, in respect of the rights, privileges, immunities, powers and duties of the Trustee shall be applicable in respect hereof as fully and with like effect as if set forth herein in full. The Trustee will not be responsible for and makes no representation as to the validity or adequacy of this Third Supplemental Indenture or the First Mortgage Notes, Series 2012B (other than its certificate of authentication); it shall not be accountable for the Company's use of the proceeds from the First Mortgage Notes, Series 2012B; and it will not be responsible for the use or application of any money received by any Paying Agent other than the Trustee. The Trustee is not a party to the Loan Agreement, and it will not be responsible for or charged with knowledge of any terms of the Loan Agreement.

SECTION 2.03. Successors and Assigns.

Whenever in this Third Supplemental Indenture any of the parties hereto is named or referred to, this shall, subject to the provisions of Articles IX and XI of the Original Indenture, be deemed to include the successors and assigns of such party, and all the covenants and agreements in this Third Supplemental Indenture contained by or on behalf of the Company, or by or on behalf of the Trustee shall, subject as aforesaid, bind and inure to the respective benefits of the respective successors and assigns of such parties, whether so expressed or not.

SECTION 2.04. No Rights, Remedies, Etc.

Nothing in this Third Supplemental Indenture, expressed or implied, is intended, or shall be construed, to confer upon, or to give to, any person, firm or corporation, other than the parties hereto and the Holders of the Outstanding Secured Obligations, any right, remedy or claim under or by reason of this Third Supplemental Indenture or any covenant, condition, stipulation, promise or agreement hereof, and all the covenants, conditions, stipulations, promises and agreements in this Third Supplemental Indenture contained by or on behalf of the Company shall be for the sole and exclusive benefit of the parties hereto, and of the Holders of Outstanding Secured Obligations.

SECTION 2.05. Counterparts.

This Third Supplemental Indenture may be executed in several counterparts, each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts, or as many of them as the Company and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

SECTION 2.06. Security Agreement; Mailing Address.

To the extent permitted by applicable law, this Third Supplemental Indenture shall be deemed to be a security agreement and financing statement whereby the Company grants to the Trustee a security interest in all of the Trust Estate that is personal property or fixtures under the Uniform Commercial Code.

The mailing address of the Company, as debtor is:

Big Rivers Electric Corporation
201 Third Street
Henderson, Kentucky 42420

and the mailing address of the Trustee, as secured party is:

U.S. Bank National Association
Corporate Trust Services
P.O. Box 960778
Boston, Massachusetts 02102

Additionally, this Third Supplemental Indenture shall, if appropriate, be an amendment to the financing documents originally filed in connection with the Original Indenture. The Company is authorized to execute and file as appropriate instruments under the *Uniform Commercial Code* to either create a security interest or amend any security interest heretofore created; *provided* that the Trustee has no obligation to prepare or make any such filings.

[Signatures on Next Page.]

EXHIBIT A

[Filing and recording information for the Original Indenture on a county by county basis]

EXHIBIT B

THIS SERIES 2012B NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND MAY NOT BE SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM.

EACH TRANSFEREE OF THIS SERIES 2012B NOTE WILL BE REQUIRED TO PROVIDE U.S. BANK NATIONAL ASSOCIATION, AS TRUSTEE (OR A SUCCESSOR TRUSTEE, AS APPLICABLE) WITH A WRITTEN CERTIFICATION (THE FORM OF WHICH CAN BE OBTAINED FROM THE TRUSTEE) AS TO COMPLIANCE WITH THE TRANSFER RESTRICTION REFERRED TO ABOVE. THE HOLDER MUST, PRIOR TO SUCH TRANSFER, FURNISH TO THE TRUSTEE SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS IT MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

THIS SERIES 2012B NOTE AND ANY RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON REALES AND OTHER TRANSFERS OF THIS SERIES 2012B NOTE TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO THE RESALE OR TRANSFER OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS SERIES 2012B NOTE SHALL BE DEEMED BY THE ACCEPTANCE OF THIS SERIES 2012B NOTE TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT.

CFC Loan No. [_____]

\$302,000,000

BIG RIVERS ELECTRIC CORPORATION
FIRST MORTGAGE NOTES, SERIES 2012B

ISSUANCE DATE: [_____], 2012

BIG RIVERS ELECTRIC CORPORATION, a cooperative corporation organized and existing under the laws of the Commonwealth of Kentucky (the "Borrower"), for value received, hereby promises to pay, without setoff, deduction, recoupment or counterclaim, to the order of NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION (the "Payee"), at its office in Dulles, Virginia or such other location as the Payee may designate to the Borrower, in lawful money of the United States, the principal sum of THREE HUNDRED AND TWO MILLION AND 00/100 DOLLARS (\$302,000,000.00), or such lesser sum of the aggregate unpaid principal amount of all advances made by the Payee pursuant to that certain Loan Agreement dated as of even date herewith between the Borrower and the Payee, as it may be amended from time to time (herein called the "Loan Agreement"), and to pay interest on all amounts remaining unpaid hereunder from the date of each advance in like money, at said office, at the rate and in amounts and payable on the dates provided in the Loan Agreement together with any other amount payable under the Loan Agreement. If not sooner paid, any balance of the principal amount and interest accrued thereon shall be due and payable on the Maturity Date (as defined in the Loan Agreement); *provided, however*, that if such date is not a Payment Date (as defined in the Loan Agreement), then the Maturity Date shall be the Payment Date immediately preceding such date.

This Note is secured under the Indenture dated as of July 1, 2009, made by the Borrower to U.S. Bank National Association, as Trustee thereunder, as it has been or shall hereafter be supplemented, amended, consolidated or restated from time to time ("Indenture"). This Note is one of the Notes referred to in, and has been executed and delivered pursuant to, the Loan Agreement, and constitutes an "Obligation" under the Indenture. This Note is equally and ratably secured, to the extent provided in the Indenture, by the Trust Estate, except and excluding the Excepted Property.

This Note is a registered Obligation and, as provided in the Indenture, upon surrender of this Note for registration of transfer, accompanied by a written instrument of transfer duly executed, by the registered Holder hereof or such Holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in

whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

The principal hereof and accrued interest thereon may be declared to be forthwith due and payable in the manner, upon the conditions, and with the effect provided in the Indenture, and with respect to any other amount due under the Loan Agreement, as provided in the Indenture or the Loan Agreement.

The Borrower waives demand, presentment for payment, notice of dishonor, protest, notice of protest, and notice of non-payment of this Note.

This Note shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the Borrower has caused this Note to be executed and attested to by duly authorized officers of the Borrower.

(SEAL)

BIG RIVERS ELECTRIC CORPORATION

Name: Mark A. Bailey
Title: President and Chief Executive Officer

Attest:

Name:
Title:

**[TRUSTEE'S CERTIFICATE OF AUTHENTICATION APPEARS ON
FOLLOWING PAGE]**

This Note is one of the "Obligations" referred to in the Indenture, dated as of July 1, 2009, between Big Rivers Electric Corporation, as Grantor, and U.S. Bank National Association, as Trustee.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Signatory

Date of Authentication: _____

FORM OF TRANSFER NOTICE

FOR VALUE RECEIVED the undersigned registered Noteholder hereby sell(s) assign(s) and transfer(s) unto

Insert Taxpayer Identification No.

(Please print or typewrite name and address including zip code of assignee)

the within Note and all rights thereunder, hereby irrevocably constituting and appointing

attorney to transfer said Note on the books kept for registration thereof, with full power of substitution in the premises.

Date: _____

(Signature of Transferor)

NOTE: The signature to this assignment must correspond with the name as written upon the face of the within-mentioned instrument in every particular, without alteration or enlargement or any change whatsoever.

NOTE: The signature must be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program) pursuant to S.E.C. Rule 17Ad-15.

CFC hereby authorizes the Trustee as Obligation Registrar for the First Mortgage Notes, Series 2012B to transfer this Note under the Indenture pursuant to the instructions, above.

National Rural Utilities Cooperative Finance Corporation

By: _____
Name: _____
Title: _____

PROMISSORY NOTE

\$43,155,800.00

dated as of _____

BIG RIVERS ELECTRIC CORPORATION, a cooperative corporation organized and existing under the laws of the Commonwealth of Kentucky (the "Borrower"), for value received, hereby promises to pay, without setoff, deduction, recoupment or counterclaim, to the order of NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION (the "Payee"), at its office in Dulles, Virginia or such other location as the Payee may designate to the Borrower, in lawful money of the United States, the principal sum of FORTY THREE MILLION ONE HUNDRED FIFTY-FIVE THOUSAND EIGHT HUNDRED AND NO/100 DOLLARS (\$43,155,800.00), or such lesser sum of the aggregate unpaid principal amount of all advances made by the Payee pursuant to that certain Loan Agreement dated as of even date herewith between the Borrower and the Payee, as it may be amended from time to time (herein called the "Loan Agreement"), and to pay interest on all amounts remaining unpaid hereunder from the date of each advance in like money, at said office, at the rate and in amounts and payable on the dates provided in the Loan Agreement together with any other amount payable under the Loan Agreement. If not sooner paid, any balance of the principal amount and interest accrued thereon shall be due and payable on the Maturity Date (as defined in the Loan Agreement); provided, however, that if such date is not a Payment Date (as defined in the Loan Agreement), then the Maturity Date shall be the Payment Date immediately preceding such date.

This Note is one of the Notes referred to in, and has been executed and delivered pursuant to, the Loan Agreement.

The principal hereof and interest accrued thereon and any other amount due under the Loan Agreement may be declared to be forthwith due and payable in the manner, upon the conditions, and with the effect provided in the Loan Agreement.

The Borrower waives demand, presentment for payment, notice of dishonor, protest, notice of protest, and notice of non-payment of this Note.

This Note shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia.

IN WITNESS WHEREOF the Borrower has caused this Note to be signed in its corporate name and its corporate seal to be hereunto affixed and to be attested by its duly authorized officers, all as of the day and year first above written.

BIG RIVERS ELECTRIC CORPORATION

(SEAL)

By: _____

Title: _____

Attest: _____
Secretary

Loan No. KY062-A-9004

CFC NOTE
KY062-A-9004 (LICHTEA)
165626-1

**COMMONWEALTH OF KENTUCKY
BEFORE THE
PUBLIC SERVICE COMMISSION OF KENTUCKY**

Case No. 2012-_____

**TESTIMONY OF
MARK A. HITE**

**ON BEHALF OF
BIG RIVERS ELECTRIC CORPORATION**

March 28, 2012

Testimony of Mark A. Hite

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Page 18	III.	Summary of Relief Requested

Exhibits

Exhibit A	Summary of Professional Experience of Mark A. Hite
Exhibit B	Senior Unsecured Revolving Facility, Summary of Indicative Terms and Conditions dated January 12, 2012
Exhibit C	Debt Service Schedule: RUS 2009 Promissory Note Series A
Exhibit D	Proposed Amended Maximum Debt Balance Schedule to RUS 2009 Promissory Note Series A
Exhibit E	Net Present Value Economic Analysis of Financing
Exhibit F	Estimate CoBank Term Loan Amortization Schedule
Exhibit G	CoBank Estimated Closing Fees and Patronage
Exhibit H	Estimated CFC Term Loan Amortization Schedule
Exhibit I	Revised Debt Service Schedule: RUS 2009 Promissory Note Series A

1 **Q. Please summarize the purpose of your testimony in these**
2 **proceedings.**

3 A. The purpose of my testimony is to describe and support the plans Big
4 Rivers Electric Corporation ("*Big Rivers*") proposes in this application
5 ("*Application*") to issue evidences of indebtedness for purposes of borrowing
6 \$537,000,000, and replacing an expiring \$50,000,000 revolving credit facility.

7 **Q Please summarize generally the lending sources for these funds, and**
8 **the uses Big Rivers will make of those funds.**

9 A CoBank, ACB ("*CoBank*") has agreed to make Big Rivers a term loan of
10 \$235,000,000 (the "*CoBank Term Loan*"), and to enter into a \$50,000,000
11 revolving credit facility (the "*CoBank Revolver*"). The National Rural
12 Utilities Cooperative Finance Corporation ("*CFC*") has agreed to make Big
13 Rivers a term loan of \$302,000,000 (the "*CFC Term Loan*"). Big Rivers
14 proposes to use the aggregate \$537,000,000 term loan proceeds as follows: (i)
15 \$442,000,000 to refinance a significant portion of the RUS 2009 Promissory
16 Note Series A (the "*RUS Note*"); (ii) \$60,000,000 for capital expenditures , and
17 (iii) \$35,000,000 to replenish the Transition Reserve, restoring the amount
18 prepaid on the RUS Note on April 1, 2011. The new \$50 million CoBank
19 Revolver will replace the existing \$50 million CoBank revolving credit facility
20 that expires by its own terms on July 16, 2012.

21
22

1 **II. BIG RIVERS' PROPOSED FINANCING ARRANGEMENTS**

2 **Q. Please describe in detail the evidences of indebtedness Big Rivers**
3 **proposes to issue to CoBank in connection with the proposed**
4 **\$235,000,000 CoBank Term Loan.**

5 A. Big Rivers proposes to issue a note to CoBank in the original principal
6 amount of \$235 million, with a 20-year final maturity date ("*CoBank Secured*
7 *Note*"). A copy of the proposed CoBank Secured Note is attached to the
8 Application as Exhibit 6. The CoBank Secured Note will be governed by the
9 Secured Credit Agreement between Big Rivers Electric Corporation, the
10 Several Lenders from Time to Time Parties Hereto, and CoBank ACB, as
11 Administrative Agent, Issuing Lender, Lead Arranger and Book Runner
12 ("*CoBank Secured Loan Agreement*"). A copy of the proposed CoBank Secured
13 Loan Agreement is attached to the Application as Exhibit 7. As described in
14 the CoBank Secured Loan Agreement, with respect to the CoBank Term
15 Loan , CoBank will act as lead arranger and will put together a syndicate of
16 Farm Credit System financial institutions acceptable to Big Rivers to
17 participate in the loans to Big Rivers. The CoBank Secured Loan Agreement
18 sets forth, among other things, the terms and provisions of the loan, the
19 representations and warranties of Big Rivers, the conditions precedent to the
20 closing, covenants of Big Rivers and events of default.

21 The CoBank Secured Note will have a 20 year final maturity and will
22 be paid with approximately level quarterly debt service payments, with the

1 first payment due approximately September 30, 2012, and the final principal
2 payment due approximately June 30, 2032. It will bear an interest rate equal
3 to the Quoted Fixed Rate, as defined in Section 2.08 of the CoBank Secured
4 Loan Agreement. The fixed rate is a rate established by CoBank, as
5 administrative agent under the CoBank Secured Loan Agreement, on the
6 date of the borrowing in its sole and absolute discretion. As with the sale of
7 debt in the public market, Big Rivers will have the option on the closing date
8 of accepting the interest rate offered by CoBank, or declining the loan. As of
9 March 13, 2012, the fixed interest rate available from CoBank for this type of
10 loan was 4.75%. The CoBank Term Loan is eligible for patronage, which
11 CoBank estimates will effectively reduce that rate 0.62%. Also, at closing,
12 the CoBank Term Loan requires Big Rivers to pay a one-time Arrangement
13 Fee of 0.20% of the term loan, pay a one-time Upfront Fee of approximately
14 0.22% of the term loan and to reimburse CoBank for its cost of outside
15 counsel. The all-in effective rate of the CoBank Term Loan is estimated to be
16 4.24%, based upon current assumptions.

17 The proposed Second Supplemental Indenture from Big Rivers to U.S.
18 Bank National Association, Trustee ("*Second Supplemental Indenture*") will
19 be issued to secure the CoBank Secured Note under the Indenture between
20 Big Rivers and U.S. Bank National Association, Trustee dated as of July 1,
21 2009 (the "*2009 Indenture*") on a parity with other secured debt of Big Rivers.
22 A copy of the proposed Second Supplemental Indenture is attached to the

1 Application as Exhibit 8. A copy of the 2009 Indenture is filed as Exhibit 7 to
2 the application of Big Rivers in *In the Matter of: The Application of Big Rivers*
3 *Electric Corporation for Approval to Issue Evidences of Indebtedness*, PSC
4 Case Number 2009-00441.

5 **Q. Please describe in detail the evidences of indebtedness Big Rivers**
6 **proposes to issue to CoBank in connection with the new\$50,000,000**
7 **CoBank Revolver.**

8 A Big Rivers proposes to enter into the Senior Unsecured Revolving
9 Credit Facility among Big Rivers Electric Corporation, the Several Lenders
10 from Time to Time Parties hereto, and CoBank, ACB, as Administrative
11 Agent, Issuing Lender, Lead Arranger and Book Runner (“*CoBank Unsecured*
12 *Loan Agreement*”), and the associated note (the “*CoBank Unsecured Note*”). A
13 copy of the proposed CoBank Unsecured Loan Agreement is attached to the
14 Application as Exhibit 10, and a copy of the proposed CoBank Unsecured
15 Note is attached to the Application as Exhibit 9, as well as being an exhibit to
16 the CoBank Unsecured Loan Agreement.

17 The CoBank Unsecured Loan Agreement has a term of five years, as
18 compared with the three year term on the existing Revolving Credit
19 Agreement by and between Big Rivers and CoBank dated as of July 16, 2009,
20 which expires July 16, 2012 (the “*2009 CoBank Facility*,” which is attached as
21 Exhibit 4 to the Application). The CoBank Unsecured Loan Agreement sets
22 forth, among other things, the terms and provisions of the loan, the

1 representations and warranties of Big Rivers, the conditions precedent to the
2 closing, covenants of Big Rivers, events of default, and the conditions upon
3 which Big Rivers will be able to make draws under that facility. Under the
4 CoBank Unsecured Loan Agreement Big Rivers may choose either a LIBOR
5 (London Interbank Offered Rate) or a Base Rate as its interest rate options.
6 The interest rate and fees applicable to each loan under the CoBank
7 Unsecured Loan Agreement are described beginning at page 2 of the Big
8 Rivers Electric Corporation \$50,000,000 Senior Unsecured Revolving Facility,
9 Summary of Indicative Terms and Conditions dated January 12, 2012, which
10 is attached to my testimony as Hite Direct Exhibit B. Similar to the CoBank
11 Term Loan, at closing, the CoBank Revolver requires Big Rivers to pay an
12 Arrangement Fee of 0.20% of the facility amount and an Upfront Fee of
13 approximately 0.22% of the facility amount. Big Rivers will also pay a facility
14 fee that is calculated by multiplying \$50,000,000 times the Applicable Margin
15 for the Facility Fee. The CoBank Revolver is also eligible for patronage. And,
16 at closing, Big Rivers' will reimburse CoBank for its cost of outside counsel.

17 The CoBank Unsecured Loan Agreement provides that Big Rivers may
18 from time to time utilize up to \$10,000,000 of the commitment for Letters of
19 Credit. For each Letter of Credit issued under the facility, Big Rivers will
20 pay a Letter of Credit Fee equal to the appropriate LIBOR Margin, times the
21 average daily amount of each Letter of Credit issued and outstanding. Big
22 Rivers will also pay a Fronting Fee for each Letter of Credit issued equal to

1 0.125% of the aggregate stated amount of each Letter of Credit.

2 Unreimbursed drawings under the Letter of Credit are deemed to be a loan
3 bearing interest at the Base Rate plus the Applicable Margin.

4 **Q. Please describe in detail the evidences of indebtedness Big**
5 **Rivers proposes to issue to CFC in connection with the proposed**
6 **\$302,000,000 CFC Term Loan.**

7 A Big Rivers proposes to issue a note to CFC in the original principal
8 amount of \$302,000,000, with a maturity date of 20 years from the closing
9 date ("*CFC Secured Note*"). A copy of the proposed CFC Secured Note is
10 attached to the Application as Exhibit 11. The CFC Secured Note will be
11 governed by the Secured Credit Agreement between Big Rivers Electric
12 Corporation and CFC ("*CFC Secured Loan Agreement*"). A copy of the
13 proposed CFC Secured Loan Agreement is attached to the Application as
14 Exhibit 12.

15 The term of the CFC Secured Note will be 20 years from the closing
16 date of the financing transactions, and it will amortize on a level debt service
17 basis. It will bear serial interest rate pricing. The serial interest rate pricing
18 will be determined just prior to the closing, and will be the serial interest rate
19 pricing as is then available from CFC for loans similarly classified pursuant
20 to CFC's policies and procedures then in effect.

21 The proposed Third Supplemental Indenture from Big Rivers to U.S.
22 Bank National Association, Trustee ("*Third Supplemental Indenture*") will be

1 issued to secure the CFC Secured Note under the 2009 Indenture on a parity
2 with other secured debt of Big Rivers. A copy of the proposed Third
3 Supplemental Indenture is attached to the Application as Exhibit 13.

4 In addition, in connection with the CFC Term Loan and as part of the
5 CFC loan program terms, Big Rivers will be obligated to purchase interest-
6 bearing Capital Term Certificates (“*CTCs*”) from CFC. Big Rivers has elected
7 to have CFC finance the purchase of the *CTCs* with an unsecured loan (the
8 “*CFC Equity Loan*”), as provided for under the CFC Secured Loan
9 Agreement. The CFC Equity Loan will be in the amount of \$43,155,800;
10 14.29% of the CFC Term Loan amount. The terms and provisions relating to
11 the CFC Equity Loan are set forth in the CFC Secured Loan Agreement. The
12 CFC Equity Loan will be evidenced by an unsecured note from Big Rivers to
13 CFC (the “*CFC Equity Loan Note*”) matching the term of the CFC Secured
14 Note, with the other term fixed on the loan advance date at CFC’s standard
15 interest rates and terms for unsecured terms loans then in effect, as
16 described in Article 3A of the CFC Secured Loan Agreement. A copy of the
17 proposed CFC Equity Loan Note is attached to the Application as Exhibit 14.

18 The all-in effective rate for the CFC serial interest rate pricing, plus
19 the *CTCs* “drag”, less patronage, is estimated to be 4.76%. Note that CFC
20 requires *CTCs* in lieu of other fees. And due to CFC using its in-house
21 counsel, there will be no CFC third-party legal fees for Big Rivers to
22 reimburse.

1 **Q. Do these documents constitute all the documents related to the**
2 **financing arrangements for which Commission approval is sought in**
3 **this Application?**

4 A. Yes. To the best of my knowledge, these documents, although not
5 complete, are in substantially complete form. Big Rivers will make a
6 compliance filing with the Commission after closing of the financing
7 transaction providing it with the final, executed versions of all financing
8 documents, along with a list of the changes, if any, that have been made from
9 the drafts that are submitted with this Application. Big Rivers recognizes
10 that any material change in a draft document prior to closing of the financing
11 transaction will require resubmission of the document to the Commission
12 prior to execution and delivery of the document by Big Rivers.

13 **Q Please describe in more detail the use to be made of the proceeds of**
14 **the proposed issues of evidences of indebtedness.**

15 A As I described earlier, Big Rivers proposes to use the aggregate
16 \$537,000,000 in proceeds from the term loans as follows: (i) \$442,000,000
17 will be prepaid on the RUS Note; (ii) \$60,000,000 will be used for capital
18 expenditures, and (iii) \$35,000,000 will be used to replenish the Transition
19 Reserve, restoring the amount that was used to prepay the RUS Note on
20 April 1, 2011. The new CoBank Revolver will replace the existing 2009
21 CoBank Facility, which expires by its own terms on July 16, 2012.

1 Regarding the \$60,000,000 to be used for capital expenditures, Big
2 Rivers has not entered into any contracts for the acquisition, construction,
3 extension or improvement of property or facilities using the proceeds. The
4 \$60 million of the proceeds will eventually be used for capital expenditures in
5 the ordinary course of business. None of these funds are yet committed to
6 any specific capital project.

7 **Q** Please describe Big Rivers' proposed use of loan proceeds to prepay
8 \$442,000,000 of debt under the RUS Note.

9 **A.** The RUS Note had an original principal amount of \$602,573,536, has a
10 final maturity of July 1, 2021, and bears an interest rate of 5.75%. The RUS
11 Note is attached as Exhibit 2 to the Application. The existing debt service
12 schedule of the RUS Note is attached hereto as Hite Direct Exhibit C. We
13 estimate that the outstanding principal balance on the RUS Note just prior to
14 the proposed financing transactions closing date of June 29, 2012, will be
15 \$526,603,000. Under the terms of the RUS Note, Big Rivers may prepay any
16 amounts on the note without penalty. Big Rivers proposes to use the entire
17 \$302,000,000 in proceeds from the CFC Secured Note, and \$140,000,000 of
18 the proceeds from the CoBank Secured Note to reduce the principal balance
19 of the RUS Note. In addition, Big Rivers will also request the RUS
20 permanently reduce the Maximum Debt Balance for the \$35,000,000
21 prepayment made to RUS on the April 1, 2011, in connection with the
22 Transition Reserve. After application of the proceeds of the CFC Term Loan

1 and the CoBank Term Loan, as described earlier, and application of the
2 \$35,000,000 to permanently reduce the Maximum Debt Balance, the
3 Maximum Debt Balance will be \$84,603,000. Big Rivers is obligated to make
4 a payment to RUS on the RUS Note of \$60 million by October 1, 2012, and to
5 make another payment on the RUS Note of \$200 million by January 1, 2016.
6 It was always envisioned that Big Rivers would finance these two payments.
7 After the application of the proceeds of the CFC Term Loan and the CoBank
8 Term Loan, as well as the permanent reduction in the Maximum Debt
9 Balance associated with the \$35,000,000 Transition Reserve, Big Rivers will
10 have satisfied those obligations, and more.

11 **Q Are amendments required to the RUS Note as a result of the proposed**
12 **prepayment and the proposed financing transactions?**

13 **A** Yes. We are working with RUS to amend the Maximum Debt Balance
14 Schedule of the RUS Note to reflect that no additional principal payments are
15 due until October 1, 2019. This will have the legal effect of preventing Big
16 Rivers from “clawing back” the \$442,000,000 and the \$35,000,000 that will
17 permanently reduce the Maximum Debt Balance on the RUS Note to
18 \$84,603,000, which is required by CoBank and CFC. RUS is currently
19 reviewing the proposed amendment to the Maximum Debt Balance Schedule
20 prepared by Big Rivers. A copy of the proposed amendment to the Maximum
21 Debt Balance Schedule is attached to my testimony as Hite Direct Exhibit D.

1 No other changes to the RUS Note should be required. The maturity date of
2 the RUS Note remains unchanged, July 1, 2021.

3 Q Please describe Big Rivers' proposed use of \$60,000,000 of the CoBank Term
4 Loan proceeds to fund capital expenditures.

5 A Big Rivers has been financing day-to-day capital expenditures on its
6 system in the ordinary course of business from its cash working capital. Big
7 Rivers will use \$60,000,000 from the proceeds of the CoBank Secured Note to
8 fund certain of its on-going capital expenditures. Because the funds will be
9 expended on a routine basis in the ordinary course of business, it is not
10 possible to describe the property to be acquired, constructed, improved or
11 extended, or the individual amount of each expenditure, and there are no
12 contracts that can be identified with respect to any future capital expenditure
13 in the ordinary course of business for which these funds may be used.

14 Q Please describe Big Rivers' proposed use of \$35,000,000 of CoBank Term
15 Loan proceeds for the Transition Reserve.

16 A. First, the Transition Reserve was established by Big Rivers at the time
17 of the closing of the so-called "unwind transaction" in July of 2009 to be used
18 as a hedge against potential lost revenue it might suffer if one or both of the
19 aluminum smelters on the Big Rivers' system permanently closed. On April
20 1, 2011, the \$35,000,000 Transition Reserve was prepaid on the RUS Note.
21 In the event a one-year smelter termination notice was received by Big Rivers,
22 the \$35,000,000 was to be "clawed back" by avoiding the following three

1 quarterly RUS Note payments, and the Transition Reserve investment
2 account thereby replenished. Because the CFC Term Loan and the CoBank
3 Term Loan will reduce the Maximum Debt Balance to \$84,603,000, it will not
4 be possible to “claw back” the \$35,000,000 by avoiding quarterly RUS Note
5 debt service payments and replenish the Transition Reserve for several years.
6 As a result, Big Rivers is essentially “clawing back” the \$35,000,000
7 Transition Reserve at the closing of the proposed financing transactions.

8 **Q Please describe the financial impact on Big Rivers of the proposed financings**
9 **and use of the proceeds of the financings.**

10 **A** As shown on the attached Hite Direct Exhibit E, page 1 of 3, the
11 proposed \$442,000,000 refinancing of the RUS Note, discounted at 5.75%, is
12 estimated to result in a net present value benefit to Big Rivers of \$28,559,298.
13 The CoBank Term Loan is estimated to result in an all-in effective rate of
14 4.24%, as shown on the attached Hite Direct Exhibit F. Hite Direct Exhibit G
15 includes certain closing fee and patronage information in support of the
16 4.24% all-in effective rate of the CoBank Term Loan. The CFC Term Loan is
17 estimated to result in an all-in effective rate of 4.76%, as shown on the
18 attached Hite Direct Exhibit H. Finally, Hite Direct Exhibit I reflects the
19 debt service schedule for the revised RUS Note resulting from the proposed
20 financing transactions. Please note that the interest rates stated above are
21 estimated, as the actual interest rates for the CoBank and CFC Term Loans

1 will not be known until just prior to the closing. If Big Rivers finds the rates
2 available at that time to be unacceptable, it is not required to close the loans.

3 **Q** What expenses will Big Rivers incur in connection with the proposed
4 financing transactions?

5 **A** In addition to the transaction costs discussed previously, Big Rivers
6 expects to incur the legal cost for its counsel, estimated to be \$300,000. All
7 transaction costs will be deferred and amortized over the life of the new debt.
8 Big Rivers' outside legal costs are not factored into the all-in effective rates
9 noted above, but will have an immaterial impact.

10 **Q** Please explain why Big Rivers is requesting a Commission order no later
11 than May 25, 2012.

12 **A** It is a matter of common knowledge that interest rates for borrowing
13 are at an historic low level. The final rates applicable to the CoBank Term
14 Loan and the CFC Term Loan, as I have noted above, will be determined by
15 interest rates in effect at the time of closing. We have seen a recent upward
16 trend in interest rates, and want to be in a position to accomplish the closing
17 as quickly as possible in hopes of capturing a lower rate. Big Rivers wants to
18 begin realizing the significant benefit (lower cost) that this financing
19 opportunity provides for Big Rivers. Obviously, the lower the rate, the
20 greater the debt service savings for Big Rivers and its members.

21 We have requested that the Commission issue an order approving
22 issuance by Big Rivers of the evidences of indebtedness described in this

1 application no later than May 25, 2012, because that is the date by which Big
2 Rivers needs a Commission order to allow the appeal time on the order to
3 expire, enabling Big Rivers to close the CoBank and CFC Term Loans before
4 their loan commitments expire on June 29, 2012.

5 We believe our request is reasonable because the borrowing proposed
6 by Big Rivers does not include a request for a certificate of public convenience
7 and necessity, and is therefore a very simple filing. The Commission is
8 familiar with CoBank and CFC, and the terms on which they make loans.
9 We hope and believe these factors will simplify the Commission review
10 process.

11 **Q Does Big Rivers have the requisite corporate authority to permit it**
12 **to restructure its finances?**

13 **A** Yes. Big Rivers has the authority to borrow money under its articles of
14 incorporation and bylaws, and under KRS Chapter 279. At the next meeting
15 of the Big Rivers Board, which currently is scheduled for April 20, 2012, Big
16 Rivers will obtain the comprehensive Board resolutions authorizing it to
17 restructure its finances in the manner contemplated.

1 **III. SUMMARY OF RELIEF REQUESTED**

2

3 **Q Please summarize all the relief Big Rivers is requesting in this filing.**

4 A Big Rivers asks that the Commission enter an order on or before May
5 25, 2012, authorizing Big Rivers to issue the evidences of indebtedness filed
6 with Big Rivers' Application as Exhibits 6 (CoBank Secured Note), 7 (CoBank
7 Secured Loan Agreement), 8 (Second Supplemental Indenture), 9 (CoBank
8 Unsecured Note), 10 (CoBank Unsecured Loan Agreement), 11 (CFC Secured
9 Note), 12 (CFC Secured Loan Agreement), 13 (Third Supplemental
10 Indenture), and 14 (CFC Equity Loan Note).

11 **Q. Does this conclude your testimony?**

12 A. Yes.

Professional Summary

Mark A. Hite

Vice President of Accounting and Interim Chief Financial Officer

Big Rivers Electric Corporation

201 3rd Street

Henderson, Kentucky 42420

(270) 844-6049

Professional Experience

Big Rivers Electric Corporation -- 1983 to 2005; 2007 to present

Vice President of Accounting and Interim Chief Financial Officer

Vice President of Accounting

Vice President of Finance and Administrative Services

Manager of Financial Services

Payroll Supervisor

Staff Accountant of Finance

Intermediate Accountant

Accountant

Donaldson Capital Management -- 2005-2006

Investment Advisor Representative

Vectren Energy, Evansville, Indiana -- 1980-1983

Accountant -- General Accounting

Sanders & Company CPAs, Evansville -- 1979-1980

Staff Accountant

Sears, Roebuck & Company, Evansville -- 1978-1979

Auditing Clerk

Professional Summary

Education

Master in Business Administration

University of Evansville, 1985

Bachelor of Science in Business

University of Evansville, 1980

Professional Certifications

Certified Public Accountant – 1990

Professional Memberships

American Institute of Certified Public Accountants

Indiana CPA Society

BIG RIVERS ELECTRIC CORPORATION
\$50,000,000 SENIOR UNSECURED REVOLVING FACILITY

Summary of Indicative Terms and Conditions

January 12, 2012

Confidential

This document is not meant to be, nor shall it be construed as, either a binding commitment or an attempt to define all terms and conditions of the transaction described herein. This Summary of Indicative Terms and Conditions (this "Term Sheet") represents a proposal which we may be willing to recommend for approval to senior management, provided that, among other things, all due diligence deemed necessary is completed to our satisfaction. The terms and conditions outlined herein are not intended to be all inclusive, but rather set forth a general framework from which a mutually satisfactory transaction may be structured. Any such financing would be subject to negotiation of definitive documentation, appropriate due diligence, signing of a commitment letter and final credit approval.

- Borrower:** Big Rivers Electric Corporation (the "Company" or the "Borrower").
- Administrative Agent,
Lead Arranger and
Bookrunner:** CoBank, ACB
- Lenders:** A syndicate of Farm Credit System financial institutions arranged by the Lead Arranger and acceptable to the Borrower
- Revolving Facility:** A \$50 million five-year senior unsecured revolving credit facility (the "Revolving Facility" and each loan a "Loan"), which will include a \$10 million sublimit available for the issuance of standby letters of credit (each an "L/C") by the L/C Issuer.
- Use of Proceeds:** The proceeds of the Revolving Facility may be used for working capital, capital expenditures and other general corporate purposes, and for the issuance of L/Cs.
- Closing Date:** The date of execution and delivery of definitive loan documentation, to occur on or before April 15, 2012 ("Closing Date").
- Expiration Date:** The Revolving Facility shall terminate and all amounts outstanding shall be due five years after the Closing Date (the "Expiration Date").
- Security:** The Revolving Facility will be issued on an unsecured basis, except for a statutory first priority lien on all equity that the Company may now or hereafter acquire in CoBank. Lenders, participants or assignees other than CoBank will not have the benefit of investments in any CoBank equities or other proceeds thereof or liens therein.
- Availability:** Subject to commitment reductions described below, the Revolving Facility will be available from the Closing Date until the Banking Day (to be defined) immediately preceding the Expiration Date. Subject to the terms of the Revolving Facility, the Company may borrow, repay and reborrow.

The borrowing amount for any advance shall not be less than \$1,000,000 and in an aggregate amount that is an integral multiple of \$500,000.

Letters of Credit:

L/Cs may be issued by CoBank (the “L/C Issuer”) under the Revolving Facility subject to the customary procedures of the L/C Issuer. Each L/C will reduce availability under the Revolving Facility on a dollar-for-dollar basis. Each Lender shall purchase an irrevocable and unconditional participation in each L/C. L/Cs may not be issued with an expiration date on or after 30 days prior to the Expiration Date. Unless otherwise agreed to by the L/C Issuer, L/Cs may not have an initial term of greater than 12 months, provided that L/Cs may be renewed.

Interest Rates:

The Company may choose from among the following two interest rate options:

- **LIBOR (London Interbank Offered Rate):** At a rate per annum equal to the LIBOR Rate plus the applicable LIBOR Margin (as defined below). Under this option: (1) rates may be fixed for periods of 1, 2, 3, or 6 months (and 9 or 12 months, if available from all Lenders) (an “Interest Period”); (2) rates may be fixed on balances of no less than \$1,000,000 at any one time; and (3) the maximum number of balances that may be subject to this option at any one time shall be ten. LIBOR loans will be made subject to availability. “LIBOR Rate” shall mean, for any Interest Period the interest rate per annum (rounded upwards to the nearest 1/100th of 1%) determined by dividing (i) the rate of interest at which deposits in U.S. dollars for such Interest Period are offered (based on information presented by Bloomberg as quoted by the British Bankers’ Association as of 11:00 a.m. (London time) two Banking Days prior to the first day of such Interest Period) by (ii) a number equal to 1.00 minus the Reserve Percentage. “Reserve Percentage” shall mean, with respect to the applicable Lender only, for any Interest Period during which such Lender, as determined in its sole discretion, is subject to a Reserve Percentage, the aggregate (but without duplication) of the rates (expressed as a decimal fraction) of reserve requirements in effect on the day which is two Banking Days prior to the beginning of such Interest Period for Eurocurrency funding (currently referred to as “Eurocurrency Liabilities” in Regulation D of such Board) which are required to be maintained by a member bank of the Federal Reserve System (including, without limitation, basic, supplemental, marginal and emergency reserves under any regulations of the Board of Governors of the Federal Reserve System or other Governmental Authority having jurisdiction with respect thereto, as now and from time to time in effect). For any Interest Period during which a Lender is not subject to a Reserve Percentage, the Reserve Percentage shall be equal to zero for such Lender. New LIBOR Rate Loans will not be available during the continuance of a default.

- **Base Rate:** At a rate per annum equal to the Base Rate plus the applicable Base Rate Margin (as defined below). “Base Rate” means, for any day, the rate per annum announced by CoBank on the first

Banking Day of each week as the higher of (A) 1.00% greater than one-month LIBOR or (B) the prime rate (“Prime Rate”) as published from time to time in the Eastern Edition of the Wall Street Journal as the average primary lending rate for seventy percent (70%) of the United States’ ten largest banks, or if the Wall Street Journal shall cease publication or cease publishing the Prime Rate on a regular basis, such other regularly published average prime rate applicable to such commercial banks as is acceptable to the Lender(s) in their reasonable discretion. Solely for the purpose of the definition of “Base Rate”, “LIBOR” shall mean the one (1) month rate (rounded upward to the nearest 1/100 of 1%) as quoted by the British Bankers Association at 11:00 a.m. London time and published by Bloomberg, on the first Banking Day of the week applicable to Borrower’s election of the Base Rate.

Interest on any Loan bearing interest at LIBOR or at the Base Rate when the Base Rate is based on one-month LIBOR will be calculated on the actual number of days elapsed on the basis of a year consisting of 360 days. Interest on any Loan bearing interest at Base Rate when the Base Rate is based on Prime Rate will be calculated on the basis of the actual number of days elapsed on the basis of a 365/366-day year. Interest on Base Rate Loans shall be payable quarterly in arrears by the last Banking Day of the calendar quarter and at final maturity. Interest on Loans bearing interest at LIBOR shall be payable in arrears on the last day of each Interest Period (and on each three-month anniversary of the date of the incurrence of a LIBOR borrowing if an Interest Period is longer than three months).

Applicable Margins and Fees:

The pricing grid below shall be applicable for margins and fees as determined by the Borrower’s issuer credit rating from Standard & Poor’s (“S&P”), Moody’s Investors Services (“Moody’s”), and Fitch, Inc. (“Fitch”, together with S&P and Moody’s, the “Rating Agencies” and each individually, a “Rating Agency”), or if the Borrower does not have an issuer credit rating from a Rating Agency, then the Borrower’s senior unsecured non-credit enhanced credit rating from such Rating Agency:

Applicable Margin:

Level	S&P Rating	Moody’s Rating	Fitch Rating	LIBOR Margin	Base Rate Margin	Facility Fee
1	≥A-	≥A-	≥A-	1.15%	0.15%	0.150%
2	BBB+	Baa1	BBB+	1.25%	0.25%	0.175%
3	BBB	Baa2	BBB	1.40%	0.40%	0.200%
4	BBB-	Baa3	BBB-	1.55%	0.55%	0.250%
5	BB+	Ba1	BB+	1.80%	0.80%	0.400%
6	<BB+	<Ba1	<BB+	2.15%	1.15%	0.600%

If the Borrower has a senior secured debt rating, but not an issuer credit rating or senior unsecured, non-credit enhanced credit rating from any Rating Agency, for purposes of the pricing grid the issuer credit rating or senior, unsecured, non-credit enhanced credit rating of the Borrower from such Rating Agency shall be deemed to be one pricing level below the senior

secured debt rating from that Rating Agency.

In the event that there is a rating by each of the Rating Agencies and there is a split rating, (a) if two or more of the three ratings are the same, then such rating will apply and (b) if none of the ratings are the same, the middle rating will apply. In the event that there is a credit rating by only two Rating Agencies and there is a split rating, the applicable margin and Facility Fee shall be at the level corresponding to the higher rating. In the event that there is only one credit rating that rating should be used. If there are no credit ratings from any of the Rating Agencies then pricing level 6 from the table above shall apply.

If as a result of any change, it is determined that a change to the applicable margin is warranted, then such change, if an increase, may be made at any time after the date of determination, and, if a decrease, shall be made not later than five days after written notice from the Borrower requesting the Administrative Agent to decrease the applicable margin. Each change in the applicable margin shall be applicable to all balances subject to the LIBOR option, including balances fixed prior to the date of the adjustment provided, however that changes to the existing balances shall be applied prospectively only.

Facility Fee The Company will be required to pay a facility fee (the “Facility Fee”) based on total amount of the Revolving Facility as of the end of each calendar quarter and on the last day of the term of the Revolving Facility, and shall be payable quarterly in arrears by the last Banking Day of the calendar quarter and on the date the Revolving Facility expires or is terminated, and shall be calculated on the basis of the actual number of days elapsed in a 360-day year. The Facility Fee shall be calculated based upon the grid set forth in the section of this Term Sheet addressing applicable margins and fees.

L/C Participation Fee: The Company will pay each Lender a participation fee with respect to its pro rata participations in each L/C, which shall accrue at a rate equal to the applicable LIBOR Margin times the average daily amount of the L/Cs that are issued and outstanding. The L/C participation fee shall be payable in arrears on a quarterly basis by the last Banking Day of the calendar quarter.

L/C Fronting Fee: The Company will pay the L/C Issuer a fronting fee that shall accrue at the rate of 0.125% per annum on the aggregate stated amount of each L/C. The L/C fronting fee shall be payable on the issuance date of such L/C.

Yield Protection: The credit documentation shall contain customary provisions (i) protecting the Lenders against increased costs or loss of yield resulting from changes in reserve, tax, capital adequacy and other requirements of law (including, without limitation, the Dodd-Frank Wall Street Reform and Consumer Protection Act and any requests, rules, guidelines or directives thereunder, which shall be deemed to have gone into effect after the Closing Date regardless of the actual date of enactment, adoption or issuance) and from the imposition of or changes in withholding or other taxes and (ii) indemnifying the Lenders for “breakage costs” incurred in connection with, among other things, any prepayment of a LIBOR Rate Loan on a day other than the last day of an Interest Period with respect thereto.

The Company shall have the option to replace any Lender if such Lender requests compensation for increased costs due to a change in law, capital requirements or other circumstances set forth in the documents governing the Revolving Facility. (The Company would have similar rights to replace any defaulting lender.)

Default Interest Rate: During an event of default, all outstanding amounts under the Revolving Facility will bear interest at 2% per annum over the rates otherwise in effect. During the continuation of a default or event of default, new LIBOR Rate Loans shall not be available.

Mandatory Repayments: Mandatory prepayment provisions will be usual and customary for transactions of this type, including without limitation, (i) in the event of any over advances in excess of the Revolving Facility commitments; and (ii) the Company shall cease to be a generation and transmission cooperative of which a majority of the voting control is owned by rural electric distribution cooperatives.

Voluntary Prepayments: The Company may on any day prepay all or any portion of the Loans bearing interest at the Base Rate or on three Banking Days' prior written notice prepay all or any portion of the Loans bearing interest at the LIBOR option, subject to payment of any applicable Yield Protection. Voluntary prepayments of the Revolving Facility will not permanently reduce the commitments under the Revolving Facility and may be redrawn during the period from the Closing Date to (but not including) the Expiration Date.

Commitment Reductions: The Company may, on ten Banking Days' prior written notice, permanently terminate or cancel any unused portion of the Revolving Facility provided that each partial reduction must be in minimum increments of \$10 million or any whole multiple of \$5 million in excess thereof. The Company shall not terminate or reduce the commitments of the Lenders, if, after giving effect to such termination or reduction, the total amount of all outstanding borrowings, together with (a) the aggregated undrawn amount of all outstanding L/Cs at any time plus (b) the aggregate amount of all L/C disbursements that have not yet been reimbursed by or on behalf of the Company at such time under the Revolving Facility, would exceed the total reduced commitment amount.

Patronage Capitalization: The portion of the Revolving Facility held by CoBank will be capitalized in accordance with CoBank's bylaws and its capital plan. As such, the Revolving Facility will be eligible for patronage refunds on the amounts held by CoBank and other FCS institutions that pay patronage. CoBank reserves the right to sell patronage and non-patronage loan participations.

Conditions Precedent to Closing: The Closing of the Revolving Facility will be subject to satisfaction of the conditions precedent deemed appropriate by the Lenders, including, but not limited to, the following:

- (i) The negotiation, execution and delivery of definitive documentation (including, without limitation, satisfactory legal opinions, corporate formation and authority documents, solvency certificate and other customary closing documents) for the Revolving Facility

satisfactory to the Administrative Agent and the Lenders;

- (ii) The Lenders shall be satisfied that there shall not have occurred a material adverse change since the date of Company's last audited financial statements in the business, assets, liabilities (actual or contingent), operations, condition (financial or otherwise) of the Company and its subsidiaries taken as a whole;
- (iii) Receipt and satisfactory review by the Administrative Agent and the Lenders of such financial information and projections regarding the Company and its subsidiaries as they may reasonably request;
- (iv) Payment of all fees and expenses required to be paid on or before Closing;
- (v) The absence of material litigation, subject to certain exceptions, if any, previously disclosed to the Lenders;
- (vi) The Borrower shall be in compliance with all existing material financial obligations;
- (vii) No default or event of default shall have occurred and be continuing;
- (viii) Receipt of necessary governmental and third party approvals; and
- (ix) All representations and warranties are true and correct in all material respects.

Conditions Precedent to Each Loan:

Each Loan under the Revolving Facility will be subject to satisfaction of the following conditions precedent: (i) all representations and warranties are true and correct in all material respects as of the date of each loan (except those that expressly relate to an earlier date), (ii) no default or event of default under the Revolving Facility has occurred and is continuing or would result from such Loan; (iii) receipt of such additional documents as the L/C Issuer may request in connection with the issuance, amendment, extension or renewal of any L/C; and (iv) a written request for such Loan or L/C has been submitted to the Administrative Agent.

Representations and Warranties:

The definitive credit documentation will contain representations and warranties consistent with those customarily found in similar financings with appropriate qualifications as to materiality and material adverse effect, including, without limitation, corporate organization and power, compliance with laws and organizational documents, obtaining of government approvals and permits, payment of taxes, authorization and enforceability of the credit documents, ERISA matters, Indenture (as defined below) matters, absence of material adverse change as of the Closing Date, absence of litigation as of the Closing Date, absence of default, title to assets, listing of subsidiaries, affiliates and members, compliance with Investment Company Act and margin regulations, insurance, solvency, environmental matters as of the Closing Date, full and accurate disclosure as of the Closing Date, a listing of indebtedness as of the Closing Date, and a listing of wholesale power

contracts with the Company's members and smelter contracts, and validity and effectiveness thereof. "Indenture" shall refer to the Indenture, dated July 1, 2009, between the Company and U.S. Bank N.A., as amended from time to time.

Financial Reporting: The Company will furnish, or will cause to be furnished, to the Administrative Agent:

- (i) Within 120 days after the close of each fiscal year occurring during the term of the Revolving Facility, audited financial statements of the Company on a consolidated basis prepared in accordance with GAAP consistently applied. Such financial statements shall be from a nationally recognized independent certified public accountant and be accompanied by an opinion that the financial statements present fairly, in all material respects, the financial position of the Company and results of its operations; and be prepared in reasonable detail and in comparative form;
- (ii) Within 60 days after the close of the 1st, 2nd and 3rd fiscal quarter, an unaudited consolidated balance sheet of the Company and an unaudited consolidated statement of operations prepared in accordance with GAAP consistently applied except for normal year end adjustments and the absence of footnotes;
- (iii) Within 90 days after the beginning of each fiscal year, annual budgets and forecasts of operations for the Company and its subsidiaries for the ensuing year and for an additional two year period;
- (iv) Promptly upon its being filed with the RUS, the RUS Financial and Operating Report (Form 12a or equivalent replacement thereof);
- (v) A compliance certificate, to accompany the delivery of the year-end audited financial statements and quarterly consolidated balance sheet and consolidated statement of operations, signed by the Company's chief financial officer (or other officer of the Company acceptable to the Administrative Agent), demonstrating compliance with the terms and conditions and stating that no default or event of default under the Revolving Facility has occurred and is continuing. Each certificate delivered with the annual financials shall include the calculation of the Company's financial ratios to demonstrate compliance with the Financial Covenants listed below and shall set forth the Company's credit ratings from each Rating Agency that has issued a credit rating on the Company.
- (vi) Other reports as reasonably requested.

Financial Covenants: The following financial covenants must be maintained and calculated annually on a consolidated basis for the Revolving Facility:

- i. Margins for Interest Ratio of not less than 1.10x (as defined in the Company's Indenture as of the Closing Date); and

- ii. Debt to Total Capitalization (to be defined) of not greater than 80%.

Affirmative & Negative Covenants:

Usual and customary for transactions of this type with appropriate qualifications as to materiality and material adverse effect, to include: (i) delivery of government reports and notices of material adverse change, default, litigation and governmental and environmental proceedings, and notices relating to wholesale power contracts; (ii) compliance with laws (including environmental laws and ERISA matters) and the Indenture, the wholesale power contracts with the Company's members, and the smelter contracts; (iii) payment of taxes; (iv) maintenance of property and insurance in accordance with the Company's Indenture as in effect on the Closing Date; (v) preservation of existence and franchises necessary for the conduct of the Company's business; (vi) maintenance of books and records/inspection rights; (vii) use of proceeds; (viii) limitations on changes to nature of business, fiscal year and organizational documents in a materially adverse manner to the Lenders; (ix) limitations on transactions with affiliates other than the Company's members, recognizing cooperative nature of the Borrower; (x) limitations on incurrence of other unsecured indebtedness in an aggregate principal amount in excess of \$200 million; (xi) limitations on hedges other than hedges relating to the business of the Borrower; (xii) no change to wholesale power contracts with the Company's members and smelter contracts that would have a material adverse effect on the Company's ability to meet its obligations under the Revolving Facility or other indebtedness; (xiii) no distributions except as permitted under the Indenture as in effect on the Closing Date and (xiv) limitations on liens other than liens not prohibited by the Indenture as in effect on the Closing Date and liens not securing indebtedness.

Events of Default:

Events of default under the Revolving Facility (subject to customary cure periods and materiality qualifiers) shall include: nonpayment of principal, interest, fees or other amounts when due, payment cross-default and cross-acceleration default of other indebtedness, in excess of \$10,000,000, covenant violations, judgments in excess of \$10,000,000, bankruptcy, insolvency, misrepresentation, certain ERISA events, actual or asserted by the Company invalidity of any loan document, material breach of the Wholesale Power Contracts with the Company's members and smelter contracts in an amount representing more than 20% of the Company's revenues in any fiscal year, and cross-default to all indebtedness owed by the Company to CoBank.

Expenses and Indemnification:

The Company will indemnify the Lead Arranger, Administrative Agent and each Lender against all losses, liabilities, claims, damages, or expenses relative to the Revolving Facility or the use of loan proceeds. All reasonable costs and expenses incurred by the Lead Arranger, Administrative Agent and each Lender in connection with this transaction including, without limitation, all legal fees and expenses for Lead Arranger's legal counsel, shall be paid by the Company, whether or not the Revolving Facility closes.

Assignments & Participations:

If applicable, each Lender will be permitted to make assignments in acceptable minimum amounts (\$5 million) to other financial institutions approved by the Company (so long as no event of default under the

Revolving Facility or any incipient default has occurred and is continuing) and the Administrative Agent, which approval shall not be unreasonably withheld; provided, however, that the approval of the Company and the Administrative Agent shall not be required in connection with assignments to other Lender(s), to any affiliate of a Lender. An assignment fee of \$3,500 shall be payable by the Lender to the Administrative Agent upon the effectiveness of any such assignment (including, but not limited to, an assignment by a Lender to another Lender).

If applicable, Lender(s) will be permitted to sell participations with voting rights limited to significant matters such as changes in amount, interest rate, and expiration date. Participations will not require Company approval.

Any bank that is a member of the Farm Credit System that has purchased a participation in the minimum amount of \$5 million on or after the Closing Date shall be entitled to vote (and the voting rights of the selling Lender shall be correspondingly reduced), on a dollar for dollar basis, as if such participant were a Lender, on any matter requiring or allowing a Lender to provide or withhold its consent, or otherwise vote on any proposed action.

Requisite Lender Voting:

If applicable, amendments and waivers of the provisions of the loan agreement and other definitive credit documentation will require the approval of at least two Lenders and/or Voting Participants holding loans and commitments representing more than 50% of the aggregate amount of loans and commitments under the Revolving Facility, except that the consent of all Lender(s) affected thereby shall be required with respect to (i) increases in the commitment of any Lender, (ii) reductions of interest or fees, and (iii) extensions of scheduled maturities or times for payment.

Waiver of Jury Trial:

The parties will waive any rights to a trial by jury in respect of any litigation arising out of or in connection with this financing.

Confidentiality:

This proposal is delivered on the understanding that it or the substance of it shall not be disclosed, directly or indirectly, to any other person, except your owners and your employees, agents or advisors who are directly involved in consideration of this matter, the Kentucky Public Service Commission and others participating in the Kentucky Public Service Commission proceedings or as may be required by law.

Term Sheet Expiration:

This Term Sheet and its contents will cease to be valid unless agreed to in writing prior to January 20, 2012.

Lender's Counsel:

Latham & Watkins

Governing Law:

State of New York.

MONTH				CASH FLOW	PRINCIPAL PAYMENT	5.750% INTEREST EXPENSE	ACCRUED INTEREST	INTEREST PAYMENT	PRINCIPAL BALANCE	MAXIMUM PRINCIPAL BALANCE
30-Jun-12	30	366		0.00	0.00	2,481,940.37	7,363,089.76	0.00	526,603,000.00	561,603,000.00
02-Jul-12	2	366	1	11,675,552.45	4,147,000.00	165,462.69	0.00	7,528,552.45	522,456,000.00	557,456,000.00
31-Jul-12	29	366	1	0.00	0.00	2,380,315.25	2,380,315.25	0.00	522,456,000.00	557,456,000.00
15-Aug-12	15	366	1	0.00	0.00	1,231,197.54	3,611,512.79	0.00	522,456,000.00	557,456,000.00
31-Aug-12	16	366	1	0.00	0.00	1,313,277.38	4,924,790.17	0.00	522,456,000.00	557,456,000.00
30-Sep-12	30	366	1	0.00	0.00	2,462,395.08	7,387,185.25	0.00	522,456,000.00	557,456,000.00
01-Oct-12	1	366	1	71,676,265.09	64,207,000.00	82,079.84	0.00	7,469,265.09	458,249,000.00	493,249,000.00
31-Oct-12	30	366	1	0.00	0.00	2,159,780.12	2,159,780.12	0.00	458,249,000.00	493,249,000.00
15-Nov-12	15	366	1	0.00	0.00	1,079,890.06	3,239,670.18	0.00	458,249,000.00	493,249,000.00
30-Nov-12	15	366	1	0.00	0.00	1,079,890.06	4,319,560.24	0.00	458,249,000.00	493,249,000.00
31-Dec-12	31	366	1	0.00	0.00	2,231,772.79	6,551,333.03	0.00	458,249,000.00	493,249,000.00
02-Jan-13	2	365	1	11,664,712.85	4,969,000.00	144,379.82	0.00	6,695,712.85	453,280,000.00	488,280,000.00
31-Jan-13	29	365	1	0.00	0.00	2,070,806.58	2,070,806.58	0.00	453,280,000.00	488,280,000.00
15-Feb-13	15	365	1	0.00	0.00	1,071,106.85	3,141,913.43	0.00	453,280,000.00	488,280,000.00
28-Feb-13	13	365	1	0.00	0.00	928,292.60	4,070,206.03	0.00	453,280,000.00	488,280,000.00
31-Mar-13	31	365	1	0.00	0.00	2,213,620.82	6,283,826.85	0.00	453,280,000.00	488,280,000.00
01-Apr-13	1	365	1	11,686,233.97	5,331,000.00	71,407.12	0.00	6,355,233.97	447,949,000.00	482,949,000.00
30-Apr-13	29	365	1	0.00	0.00	2,046,451.94	2,046,451.94	0.00	447,949,000.00	482,949,000.00
15-May-13	15	365	1	0.00	0.00	1,058,509.62	3,104,961.56	0.00	447,949,000.00	482,949,000.00
31-May-13	16	365	1	0.00	0.00	1,129,076.93	4,234,038.49	0.00	447,949,000.00	482,949,000.00
30-Jun-13	30	365	1	0.00	0.00	2,117,019.25	6,351,057.74	0.00	447,949,000.00	482,949,000.00
01-Jul-13	1	365	2	11,674,625.05	5,253,000.00	70,567.31	0.00	6,421,625.05	442,696,000.00	477,696,000.00
31-Jul-13	30	365	2	0.00	0.00	2,092,193.42	2,092,193.42	0.00	442,696,000.00	477,696,000.00
15-Aug-13	15	365	2	0.00	0.00	1,046,096.71	3,138,290.13	0.00	442,696,000.00	477,696,000.00
31-Aug-13	16	365	2	0.00	0.00	1,115,836.49	4,254,126.62	0.00	442,696,000.00	477,696,000.00
30-Sep-13	30	365	2	0.00	0.00	2,092,193.42	6,346,320.04	0.00	442,696,000.00	477,696,000.00
01-Oct-13	1	365	2	11,669,059.82	5,253,000.00	69,739.78	0.00	6,416,059.82	437,443,000.00	472,443,000.00
31-Oct-13	30	365	2	0.00	0.00	2,067,367.60	2,067,367.60	0.00	437,443,000.00	472,443,000.00
15-Nov-13	15	365	2	0.00	0.00	1,033,683.80	3,101,051.40	0.00	437,443,000.00	472,443,000.00
30-Nov-13	15	365	2	0.00	0.00	1,033,683.80	4,134,735.20	0.00	437,443,000.00	472,443,000.00
31-Dec-13	31	365	2	0.00	0.00	2,136,279.86	6,271,015.06	0.00	437,443,000.00	472,443,000.00
02-Jan-14	2	365	2	11,663,839.57	5,255,000.00	137,824.51	0.00	6,408,839.57	432,188,000.00	467,188,000.00
31-Jan-14	29	365	2	0.00	0.00	1,974,447.92	1,974,447.92	0.00	432,188,000.00	467,188,000.00
17-Feb-14	17	365	2	0.00	0.00	1,157,434.99	3,131,882.91	0.00	432,188,000.00	467,188,000.00
28-Feb-14	11	365	2	0.00	0.00	748,928.52	3,880,811.43	0.00	432,188,000.00	467,188,000.00
31-Mar-14	31	365	2	0.00	0.00	2,110,616.74	5,991,428.17	0.00	432,188,000.00	467,188,000.00
01-Apr-14	1	365	2	11,685,512.58	5,626,000.00	68,084.41	0.00	6,059,512.58	426,562,000.00	461,562,000.00
30-Apr-14	29	365	2	0.00	0.00	1,948,745.58	1,948,745.58	0.00	426,562,000.00	461,562,000.00
15-May-14	15	365	2	0.00	0.00	1,007,971.85	2,956,717.43	0.00	426,562,000.00	461,562,000.00
31-May-14	16	365	2	0.00	0.00	1,075,169.97	4,031,887.40	0.00	426,562,000.00	461,562,000.00
30-Jun-14	30	365	2	0.00	0.00	2,015,943.70	6,047,831.10	0.00	426,562,000.00	461,562,000.00
01-Jul-14	1	365	3	11,675,029.22	5,560,000.00	67,198.12	0.00	6,115,029.22	421,002,000.00	456,002,000.00
31-Jul-14	30	365	3	0.00	0.00	1,989,666.99	1,989,666.99	0.00	421,002,000.00	456,002,000.00
15-Aug-14	15	365	3	0.00	0.00	994,833.49	2,984,500.48	0.00	421,002,000.00	456,002,000.00
31-Aug-14	16	365	3	0.00	0.00	1,061,155.73	4,045,656.21	0.00	421,002,000.00	456,002,000.00
30-Sep-14	30	365	3	0.00	0.00	1,989,666.99	6,035,323.20	0.00	421,002,000.00	456,002,000.00
01-Oct-14	1	365	3	11,668,645.43	5,567,000.00	66,322.23	0.00	6,101,645.43	415,435,000.00	450,435,000.00
31-Oct-14	30	365	3	0.00	0.00	1,963,357.19	1,963,357.19	0.00	415,435,000.00	450,435,000.00
17-Nov-14	17	365	3	0.00	0.00	1,112,569.08	3,075,926.27	0.00	415,435,000.00	450,435,000.00
30-Nov-14	13	365	3	0.00	0.00	850,788.12	3,926,714.39	0.00	415,435,000.00	450,435,000.00

MONTH						5.750%					
				CASH FLOW	PRINCIPAL PAYMENT	INTEREST EXPENSE	ACCRUED INTEREST	INTEREST PAYMENT	PRINCIPAL BALANCE	MAXIMUM PRINCIPAL BALANCE	
31-Dec-14	31	365	3	0.00	0.00	2,028,802.43	5,955,516.82	0.00	415,435,000.00	450,435,000.00	
02-Jan-15	2	365	3	11,663,407.30	5,577,000.00	130,890.48	0.00	6,086,407.30	409,858,000.00	444,858,000.00	
31-Jan-15	29	365	3	0.00	0.00	1,872,433.47	1,872,433.47	0.00	409,858,000.00	444,858,000.00	
16-Feb-15	16	365	3	0.00	0.00	1,033,066.74	2,905,500.21	0.00	409,858,000.00	444,858,000.00	
28-Feb-15	12	365	3	0.00	0.00	774,800.05	3,680,300.26	0.00	409,858,000.00	444,858,000.00	
31-Mar-15	31	365	3	0.00	0.00	2,001,566.81	5,681,867.07	0.00	409,858,000.00	444,858,000.00	
01-Apr-15	1	365	3	11,686,433.74	5,940,000.00	64,566.67	0.00	5,746,433.74	403,918,000.00	438,918,000.00	
30-Apr-15	29	365	3	0.00	0.00	1,845,296.62	1,845,296.62	0.00	403,918,000.00	438,918,000.00	
15-May-15	15	365	3	0.00	0.00	954,463.77	2,799,760.39	0.00	403,918,000.00	438,918,000.00	
31-May-15	16	365	3	0.00	0.00	1,018,094.68	3,817,855.07	0.00	403,918,000.00	438,918,000.00	
30-Jun-15	30	365	3	0.00	0.00	1,908,927.53	5,726,782.60	0.00	403,918,000.00	438,918,000.00	
01-Jul-15	1	365	4	11,674,413.52	5,884,000.00	63,630.92	0.00	5,790,413.52	398,034,000.00	433,034,000.00	
31-Jul-15	30	365	4	0.00	0.00	1,881,119.59	1,881,119.59	0.00	398,034,000.00	433,034,000.00	
17-Aug-15	17	365	4	0.00	0.00	1,065,967.77	2,947,087.36	0.00	398,034,000.00	433,034,000.00	
31-Aug-15	14	365	4	0.00	0.00	877,855.81	3,824,943.17	0.00	398,034,000.00	433,034,000.00	
30-Sep-15	30	365	4	0.00	0.00	1,881,119.59	5,706,062.76	0.00	398,034,000.00	433,034,000.00	
01-Oct-15	1	365	4	11,668,766.75	5,900,000.00	62,703.99	0.00	5,768,766.75	392,134,000.00	427,134,000.00	
31-Oct-15	30	365	4	0.00	0.00	1,853,236.03	1,853,236.03	0.00	392,134,000.00	427,134,000.00	
16-Nov-15	16	365	4	0.00	0.00	988,392.55	2,841,628.58	0.00	392,134,000.00	427,134,000.00	
30-Nov-15	14	365	4	0.00	0.00	864,843.48	3,706,472.06	0.00	392,134,000.00	427,134,000.00	
31-Dec-15	31	365	4	0.00	0.00	1,915,010.56	5,621,482.62	0.00	392,134,000.00	427,134,000.00	
04-Jan-16	4	366	4	211,652,905.63	205,785,000.00	246,423.01	0.00	5,867,905.63	186,349,000.00	221,349,000.00	
31-Jan-16	27	366	4	0.00	0.00	790,455.80	790,455.80	0.00	186,349,000.00	221,349,000.00	
15-Feb-16	15	366	4	0.00	0.00	439,142.11	1,229,597.91	0.00	186,349,000.00	221,349,000.00	
29-Feb-16	14	366	4	0.00	0.00	409,865.97	1,639,463.88	0.00	186,349,000.00	221,349,000.00	
31-Mar-16	31	366	4	0.00	0.00	907,560.36	2,547,024.24	0.00	186,349,000.00	221,349,000.00	
01-Apr-16	1	366	4	11,318,300.38	8,742,000.00	29,276.14	0.00	2,576,300.38	177,607,000.00	212,607,000.00	
30-Apr-16	29	366	4	0.00	0.00	809,179.43	809,179.43	0.00	177,607,000.00	212,607,000.00	
16-May-16	16	366	4	0.00	0.00	446,443.83	1,255,623.26	0.00	177,607,000.00	212,607,000.00	
31-May-16	15	366	4	0.00	0.00	418,541.09	1,674,164.35	0.00	177,607,000.00	212,607,000.00	
30-Jun-16	30	366	4	0.00	0.00	837,082.17	2,511,246.52	0.00	177,607,000.00	212,607,000.00	
01-Jul-16	1	366	5	11,301,149.26	8,762,000.00	27,902.74	0.00	2,539,149.26	168,845,000.00	203,845,000.00	
31-Jul-16	30	366	5	0.00	0.00	795,785.86	795,785.86	0.00	168,845,000.00	203,845,000.00	
15-Aug-16	15	366	5	0.00	0.00	397,892.93	1,193,678.79	0.00	168,845,000.00	203,845,000.00	
31-Aug-16	16	366	5	0.00	0.00	424,419.13	1,618,097.92	0.00	168,845,000.00	203,845,000.00	
30-Sep-16	30	366	5	0.00	0.00	795,785.86	2,413,883.78	0.00	168,845,000.00	203,845,000.00	
03-Oct-16	3	366	5	11,285,462.37	8,792,000.00	79,578.59	0.00	2,493,462.37	160,053,000.00	195,053,000.00	
31-Oct-16	28	366	5	0.00	0.00	704,058.28	704,058.28	0.00	160,053,000.00	195,053,000.00	
15-Nov-16	15	366	5	0.00	0.00	377,174.08	1,081,232.36	0.00	160,053,000.00	195,053,000.00	
30-Nov-16	15	366	5	0.00	0.00	377,174.08	1,458,406.44	0.00	160,053,000.00	195,053,000.00	
31-Dec-16	31	366	5	0.00	0.00	779,493.09	2,237,899.53	0.00	160,053,000.00	195,053,000.00	
02-Jan-17	2	365	5	11,301,327.19	9,013,000.00	50,427.66	0.00	2,288,327.19	151,040,000.00	186,040,000.00	
31-Jan-17	29	365	5	0.00	0.00	690,025.21	690,025.21	0.00	151,040,000.00	186,040,000.00	
15-Feb-17	15	365	5	0.00	0.00	356,909.59	1,046,934.80	0.00	151,040,000.00	186,040,000.00	
28-Feb-17	13	365	5	0.00	0.00	309,321.64	1,356,256.44	0.00	151,040,000.00	186,040,000.00	
31-Mar-17	31	365	5	0.00	0.00	737,613.15	2,093,869.59	0.00	151,040,000.00	186,040,000.00	
03-Apr-17	3	365	5	11,300,251.51	9,135,000.00	71,381.92	0.00	2,165,251.51	141,905,000.00	176,905,000.00	
30-Apr-17	27	365	5	0.00	0.00	603,582.23	603,582.23	0.00	141,905,000.00	176,905,000.00	
15-May-17	15	365	5	0.00	0.00	335,323.46	938,905.69	0.00	141,905,000.00	176,905,000.00	
31-May-17	16	365	5	0.00	0.00	357,678.36	1,296,584.05	0.00	141,905,000.00	176,905,000.00	

MONTH	CASH FLOW			PRINCIPAL PAYMENT	5.750% INTEREST EXPENSE	ACCRUED INTEREST	INTEREST PAYMENT	PRINCIPAL BALANCE	MAXIMUM PRINCIPAL BALANCE
30-Jun-17	30	365	5	0.00	0.00	670,646.92	1,967,230.97	141,905,000.00	176,905,000.00
03-Jul-17	3	365	6	11,300,295.66	9,266,000.00	67,064.69	0.00	132,639,000.00	167,639,000.00
31-Jul-17	28	365	6	0.00	0.00	585,065.18	585,065.18	132,639,000.00	167,639,000.00
15-Aug-17	15	365	6	0.00	0.00	313,427.77	898,492.95	132,639,000.00	167,639,000.00
31-Aug-17	16	365	6	0.00	0.00	334,322.96	1,232,815.91	132,639,000.00	167,639,000.00
30-Sep-17	30	365	6	0.00	0.00	626,855.55	1,859,671.46	132,639,000.00	167,639,000.00
02-Oct-17	2	365	6	11,300,461.83	9,399,000.00	41,790.37	0.00	123,240,000.00	158,240,000.00
31-Oct-17	29	365	6	0.00	0.00	563,021.10	563,021.10	123,240,000.00	158,240,000.00
15-Nov-17	15	365	6	0.00	0.00	291,217.81	854,238.91	123,240,000.00	158,240,000.00
30-Nov-17	15	365	6	0.00	0.00	291,217.81	1,145,456.72	123,240,000.00	158,240,000.00
31-Dec-17	31	365	6	0.00	0.00	601,850.14	1,747,306.86	123,240,000.00	158,240,000.00
02-Jan-18	2	365	6	11,294,135.90	9,508,000.00	38,829.04	0.00	113,732,000.00	148,732,000.00
31-Jan-18	29	365	6	0.00	0.00	519,583.86	519,583.86	113,732,000.00	148,732,000.00
15-Feb-18	15	365	6	0.00	0.00	268,750.27	788,334.13	113,732,000.00	148,732,000.00
28-Feb-18	13	365	6	0.00	0.00	232,916.90	1,021,251.03	113,732,000.00	148,732,000.00
31-Mar-18	31	365	6	0.00	0.00	555,417.23	1,576,668.26	113,732,000.00	148,732,000.00
02-Apr-18	2	365	6	11,306,501.63	9,694,000.00	35,833.37	0.00	104,038,000.00	139,038,000.00
30-Apr-18	28	365	6	0.00	0.00	458,907.34	458,907.34	104,038,000.00	139,038,000.00
15-May-18	15	365	6	0.00	0.00	245,843.22	704,750.56	104,038,000.00	139,038,000.00
31-May-18	16	365	6	0.00	0.00	262,232.77	966,983.33	104,038,000.00	139,038,000.00
30-Jun-18	30	365	6	0.00	0.00	491,686.44	1,458,669.77	104,038,000.00	139,038,000.00
02-Jul-18	2	365	7	11,299,448.87	9,808,000.00	32,779.10	0.00	94,230,000.00	129,230,000.00
31-Jul-18	29	365	7	0.00	0.00	430,489.11	430,489.11	94,230,000.00	129,230,000.00
15-Aug-18	15	365	7	0.00	0.00	222,666.78	653,155.89	94,230,000.00	129,230,000.00
31-Aug-18	16	365	7	0.00	0.00	237,511.23	890,667.12	94,230,000.00	129,230,000.00
30-Sep-18	30	365	7	0.00	0.00	445,333.56	1,336,000.68	94,230,000.00	129,230,000.00
01-Oct-18	1	365	7	11,300,845.13	9,950,000.00	14,844.45	0.00	84,280,000.00	119,280,000.00
31-Oct-18	30	365	7	0.00	0.00	398,309.59	398,309.59	84,280,000.00	119,280,000.00
15-Nov-18	15	365	7	0.00	0.00	199,154.79	597,464.38	84,280,000.00	119,280,000.00
30-Nov-18	15	365	7	0.00	0.00	199,154.79	796,619.17	84,280,000.00	119,280,000.00
31-Dec-18	31	365	7	0.00	0.00	411,586.58	1,208,205.75	84,280,000.00	119,280,000.00
02-Jan-19	2	365	7	11,288,759.72	10,054,000.00	26,553.97	0.00	74,226,000.00	109,226,000.00
31-Jan-19	29	365	7	0.00	0.00	339,100.97	339,100.97	74,226,000.00	109,226,000.00
15-Feb-19	15	365	7	0.00	0.00	175,397.05	514,498.02	74,226,000.00	109,226,000.00
28-Feb-19	13	365	7	0.00	0.00	152,010.78	666,508.80	74,226,000.00	109,226,000.00
31-Mar-19	31	365	7	0.00	0.00	362,487.25	1,028,996.05	74,226,000.00	109,226,000.00
01-Apr-19	1	365	7	11,311,689.19	10,271,000.00	11,693.14	0.00	63,955,000.00	98,955,000.00
30-Apr-19	29	365	7	0.00	0.00	292,177.98	292,177.98	63,955,000.00	98,955,000.00
15-May-19	15	365	7	0.00	0.00	151,126.54	443,304.52	63,955,000.00	98,955,000.00
31-May-19	16	365	7	0.00	0.00	161,201.64	604,506.16	63,955,000.00	98,955,000.00
30-Jun-19	30	365	7	0.00	0.00	302,253.08	906,759.24	63,955,000.00	98,955,000.00
01-Jul-19	1	365	8	11,299,834.34	10,383,000.00	10,075.10	0.00	53,572,000.00	88,572,000.00
31-Jul-19	30	365	8	0.00	0.00	253,182.74	253,182.74	53,572,000.00	88,572,000.00
15-Aug-19	15	365	8	0.00	0.00	126,591.37	379,774.11	53,572,000.00	88,572,000.00
31-Aug-19	16	365	8	0.00	0.00	135,030.79	514,804.90	53,572,000.00	88,572,000.00
30-Sep-19	30	365	8	0.00	0.00	253,182.74	767,987.64	53,572,000.00	88,572,000.00
01-Oct-19	1	365	8	11,295,427.06	10,519,000.00	8,439.42	0.00	43,053,000.00	78,053,000.00
31-Oct-19	30	365	8	0.00	0.00	203,469.66	203,469.66	43,053,000.00	78,053,000.00
15-Nov-19	15	365	8	0.00	0.00	101,734.83	305,204.49	43,053,000.00	78,053,000.00
30-Nov-19	15	365	8	0.00	0.00	101,734.83	406,939.32	43,053,000.00	78,053,000.00

Big Rivers Electric Corporation
 RUS Series A Note
 No Paydown Option

----- RUS SERIES A NOTE -----

MONTH	CASH FLOW			PRINCIPAL PAYMENT	5.750% INTEREST EXPENSE	ACCRUED INTEREST	INTEREST PAYMENT	PRINCIPAL BALANCE	MAXIMUM PRINCIPAL BALANCE
31-Dec-19	31	365	8	0.00	0.00	210,251.98	617,191.30	43,053,000.00	78,053,000.00
02-Jan-20	2	366	8	11,288,718.88	10,658,000.00	13,527.58	0.00	32,395,000.00	67,395,000.00
31-Jan-20	29	366	8	0.00	0.00	147,591.97	147,591.97	32,395,000.00	67,395,000.00
17-Feb-20	17	366	8	0.00	0.00	86,519.43	234,111.40	32,395,000.00	67,395,000.00
29-Feb-20	12	366	8	0.00	0.00	61,072.54	295,183.94	32,395,000.00	67,395,000.00
31-Mar-20	31	366	8	0.00	0.00	157,770.73	452,954.67	32,395,000.00	67,395,000.00
01-Apr-20	1	366	8	11,307,044.05	10,849,000.00	5,089.38	0.00	21,546,000.00	56,546,000.00
30-Apr-20	29	366	8	0.00	0.00	98,163.81	98,163.81	21,546,000.00	56,546,000.00
15-May-20	15	366	8	0.00	0.00	50,774.39	148,938.20	21,546,000.00	56,546,000.00
31-May-20	16	366	8	0.00	0.00	54,159.34	203,097.54	21,546,000.00	56,546,000.00
30-Jun-20	30	366	8	0.00	0.00	101,548.77	304,646.31	21,546,000.00	56,546,000.00
01-Jul-20	1	366	9	11,302,031.27	10,994,000.00	3,384.96	0.00	10,552,000.00	45,552,000.00
31-Jul-20	30	366	9	0.00	0.00	49,732.79	49,732.79	10,552,000.00	45,552,000.00
17-Aug-20	17	366	9	0.00	0.00	28,181.91	77,914.70	10,552,000.00	45,552,000.00
31-Aug-20	14	366	9	0.00	0.00	23,208.63	101,123.33	10,552,000.00	45,552,000.00
30-Sep-20	30	366	9	0.00	0.00	49,732.79	150,856.12	10,552,000.00	45,552,000.00
01-Oct-20	1	366	9	10,699,968.74	10,552,000.00	1,657.76	0.00	0.00	34,409,000.00
31-Oct-20	30	366	9	0.00	0.00	0.00	0.00	0.00	34,409,000.00
16-Nov-20	16	366	9	0.00	0.00	0.00	0.00	0.00	34,409,000.00
30-Nov-20	14	366	9	0.00	0.00	0.00	0.00	0.00	34,409,000.00
31-Dec-20	31	366	9	0.00	0.00	0.00	0.00	0.00	34,409,000.00
04-Jan-21	4	365	9	0.00	0.00	0.00	0.00	0.00	23,120,000.00
31-Jan-21	27	365	9	0.00	0.00	0.00	0.00	0.00	23,120,000.00
15-Feb-21	15	365	9	0.00	0.00	0.00	0.00	0.00	23,120,000.00
28-Feb-21	13	365	9	0.00	0.00	0.00	0.00	0.00	23,120,000.00
31-Mar-21	31	365	9	0.00	0.00	0.00	0.00	0.00	23,120,000.00
01-Apr-21	1	365	9	0.00	0.00	0.00	0.00	0.00	11,635,000.00
30-Apr-21	29	365	9	0.00	0.00	0.00	0.00	0.00	11,635,000.00
17-May-21	17	365	9	0.00	0.00	0.00	0.00	0.00	11,635,000.00
31-May-21	14	365	9	0.00	0.00	0.00	0.00	0.00	11,635,000.00
30-Jun-21	30	365	9	0.00	0.00	0.00	0.00	0.00	11,635,000.00
01-Jul-21	1	365	10	0.00	0.00	0.00	0.00	0.00	0.00
				1,776,532,682.69	1,122,834,144.88			661,202,914.80	

Big Rivers Electric Corporation
RUS 2009 Promissory Note Series A
Maximum Debt Balance Schedule

Balance After Quarterly Payment on the 1st Business Day of the Month

* Closing Date occurs after 4/2/12 and on or prior to 6/29/12

Original/Initial Amount: \$602,673,536

Date Prepared: 3/26/12

Date	In Thousands of \$		
	Current Maximum Principal Balance	Reduction	Revised Maximum Principal Balance
Closing Date*	561,603	477,000	84,603
July-12	557,456	472,853	84,603
October-12	493,249	408,646	84,603
January-13	488,280	403,677	84,603
April-13	482,949	398,346	84,603
July-13	477,696	393,093	84,603
October-13	472,443	387,840	84,603
January-14	467,188	382,585	84,603
April-14	461,562	376,959	84,603
July-14	456,002	371,399	84,603
October-14	450,435	365,832	84,603
January-15	444,858	360,255	84,603
April-15	438,918	354,315	84,603
July-15	433,034	348,431	84,603
October-15	427,134	342,531	84,603
January-16	221,349	136,746	84,603
April-16	212,607	128,004	84,603
July-16	203,845	119,242	84,603
October-16	195,053	110,450	84,603
January-17	186,040	101,437	84,603
April-17	176,905	92,302	84,603
July-17	167,639	83,036	84,603
October-17	158,240	73,637	84,603
January-18	148,732	64,129	84,603
April-18	139,038	54,435	84,603
July-18	129,230	44,627	84,603
October-18	119,280	34,677	84,603
January-19	109,226	24,623	84,603
April-19	98,955	14,352	84,603
July-19	88,572	3,969	84,603
October-19	78,053	0	78,053
January-20	67,395	0	67,395
April-20	56,546	0	56,546
July-20	45,552	0	45,552
October-20	34,409	0	34,409
January-21	23,120	0	23,120
April-21	11,635	0	11,635
July-21	0	0	0

Economic Analysis

Discount Rate	5.75%
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Table A - Borrow \$442mm to refinance significant portion of RUS Series A Note

Cash Flows - Net Outflow

Period	Option 1 - Borrow from CFC and CoBank \$442mm and pay down RUS Series A Note				Option 2 - Status Quo	
	CoBank Term Loan	CFC Term Loan	RUS Series A Note	Sum of Cash Flows	RUS Series A Note - with no pay down	
0	(659,474.00)	\$0	(\$7,280,358)	(\$7,939,832)	\$0	
1	(10,127,629)	(23,885,108)	(3,671,755)	(37,684,493)	(106,702,764)	
2	(10,126,355)	(23,880,074)	(4,864,673)	(38,871,102)	(46,693,037)	
3	(10,151,179)	(23,874,899)	(4,864,673)	(38,890,750)	(46,693,516)	
4	(10,193,563)	(23,869,578)	(4,874,650)	(38,937,791)	(246,314,386)	
5	(10,204,488)	(23,865,009)	(4,881,351)	(38,950,848)	(45,188,190)	
6	(10,233,090)	(23,861,232)	(4,851,345)	(38,945,667)	(45,201,395)	
7	(10,263,076)	(23,858,774)	(4,851,345)	(38,973,195)	(45,200,743)	
8	(10,307,987)	(23,857,722)	(32,592,384)	(66,758,093)	(45,191,024)	
9	(10,327,467)	(23,857,660)	(47,208,275)	(81,393,402)	(22,002,000)	
10	(10,362,016)	(23,858,670)	(11,801,795)	(46,022,481)	0	
11	(10,398,236)	(23,860,842)	0	(34,259,077)	0	
12	(10,446,201)	(23,863,693)	0	(34,309,894)	0	
13	(10,476,014)	(23,866,980)	0	(34,342,995)	0	
14	(10,517,746)	(23,871,055)	0	(34,388,801)	0	
15	(10,561,496)	(23,875,655)	0	(34,437,151)	0	
16	(10,613,147)	(23,881,172)	0	(34,494,320)	0	
17	(10,655,443)	(23,890,993)	0	(34,546,435)	0	
18	(10,705,852)	(23,901,728)	0	(34,607,580)	0	
19	(10,758,696)	(23,913,452)	0	(34,672,148)	0	
20	(10,814,807)	(23,926,249)	0	(34,741,056)	0	
21	12,453	0	0	12,453	0	
22	0	0	0	0	0	
23	0	0	0	0	0	
24	0	0	0	0	0	
25	0	0	0	0	0	
26	0	542,305	0	542,305	0	
27	0	530,573	0	530,573	0	
28	0	518,510	0	518,510	0	
29	0	506,105	0	506,105	0	
30	0	492,448	0	492,448	0	
31	0	477,447	0	477,447	0	
32	0	460,522	0	460,522	0	
33	0	441,509	0	441,509	0	
34	0	420,737	0	420,737	0	
35	0	398,055	0	398,055	0	
36	0	373,296	0	373,296	0	
37	0	346,856	0	346,856	0	
38	0	318,915	0	318,915	0	
39	0	289,057	0	289,057	0	
40	0	257,469	0	257,469	0	
41	0	223,688	0	223,688	0	
42	0	184,241	0	184,241	0	
43	0	142,287	0	142,287	0	
44	0	97,649	0	97,649	0	
45	0	50,137	0	50,137	0	

Nominal Cash Flows (\$208,891,510) (\$470,448,740) (\$131,742,603) (\$811,082,852) (\$649,187,056)

PV (\$489,781,066) (\$518,340,364)

NPV of Option 1 in lieu of Option 2 \$28,559,298

Economic Analysis

Discount Rate	5.75%
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Table B - Borrow \$35mm to replenish the Transition Reserve

Cash Flows - Net Outflow

Period	CoBank Term Loan	Interest income at 75 basis points	Total Cash Flow
0	(\$164,868)		(\$164,868)
1	(2,531,907)	262,500	(2,269,407)
2	(2,531,589)	264,469	(2,267,120)
3	(2,537,795)	266,452	(2,271,342)
4	(2,548,391)	268,451	(2,279,941)
5	(2,551,121)	270,464	(2,280,657)
6	(2,558,272)	272,493	(2,285,780)
7	(2,565,769)	274,536	(2,291,233)
8	(2,576,996)	276,595	(2,300,401)
9	(2,581,866)	278,670	(2,303,197)
10	(2,590,504)	280,760	(2,309,745)
11	(2,599,559)	282,865	(2,316,694)
12	(2,611,550)	284,987	(2,326,563)
13	(2,619,004)	287,124	(2,331,880)
14	(2,629,437)	289,278	(2,340,159)
15	(2,640,374)	291,447	(2,348,926)
16	(2,653,286)	293,633	(2,359,653)
17	(2,663,861)	295,835	(2,368,026)
18	(2,676,462)	298,054	(2,378,408)
19	(2,689,674)	300,290	(2,389,385)
20	(2,703,704)	302,542	(2,401,162)
21	3,113	0	3,113
Nominal Cash Flows	(\$52,222,878)	\$5,641,445	(\$46,581,433)
		PV	(\$27,187,859)

Economic Analysis

Discount Rate	5.75%
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Table C - Borrow \$60mm to fund capital expenditures

Cash Flows - Net Outflow

Period	CoBank Term Loan
0	(\$282,632)
1	(4,340,413)
2	(4,339,866)
3	(4,350,506)
4	(4,368,670)
5	(4,373,352)
6	(4,385,610)
7	(4,398,462)
8	(4,417,709)
9	(4,426,058)
10	(4,440,865)
11	(4,456,387)
12	(4,476,942)
13	(4,489,720)
14	(4,507,606)
15	(4,526,356)
16	(4,548,492)
17	(4,566,618)
18	(4,588,222)
19	(4,610,870)
20	(4,634,910)
21	5,337
Nominal Cash Flows	(\$89,524,929)
PV	(\$52,191,617)

Principal 140,000,000
 Indicative Interest Rate 4.75%
 All-In Effective Rate 4.24%
 Estimated Closing Fees (\$) 659,474

Proposed CoBank Term Loan Amortization Schedule									
Date	Total Cash Flows Incl. Patronage & Upfront Fee Amort	Beginning Balance	Estimated Interest Payment	Principal Payment	Debt Service	Total Notional Interest Rate	Total Notional Debt Service	Ending Balance	Patronage and Other Cash Flows
6/29/2012	(139,340,526)	-	-	(140,000,000)	(139,340,526)	-	(139,340,526)	140,000,000	-
9/30/2012	2,775,972	140,000,000	1,717,917	1,058,055	2,775,972	1,662,500	2,720,555	138,941,945	-
12/31/2012	2,757,220	138,941,945	1,686,601	1,070,619	2,757,220	1,649,936	2,720,555	137,871,326	-
3/31/2013	1,855,835	137,871,326	1,637,222	1,083,333	2,720,555	1,637,222	2,720,555	136,787,993	(664,720)
6/30/2013	2,738,603	136,787,993	1,642,406	1,096,197	2,738,603	1,624,357	2,720,555	135,691,796	-
9/30/2013	2,756,363	135,691,796	1,647,148	1,109,215	2,756,363	1,611,340	2,720,555	134,582,581	-
12/31/2013	2,756,070	134,582,581	1,633,683	1,122,387	2,756,070	1,598,168	2,720,555	133,460,194	-
3/31/2014	1,875,908	133,460,194	1,584,840	1,135,715	2,720,555	1,584,840	2,720,555	132,324,479	(844,647)
6/30/2014	2,738,015	132,324,479	1,588,813	1,149,202	2,738,015	1,571,353	2,720,555	131,175,277	-
9/30/2014	2,755,171	131,175,277	1,592,322	1,162,849	2,755,171	1,557,706	2,720,555	130,012,428	-
12/31/2014	2,754,863	130,012,428	1,578,206	1,176,657	2,754,863	1,543,898	2,720,555	128,835,771	-
3/31/2015	1,901,748	128,835,771	1,529,925	1,190,630	2,720,555	1,529,925	2,720,555	127,645,141	(816,807)
6/30/2015	2,737,397	127,645,141	1,532,628	1,204,769	2,737,397	1,515,786	2,720,555	126,440,372	-
9/30/2015	2,753,921	126,440,372	1,534,846	1,219,075	2,753,921	1,501,479	2,720,555	125,221,297	-
12/31/2015	2,753,599	125,221,297	1,520,047	1,233,552	2,753,599	1,487,003	2,720,555	123,987,745	-
3/31/2016	1,949,293	123,987,745	1,488,714	1,248,200	2,736,914	1,472,354	2,720,555	122,739,545	(787,621)
6/30/2016	2,736,750	122,739,545	1,473,727	1,263,023	2,736,750	1,457,532	2,720,555	121,476,522	-
9/30/2016	2,752,611	121,476,522	1,474,590	1,278,021	2,752,611	1,442,534	2,720,555	120,198,501	-
12/31/2016	2,752,274	120,198,501	1,459,076	1,293,198	2,752,274	1,427,357	2,720,555	118,905,303	-
3/31/2017	1,963,531	118,905,303	1,412,000	1,308,554	2,720,554	1,412,000	2,720,555	117,596,749	(757,024)
6/30/2017	2,736,072	117,596,749	1,411,978	1,324,094	2,736,072	1,396,461	2,720,555	116,272,655	-
9/30/2017	2,751,238	116,272,655	1,411,421	1,339,817	2,751,238	1,380,738	2,720,555	114,932,838	-
12/31/2017	2,750,884	114,932,838	1,395,157	1,355,727	2,750,884	1,364,827	2,720,555	113,577,111	-
3/31/2018	1,995,608	113,577,111	1,348,728	1,371,827	2,720,555	1,348,728	2,720,555	112,205,284	(724,947)
6/30/2018	2,735,360	112,205,284	1,347,243	1,388,117	2,735,360	1,332,438	2,720,555	110,817,167	-
9/30/2018	2,749,798	110,817,167	1,345,197	1,404,601	2,749,798	1,315,954	2,720,555	109,412,566	-
12/31/2018	2,749,428	109,412,566	1,328,147	1,421,281	2,749,428	1,299,274	2,720,555	107,991,285	-
3/31/2019	2,029,236	107,991,285	1,282,397	1,438,158	2,720,555	1,282,397	2,720,555	106,553,127	(691,319)
6/30/2019	2,734,614	106,553,127	1,279,377	1,455,237	2,734,614	1,265,318	2,720,555	105,097,890	-
9/30/2019	2,748,289	105,097,890	1,275,772	1,472,517	2,748,289	1,248,037	2,720,555	103,625,373	-
12/31/2019	2,747,901	103,625,373	1,257,897	1,490,004	2,747,901	1,230,551	2,720,555	102,135,369	-
3/31/2020	2,077,966	102,135,369	1,226,334	1,507,697	2,734,031	1,212,856	2,720,555	100,627,672	(656,065)
6/30/2020	2,733,832	100,627,672	1,208,231	1,525,601	2,733,832	1,194,954	2,720,555	99,102,071	-
9/30/2020	2,746,707	99,102,071	1,202,989	1,543,718	2,746,707	1,176,837	2,720,555	97,558,353	-
12/31/2020	2,746,299	97,558,353	1,184,250	1,562,049	2,746,299	1,158,505	2,720,555	95,996,304	-
3/31/2021	2,101,449	95,996,304	1,139,956	1,580,599	2,720,555	1,139,956	2,720,555	94,415,705	(619,106)
6/30/2021	2,733,012	94,415,705	1,133,644	1,599,368	2,733,012	1,121,186	2,720,555	92,816,337	-
9/30/2021	2,745,048	92,816,337	1,126,687	1,618,361	2,745,048	1,102,194	2,720,555	91,197,976	-
12/31/2021	2,744,621	91,197,976	1,107,042	1,637,579	2,744,621	1,082,976	2,720,555	89,560,397	-
3/31/2022	2,140,194	89,560,397	1,063,530	1,657,025	2,720,555	1,063,530	2,720,555	87,903,372	(580,363)
6/30/2022	2,732,153	87,903,372	1,055,451	1,676,702	2,732,153	1,043,853	2,720,555	86,226,670	-
9/30/2022	2,743,309	86,226,670	1,046,696	1,696,613	2,743,309	1,023,942	2,720,555	84,530,057	-
12/31/2022	2,742,861	84,530,057	1,026,101	1,716,760	2,742,861	1,003,794	2,720,555	82,813,297	-
3/31/2023	2,180,813	82,813,297	983,408	1,737,147	2,720,555	983,408	2,720,555	81,076,150	(539,742)
6/30/2023	2,731,253	81,076,150	973,477	1,757,776	2,731,253	962,779	2,720,555	79,318,374	-
9/30/2023	2,741,486	79,318,374	962,837	1,778,649	2,741,486	941,906	2,720,555	77,539,725	-
12/31/2023	2,741,017	77,539,725	941,246	1,799,771	2,741,017	920,784	2,720,555	75,739,954	-
3/31/2024	2,233,390	75,739,954	909,405	1,821,143	2,730,548	899,412	2,720,555	73,918,811	(407,159)
6/30/2024	2,730,308	73,918,811	887,539	1,842,769	2,730,308	877,786	2,720,555	72,076,047	-
9/30/2024	2,739,575	72,076,047	874,923	1,864,652	2,739,575	855,903	2,720,555	70,211,390	-
12/31/2024	2,739,083	70,211,390	852,288	1,886,795	2,739,083	833,760	2,720,555	68,324,595	-
3/31/2025	2,168,038	68,324,595	811,355	1,909,200	2,720,555	811,355	2,720,555	66,415,395	(452,517)
6/30/2025	2,729,318	66,415,395	797,446	1,931,872	2,729,318	788,683	2,720,555	64,483,523	-
9/30/2025	2,737,571	64,483,523	782,758	1,954,813	2,737,571	765,742	2,720,555	62,528,710	-
12/31/2025	2,737,055	62,528,710	759,029	1,978,026	2,737,055	742,528	2,720,555	60,550,684	-
3/31/2026	2,314,839	60,550,684	719,039	2,001,516	2,720,555	719,039	2,720,555	58,549,168	(405,716)
6/30/2026	2,728,281	58,549,168	702,997	2,025,284	2,728,281	695,271	2,720,555	56,523,884	-
9/30/2026	2,735,471	56,523,884	686,137	2,049,334	2,735,471	671,271	2,720,555	54,474,550	-
12/31/2026	2,734,931	54,474,550	661,261	2,073,670	2,734,931	646,885	2,720,555	52,400,880	-
3/31/2027	2,163,902	52,400,880	622,260	2,098,294	2,720,554	622,260	2,720,555	50,302,586	(356,652)
6/30/2027	2,727,192	50,302,586	603,980	2,123,212	2,727,192	597,343	2,720,555	48,179,374	-
9/30/2027	2,733,269	48,179,374	584,844	2,148,425	2,733,269	572,130	2,720,555	46,030,949	-
12/31/2027	2,732,702	46,030,949	565,765	2,173,937	2,732,702	546,618	2,720,555	43,857,012	-
3/31/2028	2,421,125	43,857,012	526,589	2,199,753	2,726,342	520,802	2,720,555	41,657,259	(305,216)
6/30/2028	2,726,051	41,657,259	500,176	2,225,875	2,726,051	494,680	2,720,555	39,431,384	-
9/30/2028	2,730,960	39,431,384	478,653	2,252,307	2,730,960	468,248	2,720,555	37,179,077	-
12/31/2028	2,730,366	37,179,077	451,313	2,279,053	2,730,366	441,502	2,720,555	34,900,074	-
3/31/2029	2,469,261	34,900,074	414,438	2,306,117	2,720,555	414,438	2,720,555	32,593,907	(251,293)
6/30/2029	2,724,855	32,593,907	391,353	2,333,502	2,724,855	387,053	2,720,555	30,260,405	-
9/30/2029	2,728,541	30,260,405	367,328	2,361,213	2,728,541	359,342	2,720,555	27,899,192	-
12/31/2029	2,727,917	27,899,192	338,665	2,389,252	2,727,917	331,303	2,720,555	25,509,940	-
3/31/2030	2,525,792	25,509,940	302,931	2,417,624	2,720,555	302,931	2,720,555	23,092,316	(194,763)
6/30/2030	2,723,602	23,092,316	277,268	2,446,334	2,723,602	274,221	2,720,555	20,645,982	-
9/30/2030	2,726,003	20,645,982	250,619	2,475,384	2,726,003	245,171	2,720,555	18,170,598	-
12/31/2030	2,725,350	18,170,598	220,571	2,504,779	2,725,350	215,776	2,720,555	15,665,819	-
3/31/2031	2,585,055	15,665,819	186,032	2,534,523	2,720,555	186,032	2,720,555	13,131,296	(135,499)
6/30/2031	2,722,288	13,131,296	157,667	2,564,621	2,722,288	155,934	2,720,555	10,566,675	-
9/30/2031	2,723,344	10,566,675	128,268	2,595,076	2,723,344	125,479	2,720,555	7,971,599	-
12/31/2031	2,722,658	7,971,599	96,766	2,625,892	2,722,658	94,663	2,720,555	5,345,707	-
3/31/2032	2,647,891	5,345,707	64,186	2,657,075	2,721,261	63,480	2,720,555	2,688,632	(73,370)
6/30/2032	2,720,914								

Principal 35,000,000
 Indicative Interest Rate 4.75%
 All-in Effective Interest Rate 4.24%
 Estimated Closing Fees (\$) 164,868

Proposed CoBank Term Loan Amortization Schedule									
Date	Total Cash Flows Incl. Patronage & Upfront Fee Amort	Beginning Balance	Estimated Interest Payment	Principal Payment	Debt Service	Total Notional Interest Rate	Total Notional Debt Service	Ending Balance	Patronage and Other Cash Flows
6/29/2012	(34,835,132)	-	-	(35,000,000)	(34,835,132)	-	(34,835,132)	35,000,000	-
9/30/2012	693,993	35,000,000	429,479	264,514	693,993	415.625	680,139	34,735,486	-
12/31/2012	689,305	34,735,486	421,650	267,655	689,305	412.484	680,139	34,467,831	-
3/31/2013	463,958	34,467,831	409,305	270,833	680,138	409,305	680,139	34,196,998	(216,180)
6/30/2013	684,650	34,196,998	410,601	274,049	684,650	406,089	680,139	33,922,949	-
9/30/2013	680,091	33,922,949	411,787	277,304	689,091	402,835	680,139	33,645,645	-
12/31/2013	689,018	33,645,645	408,421	280,597	689,018	399,542	680,139	33,365,048	-
3/31/2014	468,977	33,365,048	396,210	283,929	680,139	396,210	680,139	33,081,119	(211,162)
6/30/2014	684,503	33,081,119	397,203	287,300	684,503	392,838	680,139	32,793,819	-
9/30/2014	688,793	32,793,819	398,081	290,712	688,793	389,427	680,139	32,501,107	-
12/31/2014	688,716	32,501,107	394,552	294,164	688,716	385,974	680,139	32,208,943	-
3/31/2015	475,937	32,208,943	382,481	297,658	680,139	382,481	680,139	31,911,285	(204,202)
6/30/2015	684,349	31,911,285	383,157	301,192	684,349	378,947	680,139	31,610,093	-
9/30/2015	688,480	31,610,093	383,711	304,769	688,480	375,470	680,139	31,305,324	-
12/31/2015	688,400	31,305,324	380,012	308,388	688,400	371,751	680,139	30,996,936	-
3/31/2016	487,323	30,996,936	372,178	312,050	684,228	368,089	680,139	30,684,886	(196,905)
6/30/2016	684,188	30,684,886	368,432	315,756	684,188	364,383	680,139	30,369,130	-
9/30/2016	688,152	30,369,130	368,647	319,505	688,152	360,633	680,139	30,049,625	-
12/31/2016	688,068	30,049,625	364,769	323,299	688,068	356,839	680,139	29,726,326	-
3/31/2017	490,883	29,726,326	353,000	327,139	680,139	353,000	680,139	29,399,187	(189,256)
6/30/2017	684,017	29,399,187	352,994	331,023	684,017	349,115	680,139	29,068,164	-
9/30/2017	687,809	29,068,164	352,855	334,954	687,809	345,184	680,139	28,733,210	-
12/31/2017	687,721	28,733,210	348,789	338,932	687,721	341,207	680,139	28,394,278	-
3/31/2018	498,502	28,394,278	337,182	342,957	680,139	337,182	680,139	28,051,321	(181,237)
6/30/2018	683,840	28,051,321	336,811	347,029	683,840	333,109	680,139	27,704,292	-
9/30/2018	687,449	27,704,292	336,299	351,150	687,449	328,988	680,139	27,353,142	-
12/31/2018	687,357	27,353,142	332,037	355,320	687,357	324,819	680,139	26,997,822	(172,830)
3/31/2019	507,309	26,997,822	320,599	359,540	680,139	320,599	680,139	26,638,282	-
6/30/2019	683,653	26,638,282	319,844	363,809	683,653	316,330	680,139	26,274,473	-
9/30/2019	687,072	26,274,473	318,943	368,129	687,072	312,009	680,139	25,906,344	-
12/31/2019	686,975	25,906,344	314,474	372,501	686,975	307,638	680,139	25,533,843	-
3/31/2020	519,491	25,533,843	306,583	376,924	683,507	303,214	680,139	25,156,919	(164,016)
6/30/2020	683,458	25,156,919	302,058	381,400	683,458	298,738	680,139	24,775,519	-
9/30/2020	686,676	24,775,519	300,747	385,929	686,676	294,209	680,139	24,389,590	-
12/31/2020	686,575	24,389,590	296,063	390,512	686,575	289,626	680,139	23,999,078	-
3/31/2021	525,362	23,999,078	284,989	395,150	680,139	284,989	680,139	23,603,928	(154,777)
6/30/2021	683,253	23,603,928	283,411	399,842	683,253	280,297	680,139	23,204,086	-
9/30/2021	686,262	23,204,086	281,672	404,590	686,262	275,549	680,139	22,799,496	-
12/31/2021	686,156	22,799,496	276,761	409,395	686,156	270,744	680,139	22,390,101	-
3/31/2022	535,048	22,390,101	265,887	414,256	680,138	265,882	680,139	21,975,845	(145,090)
6/30/2022	683,039	21,975,845	263,863	419,176	683,039	260,963	680,139	21,556,669	-
9/30/2022	685,827	21,556,669	261,674	424,153	685,827	255,985	680,139	21,132,516	-
12/31/2022	685,715	21,132,516	256,525	429,190	685,715	250,949	680,139	20,703,376	-
3/31/2023	545,204	20,703,376	245,852	434,287	680,139	245,852	680,139	20,269,039	(134,935)
6/30/2023	682,813	20,269,039	243,369	439,444	682,813	240,695	680,139	19,829,595	-
9/30/2023	685,371	19,829,595	240,709	444,662	685,371	235,476	680,139	19,384,933	-
12/31/2023	685,255	19,384,933	235,317	449,943	685,255	230,196	680,139	18,934,950	-
3/31/2024	558,348	18,934,950	227,351	455,286	682,637	224,853	680,139	18,479,704	(124,290)
6/30/2024	682,577	18,479,704	221,885	460,692	682,577	219,446	680,139	18,019,012	-
9/30/2024	684,894	18,019,012	218,731	466,163	684,894	213,976	680,139	17,552,849	-
12/31/2024	684,771	17,552,849	213,072	471,699	684,771	208,440	680,139	17,081,150	-
3/31/2025	567,009	17,081,150	202,839	477,300	680,139	202,839	680,139	16,603,850	(113,129)
6/30/2025	682,330	16,603,850	199,362	482,968	682,330	197,171	680,139	16,120,882	-
9/30/2025	684,393	16,120,882	195,690	488,703	684,393	191,435	680,139	15,632,179	-
12/31/2025	684,264	15,632,179	189,757	494,507	684,264	185,632	680,139	15,137,672	-
3/31/2026	578,710	15,137,672	179,760	500,379	680,139	179,760	680,139	14,637,293	(101,429)
6/30/2026	682,070	14,637,293	175,749	506,321	682,070	173,818	680,139	14,130,972	-
9/30/2026	683,867	14,130,972	171,534	512,333	683,867	167,805	680,139	13,618,639	-
12/31/2026	683,732	13,618,639	165,315	518,417	683,732	161,721	680,139	13,100,222	-
3/31/2027	560,976	13,100,222	155,565	524,574	680,139	155,565	680,139	12,575,648	(89,163)
6/30/2027	681,798	12,575,648	150,995	530,803	681,798	149,336	680,139	12,044,845	-
9/30/2027	683,317	12,044,845	146,211	537,106	683,317	143,033	680,139	11,507,739	-
12/31/2027	683,175	11,507,739	139,691	543,484	683,175	136,654	680,139	10,964,255	-
3/31/2028	605,281	10,964,255	131,647	549,938	681,585	130,201	680,139	10,414,317	(76,304)
6/30/2028	681,513	10,414,317	125,044	556,469	681,513	123,670	680,139	9,857,848	-
9/30/2028	682,740	9,857,848	119,663	563,077	682,740	117,062	680,139	9,294,771	-
12/31/2028	682,591	9,294,771	112,828	569,763	682,591	110,375	680,139	8,725,008	-
3/31/2029	617,315	8,725,008	103,609	576,529	680,138	103,609	680,139	8,148,479	(62,823)
6/30/2029	681,214	8,148,479	97,838	583,376	681,214	96,763	680,139	7,565,101	-
9/30/2029	682,135	7,565,101	91,832	590,303	682,135	89,836	680,139	6,974,800	-
12/31/2029	681,979	6,974,800	84,666	597,313	681,979	82,826	680,139	6,377,487	-
3/31/2030	631,448	6,377,487	75,733	604,406	680,139	75,733	680,139	5,773,081	(46,691)
6/30/2030	680,900	5,773,081	69,317	611,583	680,900	68,555	680,139	5,161,298	-
9/30/2030	681,501	5,161,298	62,655	618,846	681,501	61,293	680,139	4,542,652	-
12/31/2030	681,338	4,542,652	55,143	626,195	681,338	52,944	680,139	3,916,457	-
3/31/2031	646,264	3,916,457	46,508	633,611	680,139	46,508	680,139	3,282,876	(33,875)
6/30/2031	680,572	3,282,876	39,417	641,155	680,572	38,984	680,139	2,641,671	-
9/30/2031	680,836	2,641,671	32,067	648,769	680,836	31,370	680,139	1,992,902	-
12/31/2031	680,665	1,992,902	24,192	656,473	680,665	23,666	680,139	1,336,429	-
3/31/2032	661,973	1,336,429	16,046	664,269	680,315	15,870	680,139	672,160	(18,342)
6/30/2032	680,231	672,160	8,071	672,160	680,231	7,982	680,139	-	-
9/30/2032	-	-	-	-	-	-	-	-	-
12/31/2032	-	-	-	-	-	-	-	-	-
3/31/2033	(3,113)	-	-	-	-	-	-	-	(3,113)
6/30/2033	-	-	-	-	-	-	-	-	-
Totals	52,058,010	-	19,699,759	35,000,000	-	-	-	-	(2,641,749)

Principal 60,000,000
 Indicative Interest Rate 4.75%
 All-in Effective Interest Rate 4.24%
 Estimated Closing Fees (\$) 282,632

Proposed CoBank Term Loan Amortization Schedule									
Date	Total Cash Flows Incl. Patronage & Upfront Fee Amort	Beginning Balance	Estimated Interest Payment	Principal Payment	Debt Service	Total Notional Interest Rate	Total Notional Debt Service	Ending Balance	Patronage and Other Cash Flows
6/29/2012	(59,717,368)			(60,000,000)	(59,717,368)		(59,717,368)	60,000,000	
9/30/2012	1,189,702	60,000,000	736,250	453,452	1,189,702	712,500	1,165,952	59,546,548	
12/31/2012	1,181,666	59,546,548	722,829	458,837	1,181,666	707,115	1,165,952	59,087,711	
3/31/2013	795,358	59,087,711	701,667	464,286	1,165,952	701,667	1,165,952	58,623,425	(370,594)
6/30/2013	1,173,687	58,623,425	703,888	469,799	1,173,687	696,153	1,165,952	58,153,626	
9/30/2013	1,181,298	58,153,626	705,920	475,378	1,181,298	690,574	1,165,952	57,678,248	
12/31/2013	1,181,173	57,678,248	700,150	481,023	1,181,173	684,929	1,165,952	57,197,225	
3/31/2014	803,960	57,197,225	679,217	486,735	1,165,952	679,217	1,165,952	56,710,490	(361,992)
6/30/2014	1,173,435	56,710,490	680,920	492,515	1,173,435	673,437	1,165,952	56,217,975	
9/30/2014	1,180,788	56,217,975	682,424	498,364	1,180,788	667,588	1,165,952	55,719,611	
12/31/2014	1,180,656	55,719,611	676,374	504,282	1,180,656	661,670	1,165,952	55,215,329	
3/31/2015	815,892	55,215,329	655,682	510,270	1,165,952	655,682	1,165,952	54,705,059	(350,060)
6/30/2015	1,173,171	54,705,059	656,841	516,330	1,173,171	649,623	1,165,952	54,188,729	
9/30/2015	1,180,252	54,188,729	657,791	522,461	1,180,252	643,491	1,165,952	53,666,268	
12/31/2015	1,180,114	53,666,268	651,449	528,605	1,180,114	637,287	1,165,952	53,137,603	
3/31/2016	835,411	53,137,603	638,020	534,943	1,172,963	631,009	1,165,952	52,602,660	
6/30/2016	1,172,893	52,602,660	631,597	541,296	1,172,893	624,657	1,165,952	52,061,364	
9/30/2016	1,179,690	52,061,364	631,967	547,723	1,179,690	618,229	1,165,952	51,513,641	
12/31/2016	1,179,546	51,513,641	625,318	554,228	1,179,546	611,724	1,165,952	50,959,413	
3/31/2017	841,513	50,959,413	605,143	560,809	1,165,952	605,143	1,165,952	50,398,604	(324,439)
6/30/2017	1,177,607	50,398,604	605,133	567,469	1,172,602	598,483	1,165,952	49,831,135	
9/30/2017	1,179,102	49,831,135	604,895	574,207	1,179,102	591,745	1,165,952	49,256,928	
12/31/2017	1,178,950	49,256,928	597,924	581,026	1,178,950	584,926	1,165,952	48,675,902	
3/31/2018	855,261	48,675,902	578,026	587,926	1,165,952	578,026	1,165,952	48,087,976	(310,691)
6/30/2018	1,172,297	48,087,976	577,390	594,907	1,172,297	571,045	1,165,952	47,493,069	
9/30/2018	1,178,485	47,493,069	576,513	601,972	1,178,485	563,980	1,165,952	46,891,097	
12/31/2018	1,178,326	46,891,097	569,206	609,120	1,178,326	556,832	1,165,952	46,281,977	
3/31/2019	869,673	46,281,977	549,598	616,354	1,165,952	549,598	1,165,952	45,665,623	(296,279)
6/30/2019	1,171,978	45,665,623	548,305	623,673	1,171,978	542,279	1,165,952	45,041,950	
9/30/2019	1,177,838	45,041,950	546,759	631,079	1,177,838	534,873	1,165,952	44,410,871	
12/31/2019	1,177,672	44,410,871	539,099	638,573	1,177,672	527,379	1,165,952	43,772,298	
3/31/2020	890,557	43,772,298	525,572	646,156	1,171,728	519,796	1,165,952	43,126,142	(281,171)
6/30/2020	1,171,642	43,126,142	517,813	653,829	1,171,642	512,123	1,165,952	42,472,313	
9/30/2020	1,177,160	42,472,313	515,567	661,593	1,177,160	504,359	1,165,952	41,810,720	
12/31/2020	1,176,986	41,810,720	507,536	669,450	1,176,986	496,502	1,165,952	41,141,270	
3/31/2021	900,621	41,141,270	488,553	677,400	1,165,952	488,553	1,165,952	40,463,870	(265,331)
6/30/2021	1,171,291	40,463,870	485,847	685,444	1,171,291	480,508	1,165,952	39,778,426	
9/30/2021	1,176,449	39,778,426	482,866	693,583	1,176,449	472,369	1,165,952	39,084,843	
12/31/2021	1,176,267	39,084,843	474,447	701,820	1,176,267	464,133	1,165,952	38,383,013	
3/31/2022	917,226	38,383,013	455,798	710,154	1,165,952	455,798	1,165,952	37,672,869	(248,726)
6/30/2022	1,170,923	37,672,869	452,336	718,587	1,170,923	447,865	1,165,952	36,954,282	
9/30/2022	1,175,704	36,954,282	448,584	727,120	1,175,704	438,832	1,165,952	36,227,162	
12/31/2022	1,175,512	36,227,162	439,757	735,755	1,175,512	430,198	1,165,952	35,491,407	
3/31/2023	934,635	35,491,407	421,460	744,492	1,165,952	421,460	1,165,952	34,746,915	(231,318)
6/30/2023	1,170,536	34,746,915	417,204	753,332	1,170,536	412,620	1,165,952	33,993,583	
9/30/2023	1,174,922	33,993,583	412,644	762,278	1,174,922	403,674	1,165,952	33,231,305	
12/31/2023	1,174,721	33,231,305	403,391	771,330	1,174,721	394,622	1,165,952	32,459,925	
3/31/2024	957,167	32,459,925	389,745	780,490	1,170,235	385,462	1,165,952	31,679,485	(121,068)
6/30/2024	1,170,132	31,679,485	380,374	789,758	1,170,132	376,194	1,165,952	30,889,727	
9/30/2024	1,174,104	30,889,727	374,967	799,137	1,174,104	366,816	1,165,952	30,090,590	
12/31/2024	1,173,892	30,090,590	365,266	808,626	1,173,892	357,326	1,165,952	29,281,964	
3/31/2025	972,017	29,281,964	347,723	818,229	1,165,952	347,723	1,165,952	28,463,735	(193,936)
6/30/2025	1,169,707	28,463,735	341,762	827,945	1,169,707	338,007	1,165,952	27,635,790	
9/30/2025	1,173,245	27,635,790	335,468	837,777	1,173,245	328,175	1,165,952	26,798,013	
12/31/2025	1,173,024	26,798,013	325,298	847,726	1,173,024	318,226	1,165,952	25,950,287	
3/31/2026	992,073	25,950,287	308,160	857,792	1,165,952	308,160	1,165,952	25,092,495	(173,878)
6/30/2026	1,169,263	25,092,495	301,284	867,979	1,169,263	297,973	1,165,952	24,224,516	
9/30/2026	1,172,345	24,224,516	294,059	878,286	1,172,345	287,666	1,165,952	23,346,230	
12/31/2026	1,172,113	23,346,230	283,397	888,716	1,172,113	277,236	1,165,952	22,457,514	
3/31/2027	1,013,101	22,457,514	266,683	899,269	1,165,952	266,683	1,165,952	21,558,245	(152,851)
6/30/2027	1,168,797	21,558,245	258,849	909,948	1,168,797	256,004	1,165,952	20,648,297	
9/30/2027	1,171,401	20,648,297	250,647	920,754	1,171,401	245,199	1,165,952	19,727,543	
12/31/2027	1,171,158	19,727,543	239,470	931,688	1,171,158	234,265	1,165,952	18,795,855	
3/31/2028	1,037,625	18,795,855	225,681	942,751	1,168,432	223,201	1,165,952	17,853,104	(130,807)
6/30/2028	1,168,307	17,853,104	214,361	953,946	1,168,307	212,006	1,165,952	16,899,158	
9/30/2028	1,170,412	16,899,158	205,137	965,275	1,170,412	200,678	1,165,952	15,933,883	
12/31/2028	1,170,157	15,933,883	193,420	976,737	1,170,157	189,215	1,165,952	14,957,146	
3/31/2029	1,058,255	14,957,146	177,616	988,336	1,165,952	177,616	1,165,952	13,968,810	(107,697)
6/30/2029	1,167,795	13,968,810	167,723	1,000,072	1,167,795	165,880	1,165,952	12,968,738	
9/30/2029	1,169,374	12,968,738	157,426	1,011,948	1,169,374	154,004	1,165,952	11,956,790	
12/31/2029	1,169,107	11,956,790	145,142	1,023,965	1,169,107	141,987	1,165,952	10,932,825	
3/31/2030	1,082,482	10,932,825	129,827	1,036,125	1,165,952	129,827	1,165,952	9,886,700	(83,470)
6/30/2030	1,167,258	9,886,700	118,829	1,048,429	1,167,258	117,523	1,165,952	8,848,271	
9/30/2030	1,168,287	8,848,271	107,408	1,060,879	1,168,287	105,073	1,165,952	7,787,392	
12/31/2030	1,168,007	7,787,392	94,530	1,073,477	1,168,007	92,475	1,165,952	6,713,915	
3/31/2031	1,107,881	6,713,915	79,728	1,086,224	1,165,952	79,728	1,165,952	5,627,691	(58,071)
6/30/2031	1,166,694	5,627,691	67,571	1,099,123	1,166,694	66,829	1,165,952	4,528,568	
9/30/2031	1,167,147	4,528,568	54,972	1,112,175	1,167,147	53,777	1,165,952	3,416,393	
12/31/2031	1,166,853	3,416,393	41,471	1,125,382	1,166,853	40,570	1,165,952	2,291,011	
3/31/2032	1,134,810	2,291,011	27,508	1,138,746	1,166,254	27,206	1,165,952	1,152,265	(31,444)
6/30/2032	1,166,100	1,152,265	13,835	1,152,265	1,166,100	13,683	1,165,952	-	
9/30/2032	-	-	-	-	-	-	-	-	
12/31/2032	-	-	-	-	-	-	-	-	
3/31/2033	(5,337)	-	-	-	-	-	-	-	(5,337)
6/30/2033	-	-	-	-	-	-	-	-	
Totals	89,242,297		33,771,010	60,000,000					

Big Rivers Electric Corporation

CoBank Closing Fee Assumption

Commitment	Total Allocation	Revolver Allocation	Term Allocation	Upfront Fee
\$299,000,000	\$285,000,000	\$50,000,000	\$235,000,000	\$622,500

Arrangement Fee (20 bps)	\$570,000
Upfront Fee	\$622,500
	\$1,192,500

	Arrangement Fee	Upfront Fee	CoBank Legal	Total
Term Loan - \$140m	\$280,000	\$305,789	\$73,684	\$659,474
Term Loan - \$60m	\$120,000	\$131,053	\$31,579	\$282,632
Term Loan - \$35m	\$70,000	\$76,447	\$18,421	\$164,868
Revolver	\$100,000	\$109,211	\$26,316	\$235,526
Total	\$570,000	\$622,500	\$150,000	\$1,342,500
basis points	20	22	5	47

CoBank Patronage Assumption

Cash Patronage Rate	NPV for Equity Patronage Rate	Term Loan Allocation	Total Cash Patronage Assumption	Effective Patronage Rate
0.53%	0.09%	\$235,000,000	\$1,468,000	0.62%

Patronage Capital Retired Yes
 Patronage Allocation Factor 8.00%
 Project Loan \$ 302,000,000
 Equity Loan \$ 43,155,800
 LCTC Purchase as a Percent of Total Loan 14.29%
 Amortization Period (Years) 20
 Based on CFC fixed rates as of 1/10/2012
 Number of Rate Discounts 1
 LCTC Loan Rate 5.65%
 Amortization Type Level Debt Service

Annual Cash Flows												
Year	Annual Principal Payments	Interest Rate	Annual Interest on the Serial Notes	Total Annual Interest	Total Debt Service	Patronage Capital Assignment	Patronage Capital Retired	Equity Loan	LCTC Amortization	LCTC Interest	LCTC Yield	Net Cash Flow
0	\$302,000,000							\$43,155,800				\$302,000,000
1	(\$10,382,142)	2.825%	(\$293,296)	(\$13,557,609)	(\$23,939,751)	\$1,084,609	\$542,305	\$41,672,192	\$1,483,608	(\$2,438,303)	\$1,950,642	(\$23,885,108)
2	(\$10,675,438)	2.825%	(\$301,581)	(\$13,264,313)	(\$23,939,751)	\$1,061,145	\$530,573	\$40,146,672	\$1,525,520	(\$2,354,479)	\$1,883,583	(\$23,880,074)
3	(\$10,977,019)	2.825%	(\$310,101)	(\$12,962,732)	(\$23,939,751)	\$1,037,019	\$518,510	\$38,578,056	\$1,568,616	(\$2,268,287)	\$1,814,630	(\$23,874,899)
4	(\$11,287,120)	3.025%	(\$341,435)	(\$12,652,631)	(\$23,939,751)	\$1,012,210	\$506,105	\$36,965,126	\$1,612,929	(\$2,179,660)	\$1,743,728	(\$23,869,578)
5	(\$11,628,555)	3.225%	(\$375,021)	(\$12,311,196)	(\$23,939,751)	\$984,896	\$492,448	\$35,303,406	\$1,661,721	(\$2,088,530)	\$1,670,824	(\$23,865,009)
6	(\$12,003,576)	3.525%	(\$423,126)	(\$11,936,175)	(\$23,939,751)	\$954,894	\$477,447	\$33,588,095	\$1,715,311	(\$1,994,642)	\$1,595,714	(\$23,861,232)
7	(\$12,426,702)	3.825%	(\$475,321)	(\$11,513,049)	(\$23,939,751)	\$921,044	\$460,522	\$31,812,319	\$1,775,776	(\$1,897,727)	\$1,518,182	(\$23,858,774)
8	(\$12,902,024)	4.025%	(\$519,306)	(\$11,037,728)	(\$23,939,751)	\$883,018	\$441,509	\$29,968,620	\$1,843,699	(\$1,797,396)	\$1,437,917	(\$23,857,722)
9	(\$13,421,330)	4.225%	(\$567,051)	(\$10,518,422)	(\$23,939,751)	\$841,474	\$420,737	\$28,050,712	\$1,917,908	(\$1,693,227)	\$1,354,582	(\$23,857,660)
10	(\$13,988,381)	4.425%	(\$618,986)	(\$9,951,371)	(\$23,939,751)	\$796,110	\$398,055	\$26,051,772	\$1,998,940	(\$1,584,865)	\$1,267,892	(\$23,858,670)
11	(\$14,607,367)	4.525%	(\$660,983)	(\$9,332,385)	(\$23,939,751)	\$746,591	\$373,296	\$23,964,379	\$2,087,393	(\$1,471,925)	\$1,177,540	(\$23,863,693)
12	(\$15,268,350)	4.575%	(\$698,527)	(\$8,671,402)	(\$23,939,751)	\$693,712	\$346,856	\$21,782,532	\$2,181,847	(\$1,353,987)	\$1,083,190	(\$23,866,980)
13	(\$15,966,877)	4.675%	(\$746,452)	(\$7,972,875)	(\$23,939,751)	\$637,830	\$318,915	\$19,500,865	\$2,281,667	(\$1,230,713)	\$984,570	(\$23,871,055)
14	(\$16,713,329)	4.725%	(\$789,705)	(\$7,226,423)	(\$23,939,751)	\$578,114	\$289,057	\$17,112,531	\$2,388,335	(\$1,101,799)	\$881,439	(\$23,875,655)
15	(\$17,503,034)	4.825%	(\$844,521)	(\$6,436,718)	(\$23,939,751)	\$514,937	\$257,469	\$14,611,347	\$2,501,184	(\$966,858)	\$773,486	(\$23,881,172)
16	(\$18,347,555)	5.375%	(\$986,181)	(\$5,592,197)	(\$23,939,751)	\$447,376	\$223,688	\$11,989,481	\$2,621,866	(\$825,541)	\$660,433	(\$23,890,993)
17	(\$19,333,736)	5.425%	(\$1,048,855)	(\$4,605,016)	(\$23,939,751)	\$368,481	\$184,241	\$9,226,090	\$2,762,791	(\$677,406)	\$541,925	(\$23,901,728)
18	(\$20,382,591)	5.475%	(\$1,115,947)	(\$3,557,161)	(\$23,939,751)	\$284,573	\$142,287	\$6,314,018	\$2,912,672	(\$521,208)	\$417,046	(\$23,913,452)
19	(\$21,498,538)	5.525%	(\$1,187,794)	(\$2,441,214)	(\$23,939,751)	\$195,297	\$97,649	\$3,241,877	\$3,072,141	(\$356,742)	\$285,394	(\$23,926,249)
20	(\$22,686,333)	5.525%	(\$1,253,420)	(\$1,253,420)	(\$23,939,751)	\$100,274	\$50,137	\$0	\$3,241,877	(\$183,166)	\$148,533	\$0
21	\$0	5.575%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
22	\$0	5.575%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
23	\$0	5.575%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24	\$0	5.575%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25	\$0	5.575%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26	\$0	5.575%	\$0	\$0	\$0	\$0	\$0	\$542,305	\$0	\$0	\$0	\$542,305
27	\$0	5.625%	\$0	\$0	\$0	\$0	\$0	\$530,573	\$0	\$0	\$0	\$530,573
28	\$0	5.625%	\$0	\$0	\$0	\$0	\$0	\$518,510	\$0	\$0	\$0	\$518,510
29	\$0	5.625%	\$0	\$0	\$0	\$0	\$0	\$506,105	\$0	\$0	\$0	\$506,105
30	\$0	5.625%	\$0	\$0	\$0	\$0	\$0	\$492,448	\$0	\$0	\$0	\$492,448
31	\$0	5.625%	\$0	\$0	\$0	\$0	\$0	\$477,447	\$0	\$0	\$0	\$477,447
32	\$0	5.625%	\$0	\$0	\$0	\$0	\$0	\$460,522	\$0	\$0	\$0	\$460,522
33	\$0	5.625%	\$0	\$0	\$0	\$0	\$0	\$441,509	\$0	\$0	\$0	\$441,509
34	\$0	5.625%	\$0	\$0	\$0	\$0	\$0	\$420,737	\$0	\$0	\$0	\$420,737
35	\$0	5.625%	\$0	\$0	\$0	\$0	\$0	\$398,055	\$0	\$0	\$0	\$398,055
36	\$0	0.000%	\$0	\$0	\$0	\$0	\$0	\$373,296	\$0	\$0	\$0	\$373,296
37	\$0	0.000%	\$0	\$0	\$0	\$0	\$0	\$346,856	\$0	\$0	\$0	\$346,856
38	\$0	0.000%	\$0	\$0	\$0	\$0	\$0	\$318,915	\$0	\$0	\$0	\$318,915
39	\$0	0.000%	\$0	\$0	\$0	\$0	\$0	\$289,057	\$0	\$0	\$0	\$289,057
40	\$0	0.000%	\$0	\$0	\$0	\$0	\$0	\$257,469	\$0	\$0	\$0	\$257,469
41	\$0	0.000%	\$0	\$0	\$0	\$0	\$0	\$223,688	\$0	\$0	\$0	\$223,688
42	\$0	0.000%	\$0	\$0	\$0	\$0	\$0	\$184,241	\$0	\$0	\$0	\$184,241
43	\$0	0.000%	\$0	\$0	\$0	\$0	\$0	\$142,287	\$0	\$0	\$0	\$142,287
44	\$0	0.000%	\$0	\$0	\$0	\$0	\$0	\$97,649	\$0	\$0	\$0	\$97,649
45	\$0	0.000%	\$0	\$0	\$0	\$0	\$0	\$50,137	\$0	\$0	\$0	\$50,137
46	\$0	0.000%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
47	\$0	0.000%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
48	\$0	0.000%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
49	\$0	0.000%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
50	\$0	0.000%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
51	\$0	0.000%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	(\$302,000,000)			(\$176,795,037)	(\$478,795,037)	\$14,143,604	\$14,143,604	\$469,860,691	\$43,155,800	(\$28,986,561)	\$23,189,250	(\$470,448,740)
										All-In Effective Rate		4.76%

Big Rivers Electric Corporation
 Use \$442mm to pay down RUS Note

----- RUS SERIES A NOTE -----

MONTH	CASH FLOW	PRINCIPAL PAYMENT	5.750%		INTEREST PAYMENT	PRINCIPAL BALANCE	MAXIMUM PRINCIPAL BALANCE
			INTEREST EXPENSE	ACCRUED INTEREST			
31-May-12	0.00	0.00	1,323,701.53	4,881,149.39	0.00	526,603,000.00	561,603,000.00
29-Jun-12	449,280,358.41	442,000,000.00	2,399,209.02	0.00	7,289,358.41	84,603,000.00	84,603,000.00
02-Jul-12	39,874.36	0.00	39,874.36	0.00	39,874.36	84,603,000.00	84,603,000.00
31-Jul-12	0.00	0.00	385,452.19	385,452.19	0.00	84,603,000.00	84,603,000.00
15-Aug-12	0.00	0.00	199,371.82	584,824.01	0.00	84,603,000.00	84,603,000.00
31-Aug-12	0.00	0.00	212,663.28	797,487.29	0.00	84,603,000.00	84,603,000.00
30-Sep-12	0.00	0.00	398,743.65	1,196,230.94	0.00	84,603,000.00	84,603,000.00
01-Oct-12	1,209,522.39	0.00	13,291.45	0.00	1,209,522.39	84,603,000.00	84,603,000.00
31-Oct-12	0.00	0.00	398,743.65	398,743.65	0.00	84,603,000.00	84,603,000.00
15-Nov-12	0.00	0.00	199,371.82	598,115.47	0.00	84,603,000.00	84,603,000.00
30-Nov-12	0.00	0.00	199,371.82	797,487.29	0.00	84,603,000.00	84,603,000.00
31-Dec-12	0.00	0.00	412,035.10	1,209,522.39	0.00	84,603,000.00	84,603,000.00
02-Jan-13	1,236,178.13	0.00	26,655.74	0.00	1,236,178.13	84,603,000.00	84,603,000.00
31-Jan-13	0.00	0.00	386,508.23	386,508.23	0.00	84,603,000.00	84,603,000.00
15-Feb-13	0.00	0.00	199,918.05	586,426.28	0.00	84,603,000.00	84,603,000.00
28-Feb-13	0.00	0.00	173,262.31	759,688.59	0.00	84,603,000.00	84,603,000.00
31-Mar-13	0.00	0.00	413,163.97	1,172,852.56	0.00	84,603,000.00	84,603,000.00
01-Apr-13	1,186,180.43	0.00	13,327.87	0.00	1,186,180.43	84,603,000.00	84,603,000.00
30-Apr-13	0.00	0.00	386,508.23	386,508.23	0.00	84,603,000.00	84,603,000.00
15-May-13	0.00	0.00	199,918.05	586,426.28	0.00	84,603,000.00	84,603,000.00
31-May-13	0.00	0.00	213,245.92	799,672.20	0.00	84,603,000.00	84,603,000.00
30-Jun-13	0.00	0.00	399,836.10	1,199,508.30	0.00	84,603,000.00	84,603,000.00
01-Jul-13	1,212,836.17	0.00	13,327.87	0.00	1,212,836.17	84,603,000.00	84,603,000.00
31-Jul-13	0.00	0.00	399,836.10	399,836.10	0.00	84,603,000.00	84,603,000.00
15-Aug-13	0.00	0.00	199,918.05	599,754.15	0.00	84,603,000.00	84,603,000.00
31-Aug-13	0.00	0.00	213,245.92	813,000.07	0.00	84,603,000.00	84,603,000.00
30-Sep-13	0.00	0.00	399,836.10	1,212,836.17	0.00	84,603,000.00	84,603,000.00
01-Oct-13	1,226,164.04	0.00	13,327.87	0.00	1,226,164.04	84,603,000.00	84,603,000.00
31-Oct-13	0.00	0.00	399,836.10	399,836.10	0.00	84,603,000.00	84,603,000.00
15-Nov-13	0.00	0.00	199,918.05	599,754.15	0.00	84,603,000.00	84,603,000.00
30-Nov-13	0.00	0.00	199,918.05	799,672.20	0.00	84,603,000.00	84,603,000.00
31-Dec-13	0.00	0.00	413,163.97	1,212,836.17	0.00	84,603,000.00	84,603,000.00
02-Jan-14	1,239,491.91	0.00	26,655.74	0.00	1,239,491.91	84,603,000.00	84,603,000.00
31-Jan-14	0.00	0.00	386,508.23	386,508.23	0.00	84,603,000.00	84,603,000.00
17-Feb-14	0.00	0.00	226,573.79	613,082.02	0.00	84,603,000.00	84,603,000.00
28-Feb-14	0.00	0.00	146,606.57	759,688.59	0.00	84,603,000.00	84,603,000.00
31-Mar-14	0.00	0.00	413,163.97	1,172,852.56	0.00	84,603,000.00	84,603,000.00
01-Apr-14	1,186,180.43	0.00	13,327.87	0.00	1,186,180.43	84,603,000.00	84,603,000.00
30-Apr-14	0.00	0.00	386,508.23	386,508.23	0.00	84,603,000.00	84,603,000.00
15-May-14	0.00	0.00	199,918.05	586,426.28	0.00	84,603,000.00	84,603,000.00
31-May-14	0.00	0.00	213,245.92	799,672.20	0.00	84,603,000.00	84,603,000.00
30-Jun-14	0.00	0.00	399,836.10	1,199,508.30	0.00	84,603,000.00	84,603,000.00
01-Jul-14	1,212,836.17	0.00	13,327.87	0.00	1,212,836.17	84,603,000.00	84,603,000.00
31-Jul-14	0.00	0.00	399,836.10	399,836.10	0.00	84,603,000.00	84,603,000.00
15-Aug-14	0.00	0.00	199,918.05	599,754.15	0.00	84,603,000.00	84,603,000.00
31-Aug-14	0.00	0.00	213,245.92	813,000.07	0.00	84,603,000.00	84,603,000.00
30-Sep-14	0.00	0.00	399,836.10	1,212,836.17	0.00	84,603,000.00	84,603,000.00

Big Rivers Electric Corporation
Use \$442mm to pay down RUS Note

----- RUS SERIES A NOTE -----

MONTH	CASH FLOW	PRINCIPAL PAYMENT	5.750% INTEREST EXPENSE	ACCRUED INTEREST	INTEREST PAYMENT	PRINCIPAL BALANCE	MAXIMUM PRINCIPAL BALANCE
01-Oct-14	1,226,164.04	0.00	13,327.87	0.00	1,226,164.04	84,603,000.00	84,603,000.00
31-Oct-14	0.00	0.00	399,836.10	399,836.10	0.00	84,603,000.00	84,603,000.00
17-Nov-14	0.00	0.00	226,573.79	626,409.89	0.00	84,603,000.00	84,603,000.00
30-Nov-14	0.00	0.00	173,262.31	799,672.20	0.00	84,603,000.00	84,603,000.00
31-Dec-14	0.00	0.00	413,163.97	1,212,836.17	0.00	84,603,000.00	84,603,000.00
02-Jan-15	1,239,491.91	0.00	26,655.74	0.00	1,239,491.91	84,603,000.00	84,603,000.00
31-Jan-15	0.00	0.00	386,508.23	386,508.23	0.00	84,603,000.00	84,603,000.00
16-Feb-15	0.00	0.00	213,245.92	599,754.15	0.00	84,603,000.00	84,603,000.00
28-Feb-15	0.00	0.00	159,934.44	759,688.59	0.00	84,603,000.00	84,603,000.00
31-Mar-15	0.00	0.00	413,163.97	1,172,852.56	0.00	84,603,000.00	84,603,000.00
01-Apr-15	1,186,180.43	0.00	13,327.87	0.00	1,186,180.43	84,603,000.00	84,603,000.00
30-Apr-15	0.00	0.00	386,508.23	386,508.23	0.00	84,603,000.00	84,603,000.00
15-May-15	0.00	0.00	199,918.05	586,426.28	0.00	84,603,000.00	84,603,000.00
31-May-15	0.00	0.00	213,245.92	799,672.20	0.00	84,603,000.00	84,603,000.00
30-Jun-15	0.00	0.00	399,836.10	1,199,508.30	0.00	84,603,000.00	84,603,000.00
01-Jul-15	1,212,836.17	0.00	13,327.87	0.00	1,212,836.17	84,603,000.00	84,603,000.00
31-Jul-15	0.00	0.00	399,836.10	399,836.10	0.00	84,603,000.00	84,603,000.00
17-Aug-15	0.00	0.00	226,573.79	626,409.89	0.00	84,603,000.00	84,603,000.00
31-Aug-15	0.00	0.00	186,590.18	813,000.07	0.00	84,603,000.00	84,603,000.00
30-Sep-15	0.00	0.00	399,836.10	1,212,836.17	0.00	84,603,000.00	84,603,000.00
01-Oct-15	1,226,164.04	0.00	13,327.87	0.00	1,226,164.04	84,603,000.00	84,603,000.00
31-Oct-15	0.00	0.00	399,836.10	399,836.10	0.00	84,603,000.00	84,603,000.00
16-Nov-15	0.00	0.00	213,245.92	613,082.02	0.00	84,603,000.00	84,603,000.00
30-Nov-15	0.00	0.00	186,590.18	799,672.20	0.00	84,603,000.00	84,603,000.00
31-Dec-15	0.00	0.00	413,163.97	1,212,836.17	0.00	84,603,000.00	84,603,000.00
04-Jan-16	1,266,001.99	0.00	53,165.82	0.00	1,266,001.99	84,603,000.00	84,603,000.00
31-Jan-16	0.00	0.00	358,869.28	358,869.28	0.00	84,603,000.00	84,603,000.00
15-Feb-16	0.00	0.00	199,371.82	558,241.10	0.00	84,603,000.00	84,603,000.00
29-Feb-16	0.00	0.00	186,080.37	744,321.47	0.00	84,603,000.00	84,603,000.00
31-Mar-16	0.00	0.00	412,035.10	1,156,356.57	0.00	84,603,000.00	84,603,000.00
01-Apr-16	1,169,648.02	0.00	13,291.45	0.00	1,169,648.02	84,603,000.00	84,603,000.00
30-Apr-16	0.00	0.00	385,452.19	385,452.19	0.00	84,603,000.00	84,603,000.00
16-May-16	0.00	0.00	212,663.28	598,115.47	0.00	84,603,000.00	84,603,000.00
31-May-16	0.00	0.00	199,371.82	797,487.29	0.00	84,603,000.00	84,603,000.00
30-Jun-16	0.00	0.00	398,743.65	1,196,230.94	0.00	84,603,000.00	84,603,000.00
01-Jul-16	1,209,522.39	0.00	13,291.45	0.00	1,209,522.39	84,603,000.00	84,603,000.00
31-Jul-16	0.00	0.00	398,743.65	398,743.65	0.00	84,603,000.00	84,603,000.00
15-Aug-16	0.00	0.00	199,371.82	598,115.47	0.00	84,603,000.00	84,603,000.00
31-Aug-16	0.00	0.00	212,663.28	810,778.75	0.00	84,603,000.00	84,603,000.00
30-Sep-16	0.00	0.00	398,743.65	1,209,522.40	0.00	84,603,000.00	84,603,000.00
03-Oct-16	1,249,396.76	0.00	39,874.36	0.00	1,249,396.76	84,603,000.00	84,603,000.00
31-Oct-16	0.00	0.00	372,160.74	372,160.74	0.00	84,603,000.00	84,603,000.00
15-Nov-16	0.00	0.00	199,371.82	571,532.56	0.00	84,603,000.00	84,603,000.00
30-Nov-16	0.00	0.00	199,371.82	770,904.38	0.00	84,603,000.00	84,603,000.00
31-Dec-16	0.00	0.00	412,035.10	1,182,939.48	0.00	84,603,000.00	84,603,000.00
02-Jan-17	1,209,595.22	0.00	26,655.74	0.00	1,209,595.22	84,603,000.00	84,603,000.00
31-Jan-17	0.00	0.00	386,508.23	386,508.23	0.00	84,603,000.00	84,603,000.00

Big Rivers Electric Corporation
 Use \$442mm to pay down RUS Note

----- RUS SERIES A NOTE -----

MONTH	CASH FLOW	PRINCIPAL PAYMENT	5.750% INTEREST EXPENSE	ACCRUED INTEREST	INTEREST PAYMENT	PRINCIPAL BALANCE	MAXIMUM PRINCIPAL BALANCE
15-Feb-17	0.00	0.00	199,918.05	586,426.28	0.00	84,603,000.00	84,603,000.00
28-Feb-17	0.00	0.00	173,262.31	759,688.59	0.00	84,603,000.00	84,603,000.00
31-Mar-17	0.00	0.00	413,163.97	1,172,852.56	0.00	84,603,000.00	84,603,000.00
03-Apr-17	1,212,836.17	0.00	39,983.61	0.00	1,212,836.17	84,603,000.00	84,603,000.00
30-Apr-17	0.00	0.00	359,852.49	359,852.49	0.00	84,603,000.00	84,603,000.00
15-May-17	0.00	0.00	199,918.05	559,770.54	0.00	84,603,000.00	84,603,000.00
31-May-17	0.00	0.00	213,245.92	773,016.46	0.00	84,603,000.00	84,603,000.00
30-Jun-17	0.00	0.00	399,836.10	1,172,852.56	0.00	84,603,000.00	84,603,000.00
03-Jul-17	1,212,836.17	0.00	39,983.61	0.00	1,212,836.17	84,603,000.00	84,603,000.00
31-Jul-17	0.00	0.00	373,180.36	373,180.36	0.00	84,603,000.00	84,603,000.00
15-Aug-17	0.00	0.00	199,918.05	573,098.41	0.00	84,603,000.00	84,603,000.00
31-Aug-17	0.00	0.00	213,245.92	786,344.33	0.00	84,603,000.00	84,603,000.00
30-Sep-17	0.00	0.00	399,836.10	1,186,180.43	0.00	84,603,000.00	84,603,000.00
02-Oct-17	1,212,836.17	0.00	26,655.74	0.00	1,212,836.17	84,603,000.00	84,603,000.00
31-Oct-17	0.00	0.00	386,508.23	386,508.23	0.00	84,603,000.00	84,603,000.00
15-Nov-17	0.00	0.00	199,918.05	586,426.28	0.00	84,603,000.00	84,603,000.00
30-Nov-17	0.00	0.00	199,918.05	786,344.33	0.00	84,603,000.00	84,603,000.00
31-Dec-17	0.00	0.00	413,163.97	1,199,508.30	0.00	84,603,000.00	84,603,000.00
02-Jan-18	1,226,164.04	0.00	26,655.74	0.00	1,226,164.04	84,603,000.00	84,603,000.00
31-Jan-18	0.00	0.00	386,508.23	386,508.23	0.00	84,603,000.00	84,603,000.00
15-Feb-18	0.00	0.00	199,918.05	586,426.28	0.00	84,603,000.00	84,603,000.00
28-Feb-18	0.00	0.00	173,262.31	759,688.59	0.00	84,603,000.00	84,603,000.00
31-Mar-18	0.00	0.00	413,163.97	1,172,852.56	0.00	84,603,000.00	84,603,000.00
02-Apr-18	1,199,508.30	0.00	26,655.74	0.00	1,199,508.30	84,603,000.00	84,603,000.00
30-Apr-18	0.00	0.00	373,180.36	373,180.36	0.00	84,603,000.00	84,603,000.00
15-May-18	0.00	0.00	199,918.05	573,098.41	0.00	84,603,000.00	84,603,000.00
31-May-18	0.00	0.00	213,245.92	786,344.33	0.00	84,603,000.00	84,603,000.00
30-Jun-18	0.00	0.00	399,836.10	1,186,180.43	0.00	84,603,000.00	84,603,000.00
02-Jul-18	1,212,836.17	0.00	26,655.74	0.00	1,212,836.17	84,603,000.00	84,603,000.00
31-Jul-18	0.00	0.00	386,508.23	386,508.23	0.00	84,603,000.00	84,603,000.00
15-Aug-18	0.00	0.00	199,918.05	586,426.28	0.00	84,603,000.00	84,603,000.00
31-Aug-18	0.00	0.00	213,245.92	799,672.20	0.00	84,603,000.00	84,603,000.00
30-Sep-18	0.00	0.00	399,836.10	1,199,508.30	0.00	84,603,000.00	84,603,000.00
01-Oct-18	1,212,836.17	0.00	13,327.87	0.00	1,212,836.17	84,603,000.00	84,603,000.00
31-Oct-18	0.00	0.00	399,836.10	399,836.10	0.00	84,603,000.00	84,603,000.00
15-Nov-18	0.00	0.00	199,918.05	599,754.15	0.00	84,603,000.00	84,603,000.00
30-Nov-18	0.00	0.00	199,918.05	799,672.20	0.00	84,603,000.00	84,603,000.00
31-Dec-18	0.00	0.00	413,163.97	1,212,836.17	0.00	84,603,000.00	84,603,000.00
02-Jan-19	1,239,491.91	0.00	26,655.74	0.00	1,239,491.91	84,603,000.00	84,603,000.00
31-Jan-19	0.00	0.00	386,508.23	386,508.23	0.00	84,603,000.00	84,603,000.00
15-Feb-19	0.00	0.00	199,918.05	586,426.28	0.00	84,603,000.00	84,603,000.00
28-Feb-19	0.00	0.00	173,262.31	759,688.59	0.00	84,603,000.00	84,603,000.00
31-Mar-19	0.00	0.00	413,163.97	1,172,852.56	0.00	84,603,000.00	84,603,000.00
01-Apr-19	1,186,180.43	0.00	13,327.87	0.00	1,186,180.43	84,603,000.00	84,603,000.00
30-Apr-19	0.00	0.00	386,508.23	386,508.23	0.00	84,603,000.00	84,603,000.00
15-May-19	0.00	0.00	199,918.05	586,426.28	0.00	84,603,000.00	84,603,000.00
31-May-19	0.00	0.00	213,245.92	799,672.20	0.00	84,603,000.00	84,603,000.00

Big Rivers Electric Corporation
Use \$442mm to pay down RUS Note

----- RUS SERIES A NOTE -----

MONTH	CASH FLOW	PRINCIPAL PAYMENT	5.750% INTEREST EXPENSE	ACCRUED INTEREST	INTEREST PAYMENT	PRINCIPAL BALANCE	MAXIMUM PRINCIPAL BALANCE
30-Jun-19	0.00	0.00	399,836.10	1,199,508.30	0.00	84,603,000.00	84,603,000.00
01-Jul-19	1,212,836.17	0.00	13,327.87	0.00	1,212,836.17	84,603,000.00	84,603,000.00
31-Jul-19	0.00	0.00	399,836.10	399,836.10	0.00	84,603,000.00	84,603,000.00
15-Aug-19	0.00	0.00	199,918.05	599,754.15	0.00	84,603,000.00	84,603,000.00
31-Aug-19	0.00	0.00	213,245.92	813,000.07	0.00	84,603,000.00	84,603,000.00
30-Sep-19	0.00	0.00	399,836.10	1,212,836.17	0.00	84,603,000.00	84,603,000.00
01-Oct-19	7,776,164.04	6,550,000.00	13,327.87	0.00	1,226,164.04	78,053,000.00	78,053,000.00
31-Oct-19	0.00	0.00	368,880.62	368,880.62	0.00	78,053,000.00	78,053,000.00
15-Nov-19	0.00	0.00	184,440.31	553,320.93	0.00	78,053,000.00	78,053,000.00
30-Nov-19	0.00	0.00	184,440.31	737,761.24	0.00	78,053,000.00	78,053,000.00
31-Dec-19	0.00	0.00	381,176.64	1,118,937.88	0.00	78,053,000.00	78,053,000.00
02-Jan-20	11,801,462.73	10,658,000.00	24,524.85	0.00	1,143,462.73	67,395,000.00	67,395,000.00
31-Jan-20	0.00	0.00	307,052.36	307,052.36	0.00	67,395,000.00	67,395,000.00
17-Feb-20	0.00	0.00	179,996.21	487,048.57	0.00	67,395,000.00	67,395,000.00
29-Feb-20	0.00	0.00	127,056.15	614,104.72	0.00	67,395,000.00	67,395,000.00
31-Mar-20	0.00	0.00	328,228.38	942,333.10	0.00	67,395,000.00	67,395,000.00
01-Apr-20	11,801,921.11	10,849,000.00	10,588.01	0.00	952,921.11	56,546,000.00	56,546,000.00
30-Apr-20	0.00	0.00	257,624.19	257,624.19	0.00	56,546,000.00	56,546,000.00
15-May-20	0.00	0.00	133,253.89	390,878.08	0.00	56,546,000.00	56,546,000.00
31-May-20	0.00	0.00	142,137.49	533,015.57	0.00	56,546,000.00	56,546,000.00
30-Jun-20	0.00	0.00	266,507.79	799,523.36	0.00	56,546,000.00	56,546,000.00
01-Jul-20	11,802,406.95	10,994,000.00	8,883.59	0.00	808,406.95	45,552,000.00	45,552,000.00
31-Jul-20	0.00	0.00	214,691.80	214,691.80	0.00	45,552,000.00	45,552,000.00
17-Aug-20	0.00	0.00	121,658.69	336,350.49	0.00	45,552,000.00	45,552,000.00
31-Aug-20	0.00	0.00	100,189.51	436,540.00	0.00	45,552,000.00	45,552,000.00
30-Sep-20	0.00	0.00	214,691.80	651,231.80	0.00	45,552,000.00	45,552,000.00
01-Oct-20	11,801,388.19	11,143,000.00	7,156.39	0.00	658,388.19	34,409,000.00	34,409,000.00
31-Oct-20	0.00	0.00	162,173.57	162,173.57	0.00	34,409,000.00	34,409,000.00
16-Nov-20	0.00	0.00	86,492.57	248,666.14	0.00	34,409,000.00	34,409,000.00
30-Nov-20	0.00	0.00	75,681.00	324,347.14	0.00	34,409,000.00	34,409,000.00
31-Dec-20	0.00	0.00	167,579.35	491,926.49	0.00	34,409,000.00	34,409,000.00
04-Jan-21	11,802,608.87	11,289,000.00	21,682.38	0.00	513,608.87	23,120,000.00	23,120,000.00
31-Jan-21	0.00	0.00	98,339.18	98,339.18	0.00	23,120,000.00	23,120,000.00
15-Feb-21	0.00	0.00	54,632.88	152,972.06	0.00	23,120,000.00	23,120,000.00
28-Feb-21	0.00	0.00	47,348.49	200,320.55	0.00	23,120,000.00	23,120,000.00
31-Mar-21	0.00	0.00	112,907.95	313,228.50	0.00	23,120,000.00	23,120,000.00
01-Apr-21	11,801,870.69	11,485,000.00	3,642.19	0.00	316,870.69	11,635,000.00	11,635,000.00
30-Apr-21	0.00	0.00	53,154.42	53,154.42	0.00	11,635,000.00	11,635,000.00
17-May-21	0.00	0.00	31,159.49	84,313.91	0.00	11,635,000.00	11,635,000.00
31-May-21	0.00	0.00	25,660.75	109,974.66	0.00	11,635,000.00	11,635,000.00
30-Jun-21	0.00	0.00	54,987.33	164,961.99	0.00	11,635,000.00	11,635,000.00
01-Jul-21	11,801,794.90	11,635,000.00	1,832.91	0.00	166,794.90	0.00	0.00
	1,701,088,229.33	1,122,834,144.88			585,753,916.30		

BIG RIVERS ELECTRIC CORPORATION'S
DESCRIPTION OF PROPERTY

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Big Rivers Electric Corporation is a generation and transmission cooperative (G&T) headquartered in Henderson, Kentucky. The Corporation meets the electric power needs of three member distribution cooperatives, which, in turn, sell electricity to more than 112,900 residential, commercial, and industrial consumers in 22 western Kentucky counties.

1. Big Rivers' utility plant in service, materials and supplies inventory, and fuel inventory as of January 31, 2012, consisted of intangible plant, electric power generating plants, land right-of-ways, transmission stations and lines, land, buildings, office furniture and equipment, transportation equipment, storage equipment, tools, shop and garage equipment, laboratory equipment, power operated equipment, communication equipment, materials and supplies inventory, and fuel inventory. The original cost of these properties as of January 31, 2012 is \$2,037,659,674.

2. As of January 31, 2012, Big Rivers' intangible plant included organizational and franchise costs of \$66,895.

3. Big Rivers owns and operates electric generating units Reid, Coleman, Green and Wilson and has certain rights to HMP&L Station Two. As of January 31, 2012, Big Rivers' generation assets original cost was \$1,706,718,531 with a net (depreciated) value of \$887,696,267.

- a. The Coleman Station is a multiple unit plant consisting of three coal-fired units designed to burn IllinoisBasin coal. The units were commercialized in 1969, 1970, and 1972 respectively with a combined net output rating of 440 MW.
- b. The Robert Reid Station is a multiple unit plant consisting of one coal-fired unit designed to burn IllinoisBasin coal and/or natural gas and one combustion turbine with the ability to burn either fuel oil or

BIG RIVERS ELECTRIC CORPORATION'S
DESCRIPTION OF PROPERTY

1 natural gas. The units were commercialized in 1966 and 1976
2 respectively with a combined net output rating of 130 MW.

3
4 c. The Robert D. Green facility is a multiple unit plant consisting of two
5 coal-fired units designed to burn IllinoisBasin coal. The units were
6 commercialized in 1979 and 1981 respectively with a combined net
7 output rating of 454 MW.

8
9 d. The D.B. Wilson Station is a single coal-fired unit designed to burn
10 IllinoisBasin coal. The unit was commercialized in 1986 with a net
11 output rating of 417 MW.

12
13 4. Big Rivers has interconnections with seven utilities: HMP&L, Southern
14 Illinois Power Cooperative, Louisville Gas & Electric, Kentucky Utilities, Vectren,
15 Hoosier Energy Corporation, and the Tennessee Valley Authority. Big Rivers, however,
16 cannot purchase power from the Tennessee Valley Authority.

17
18 5. Transmission Facilities as of January 31, 2012, included land, right-of-ways,
19 station equipment and lines costing \$238,738,277 with a net (depreciated) value of
20 \$124,804,067. The miles of transmission line by size are as follows: 833 miles of 69 kV,
21 14 miles of 138 kV, 350 miles of 161 kV, and 68 miles of 345 kV. The substation kVA
22 capacity consists of 1,879,800 stepup at generating plants and 3,540,000 transmission.

23
24 6. Big Rivers owns general plant assets costing \$33,753,459 as of January 31,
25 2012, with a net (depreciated) value of \$26,743,860. General plant consists of land,
26 structures and improvements, office furniture and equipment, transportation equipment,
27 storage equipment, tools, shop and garage equipment, laboratory equipment, power
28 operated equipment, communication equipment, and other miscellaneous equipment used
29 to provide service to member cooperatives.

30
31 7. As of January 31, 2012 Big Rivers had materials and supplies inventory of
32 \$25,742,244 and Fuel inventory of \$32,640,268.

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BIG RIVERS ELECTRIC CORPORATION'S
DESCRIPTION OF PROPERTY

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8. Big Rivers' investment in construction work in progress as of January 31, 2012 was \$52,248,463.

9. As of January 31, 2012, Big Rivers did not own any non-utility property.

BIG RIVERS ELECTRIC CORPORATION
FINANCIAL EXHIBIT
AS OF JANUARY 31, 2012

Big Rivers states that:

1. No amounts or kinds of stock have been authorized.
2. No amounts or kinds of stock have been issued and none is outstanding.
3. No preferred stock has been authorized or is outstanding.
4. Effective with the close of the "Unwind" Transaction on July 16, 2009, all previously existing mortgages were permanently extinguished with the Third Restated Mortgage and Security Agreement (successor to the Restated Mortgage and Security Agreement [the New RUS Mortgage] and Second Restated Mortgage and Security Agreement) being replaced with Big Rivers' Mortgage Indenture (the "Indenture"). The Indenture secures on a *pro rata, pari passu* basis all of the indebtedness owed to Big Rivers' existing senior secured creditors as well as future senior secured creditors. A principal feature of the Indenture is the use of a lien and security interest in favor of an institutional trustee rather than in favor of each individual creditor as mortgagee. The Indenture creates a lien and security interest on most of Big Rivers' real and personal property. Additional debt can be issued under the Indenture on a *pari passu* basis with Big Rivers' existing senior creditors without obtaining the existing senior creditors approval, provided such debt issue meets certain objective tests.

The Indenture, dated July 1, 2009, was made by and between Big Rivers Electric Corporation, as Grantor, and U.S. Bank National Association, as Trustee. As of January 31, 2012 the Indenture secured the following Obligations:

- AMBAC Municipal Bond Insurance Policy Series 1983 Note, dated July 16, 2009, made by Big Rivers (the "Company") to Ambac Assurance Corporation, ("Ambac"), issued in an aggregate principal amount not to exceed \$216,207,600. This is an Existing Obligation under the Indenture.
- Big Rivers Electric Corporation Standby Bond Purchase Agreement Note (Series 1983 Bonds), dated July 16, 2009, made by the Company to Dexia Credit Local, issued in an aggregate principal amount not to exceed \$216,207,600. This is an Existing Obligation under the Indenture.
- Big Rivers Electric Corporation First Mortgage Note, Series 2010A, dated July 8, 2010, made by the Company to U.S. Bank Trust National Association, as trustee, in an amount equal to the principal and interest due on the \$83,300,000 County of Ohio, Kentucky, Pollution Control

Refunding Revenue Bonds, Series 2010A. This is an Additional Obligation under the Indenture.

- RUS 2009 Promissory Note Series A, dated July 16, 2009, made by the Company to the United States of America, in the principal amount of \$602,573,536, maturing on July 1, 2021. This is an Existing Obligation under the Indenture.
- RUS 2009 Promissory Note Series B, dated July 16, 2009, made by the Company to the United States of America, in the amount at final maturity of \$245,530,257.30, maturing on December 31, 2023. This is an Existing Obligation under the Indenture.

The Indenture provides that a maximum of \$3,000,000,000 of Additional Obligations may be issued and secured. As noted above, the Big Rivers Electric Corporation First Mortgage Note, Series 2010A, is an Additional Obligation under the Indenture.

5. Big Rivers has financed certain pollution control facilities at the D.B. Wilson Station with pollution control bonds issued by the County of Ohio, Kentucky. Big Rivers Electric Corporation has two issues outstanding.

On June 30, 1983, the County of Ohio, Kentucky, issued \$58,800,000 of Pollution Control Floating Rate Demand Bonds, Series 1983 (Series 1983 Bonds), with a stated maturity date of June 1, 2013. These bonds bear interest at a variable rate and, prior to July 15, 1998, were supported by an irrevocable standby letter of credit. On July 15, 1998 the standby letter of credit was replaced by a liquidity facility issued by Credit Suisse First Boston (assigned to Dexia Credit Local effective May 1, 2006) and municipal bond insurance and security policies issued by Ambac Assurance Corporation. A Remarketing Agent is responsible for determining the stated rate (Base Rate) of interest to be applied to the Series 1983 Bonds necessary to remarket the bonds at par plus accrued interest in a secondary market transaction. The Base Rate so determined may not be less than 40 percent nor more than 110 percent of a variable interest index. This variable interest index is the weighted average per annum discount rate for direct obligations of the United States with maturities of 13 weeks, expressed as a bond equivalent on the basis of a 365 or 366 day year, as appropriate, and applied on a daily basis, set on the latest auction of such obligations. The Base Rate cannot exceed 13 percent and is subject to Big Rivers' approval.

If the Remarketing Agent is unable to remarket the Bonds they are tendered to the Liquidity Provider (Dexia Credit Local) under the terms of the Standby Bond Purchase Agreement and become "Bank Bonds" with interest paid at the "Bank Rate." The Bank Rate is the higher of (a) the base commercial lending rate announced from time to time by the Liquidity Provider in effect on such date, or (b) the rate quoted by the Liquidity Provider on such date to dealers in the New York Federal funds

market for the overnight offering of dollars by the Liquidity Provider for deposit, plus one half of one percent. The Bank Rate may not exceed the lesser of 18 percent per annum and the maximum rate of interest permitted by applicable law. As of January 31, 2012 all Bonds were held as Bank Bonds and the Bank Rate was 3.25%.

The Series 1983 Bonds are supported by two promissory notes (AMBAC Municipal Bond Insurance Policy Series 1983 Note and Standby Bond Purchase Agreement Note) from Big Rivers, which bear the same interest rate as the bonds. Big Rivers' Indenture secures the *promissory notes issued in support of the Series 1983 Bonds* equally and ratably with all other Obligations issued under the Indenture.

The interest paid on the Series 1983 Bonds for the fiscal year ending December 31, 2011 was \$1,937,541.67.

On October 31, 1985, the County of Ohio, Kentucky, issued \$83,300,000 of Variable Rate Demand Pollution Control Refunding Bonds, Series 1985 (Series 1985 Bonds), with a stated maturity date of October 1, 2015. On August 1, 2001, Big Rivers refunded the Series 1985 Bonds with the Series 2001A, Periodic Auction Reset Securities (Series 2001A Bonds), effectively eliminating a \$5 million annual sinking fund requirement of the Series 1985 Bonds and extending the maturity date from October 1, 2015 to October 1, 2022. On June 8, 2010, the County of Ohio, Kentucky, Pollution Control Refunding Revenue Bonds, Series 2010A (Series 2010A Bonds), with a maturity date of July 15, 2031 were issued in the amount of \$83,300,000. Proceeds from the Series 2010A Bonds were used to refund the Series 2001A Bonds. The Series 2010A Bonds bear interest at a fixed rate of 6.00%.

The Series 2010A Bonds are supported by a promissory note from Big Rivers, which bear the same interest rate as the bonds. Big Rivers' Indenture secures the promissory note issued in support of the Series 2010A Bonds equally and ratably with all other Obligations issued under the Indenture.

The interest paid on the Series 2010A Bonds for the fiscal year ending December 31, 2011 was \$5,511,683.33.

6. As of January 31, 2012, Big Rivers' notes outstanding, on which amounts were due and owing, consisted of the RUS 2009 Promissory Note Series A (RUS 2009 Series A Note) and RUS 2009 Promissory Note Series B (RUS 2009 Series B Note).

The RUS 2009 Series A Note, dated July 16, 2009, was issued in favor of the United States of America, acting through the United States Department of Agriculture, Rural Utilities Services, (the "RUS"), in the original principal amount of \$602,573,536, with a maturity of July 1, 2021. The RUS 2009 Series A Note has a stated interest rate of 5.75% and an outstanding stated amount of \$530,692,000 as of January 31, 2012. Interest paid during fiscal year ending December 31, 2011 was \$23,632,939.36.

The RUS 2009 Series B Note, dated July 16, 2009, was issued in favor of the United States of America, acting through the United States Department of Agriculture, Rural Utilities Services, (the "RUS"), in the original principal amount of \$245,530,257.30, with a maturity of December 31, 2023. The RUS 2009 Series B Note has no stated interest rate and an outstanding stated amount of \$245,530,257.30 as of January 31, 2012. There is no interest amount to be paid on this note.

7. The Company has no other indebtedness.
8. No dividends have ever been paid.
9. The income statement and balance sheet for the twelve (12) months ended January 31, 2012 are attached hereto.

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION KY0062		
OPERATING REPORT - FINANCIAL		PERIOD ENDED Feb-11		
INSTRUCTIONS - Submit an original and two copies to RUS or file electronically. For detailed instructions, see RUS Bulletin 1717B-3.		This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et. seq.) and may be confidential.		
SECTION A. STATEMENT OF OPERATIONS				
ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Electric Energy Revenues	89,806,850.72	87,206,119.02	90,171,750.00	41,982,218.90
2. Income From Leased Property (Net)	0.00	0.00	0.00	0.00
3. Other Operating Revenue and Income	2,298,021.73	389,425.74	3,180,666.00	243,339.75
4. TOTAL OPER. REVENUES & PATRONAGE CAPITAL (1 thru 3)	92,104,872.45	87,595,544.76	93,352,416.00	42,225,558.65
5. Operating Expense - Production - Excluding Fuel	8,076,160.26	8,061,931.66	9,970,476.00	3,840,685.53
6. Operating Expense - Production - Fuel	36,751,861.75	37,978,752.02	33,877,671.00	18,070,164.14
7. Operating Expense - Other Power Supply	15,591,244.62	15,268,854.66	17,270,927.00	6,800,677.36
8. Operating Expense - Transmission	1,281,337.47	1,890,417.88	2,746,247.00	986,799.04
9. Operating Expense - Distribution	0.00	0.00	0.00	0.00
10. Operating Expense - Customer Accounts	0.00	0.00	0.00	0.00
11. Operating Expense - Customer Service & Information	83,045.52	69,531.89	159,890.00	44,058.20
12. Operating Expense - Sales	10,859.38	<11,546.97>	112,617.00	<17,230.20>
13. Operating Expense - Administrative & General	4,592,103.89	4,649,795.21	4,013,565.00	2,669,006.68
14. TOTAL OPERATION EXPENSE (5 thru 13)	66,386,612.89	67,907,736.35	68,151,393.00	32,394,160.75
15. Maintenance Expense - Production	4,274,670.04	5,648,547.55	5,939,721.00	2,870,047.19
16. Maintenance Expense - Transmission	549,832.83	563,448.19	487,906.00	282,666.24
17. Maintenance Expense - Distribution	0.00	0.00	0.00	0.00
18. Maintenance Expense - General Plant	59,591.98	35,948.35	17,838.00	21,287.34
19. TOTAL MAINTENANCE EXPENSE (15 thru 18)	4,884,094.85	6,247,944.09	6,445,465.00	3,174,000.77
20. Depreciation and Amortization Expense	5,654,128.94	5,717,733.14	5,935,703.00	2,858,232.92
21. Taxes	0.00	<2,321.00>	41,538.00	<2,321.00>
22. Interest on Long-Term Debt	8,031,260.46	7,623,971.91	7,638,213.00	3,678,838.99
23. Interest Charged to Construction - Credit	<42,478.00>	<311,146.00>	<13,071.00>	<187,477.00>
24. Other Interest Expense	0.00	40,421.78	40,411.00	19,181.34
25. Asset Retirement Obligations	0.00	0.00	0.00	0.00
26. Other Deductions	11,084.20	24,685.72	22,209.00	10,552.55
27. TOTAL COST OF ELECTRIC SERVICE (14 + 19 thru 26)	84,924,703.14	87,249,025.99	88,261,861.00	41,945,169.32
28. OPERATING MARGINS (4 less 27)	7,180,169.11	346,518.77	5,090,555.00	280,389.33
29. Interest Income	53,702.59	56,731.10	62,440.00	26,936.60
30. Allowance For Funds Used During Construction	0.00	0.00	0.00	0.00
31. Income (Loss) from Equity Investments	0.00	0.00	0.00	0.00
32. Other Non-operating Income (Net)	4,756.42	4,644.24	0.00	2,322.12
33. Generation & Transmission Capital Credits	0.00	0.00	0.00	0.00
34. Other Capital Credits and Patronage Dividends	0.00	0.00	0.00	0.00
35. Extraordinary Items	0.00	0.00	0.00	0.00
36. NET PATRONAGE CAPITAL OR MARGINS (28 thru 35)	7,238,628.12	407,894.11	5,152,995.00	309,648.05

RUS Form 12a

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE OPERATING REPORT - FINANCIAL		BORROWER DESIGNATION KY0062	
		PERIOD ENDED Feb-11	
INSTRUCTIONS - Submit an original and two copies to RUS or file electronically. For detailed instructions, see RUS Bulletin 1717B-3.		This data will be used by RUS to review your financial situation. Your response is required (7 U.S. C. 801 et. seq.) and may be confidential.	
SECTION B. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	1,946,465,073.00	32. Memberships	75.00
2. Construction Work in Progress	57,817,322.32	33. Patronage Capital	
3. TOTAL UTILITY PLANT (1 + 2)	2,004,282,395.32	a. Assigned and Assignable	
4. Accum. Provision for Depreciation and Amort.	915,504,974.80	b. Retired This year	
5. NET UTILITY PLANT (3 - 4)	1,088,777,420.52	c. Retired Prior years	
6. Non-Utility Property (Net)	0.00	d. Net Patronage Capital	0.00
7. Investments in Subsidiary Companies	0.00	34. Operating Margins - Prior Years	<247,338,928.12>
8. Invest. in Assoc. Org. - Patronage Capital	3,595,314.51	35. Operating Margin - Current Year	346,518.77
9. Invest. in Assoc. Org. - Other - General Funds	684,993.00	36. Non-Operating Margins	638,899,107.88
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	0.00	37. Other Margins and Equities	<4,923,483.80>
11. Investments in Economic Development Projects	10,000.00	38. TOTAL MARGINS & EQUITIES (32 + 33d thru 37)	386,983,289.73
12. Other Investments	5,333.85	39. Long-Term Debt - RUS (Net)	672,003,696.29
13. Special Funds	215,516,998.79	40. Long-Term Debt - FFB - RUS Guaranteed	0.00
14. TOTAL OTHER PROPERTY AND INVESTMENTS (6 thru 13)	219,812,640.15	41. Long-Term Debt - Other - RUS Guaranteed	0.00
15. Cash - General Funds	5,867.71	42. Long-Term Debt - Other (Net)	142,100,000.00
16. Cash - Construction Funds - Trustee	0.00	43. Long-Term Debt - RUS - Econ. Devel. (Net)	0.00
17. Special Deposits	572,359.79	44. Payments - Unapplied	0.00
18. Temporary Investments	55,863,997.10	45. TOTAL LONG-TERM DEBT (39 thru 43-44)	814,103,696.29
19. Notes Receivable (Net)	0.00	46. Obligations Under Capital Leases - Noncurrent	0.00
20. Accounts Receivable - Sales of Energy (Net)	40,556,412.44	47. Accumulated Operating Provisions and Asset Retirement Obligations	19,874,398.93
21. Accounts Receivable - Other (Net)	<298,674.38>	48. TOTAL OTHER NONCURRENT LIABILITIES (46 +47)	19,874,398.93
22. Fuel Stock	30,898,749.90	49. Notes Payable	10,000,000.00
23. Materials and Supplies - Other	23,698,742.00	50. Accounts Payable	22,442,061.11
24. Prepayments	3,258,626.84	51. Current Maturities Long-Term Debt	11,289,560.76
25. Other Current and Accrued Assets	633,195.07	52. Current Maturities Long-Term Debt - Rural Development	0.00
26. TOTAL CURRENT AND ACCRUED ASSETS (15 thru 25)	155,189,276.47	53. Current Maturities Capital Leases	0.00
27. Unamortized Debt Discount & Extraor. Prop. Losses	2,168,372.92	54. Taxes Accrued	755,323.37
28. Regulatory Assets	0.00	55. Interest Accrued	7,354,230.06
29. Other Deferred Debts	1,232,087.22	56. Other Current and Accrued Liabilities	10,673,612.47
30. Accumulated Deferred Income Taxes	0.00	57. TOTAL CURRENT & ACCRUED LIABILITIES (49 thru 56)	62,514,787.77
31. TOTAL ASSETS AND OTHER DEBITS (5+14+26 thru 30)	1,467,179,797.28	58. Deferred Credits	183,703,624.56
		59. Accumulated Deferred Income Taxes	0.00
		60. TOTAL LIABILITIES AND OTHER CREDITS (38 + 45 + 48 + 57 thru 59)	1,467,179,797.28

RUS Form 12a

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE OPERATING REPORT - FINANCIAL		BORROWER DESIGNATION KY0062		
		PERIOD ENDED Mar-11		
INSTRUCTIONS - Submit an original and two copies to RUS or file electronically. For detailed instructions, see RUS Bulletin 1717B-3.		This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 601 et. seq.) and may be confidential.		
SECTION A. STATEMENT OF OPERATIONS				
ITEM	YEAR-TO-DATE			
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	THIS MONTH (d)
1. Electric Energy Revenues	133,826,157.13	133,600,999.39	136,052,370.00	46,394,880.37
2. Income From Leased Property (Net)	0.00	0.00	0.00	0.00
3. Other Operating Revenue and Income	3,368,119.20	624,374.10	4,770,999.00	234,948.36
4. TOTAL OPER. REVENUES & PATRONAGE CAPITAL (1 thru 3)	137,194,276.33	134,225,373.49	140,823,369.00	46,629,828.73
5. Operating Expense - Production - Excluding Fuel	12,507,119.53	12,148,673.00	15,377,935.00	4,086,741.34
6. Operating Expense - Production - Fuel	53,943,831.56	56,325,559.19	51,782,609.00	18,346,807.17
7. Operating Expense - Other Power Supply	23,271,447.17	25,860,676.92	26,529,835.00	10,591,822.26
8. Operating Expense - Transmission	1,994,141.40	2,830,276.53	4,237,926.00	939,858.65
9. Operating Expense - Distribution	0.00	0.00	0.00	0.00
10. Operating Expense - Customer Accounts	0.00	0.00	0.00	0.00
11. Operating Expense - Customer Service & Information	136,361.81	100,374.86	239,813.00	30,842.97
12. Operating Expense - Sales	31,867.16	529.52	284,349.00	12,076.49
13. Operating Expense - Administrative & General	7,301,336.17	6,795,970.96	6,159,753.00	2,146,175.75
14. TOTAL OPERATION EXPENSE (5 thru 13)	99,186,104.80	104,062,060.98	104,612,220.00	36,154,324.63
15. Maintenance Expense - Production	6,974,697.33	9,416,618.41	9,986,508.00	3,768,070.86
16. Maintenance Expense - Transmission	928,140.55	923,951.31	786,411.00	360,503.12
17. Maintenance Expense - Distribution	0.00	0.00	0.00	0.00
18. Maintenance Expense - General Plant	74,390.80	1,998.04	25,856.00	<33,950.31>
19. TOTAL MAINTENANCE EXPENSE (15 thru 18)	7,977,228.68	10,342,567.76	10,798,775.00	4,094,623.67
20. Depreciation and Amortization Expense	8,478,169.71	8,681,045.65	8,913,462.00	2,963,312.51
21. Taxes	910.00	<2,411.00>	62,307.00	<90.00>
22. Interest on Long-Term Debt	12,164,742.73	11,610,726.04	11,632,967.00	3,986,754.13
23. Interest Charged to Construction - Credit	<59,833.00>	<322,464.00>	<43,933.00>	<11,318.00>
24. Other Interest Expense	1,313.27	58,886.09	61,644.00	18,464.31
25. Asset Retirement Obligations	0.00	0.00	0.00	0.00
26. Other Deductions	16,723.67	79,710.44	33,878.00	55,024.72
27. TOTAL COST OF ELECTRIC SERVICE (14 + 19 thru 26)	127,765,359.86	134,510,121.96	136,071,320.00	47,261,095.97
28. OPERATING MARGINS (4 less 27)	9,428,916.47	<284,748.47>	4,752,049.00	<631,267.24>
29. Interest Income	82,613.34	85,738.53	95,024.00	29,007.43
30. Allowance For Funds Used During Construction	0.00	0.00	0.00	0.00
31. Income (Loss) from Equity Investments	0.00	0.00	0.00	0.00
32. Other Non-operating Income (Net)	7,134.63	4,644.24	0.00	0.00
33. Generation & Transmission Capital Credits	0.00	0.00	0.00	0.00
34. Other Capital Credits and Patronage Dividends	12,806.00	96,795.44	0.00	96,795.44
35. Extraordinary Items	0.00	0.00	0.00	0.00
36. NET PATRONAGE CAPITAL OR MARGINS (28 thru 35)	9,531,470.44	<97,570.26>	4,847,073.00	<505,464.37>

RUS Form 12a

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE OPERATING REPORT - FINANCIAL		BORROWER DESIGNATION KY0062	
INSTRUCTIONS - Submit an original and two copies to RUS or file electronically. For detailed instructions, see RUS Bulletin 1717B-3.		PERIOD ENDED Mar-11	
This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et. seq.) and may be confidential.			
SECTION B. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	1,962,336,194.75	32. Memberships	75.00
2. Construction Work in Progress	43,362,070.43	33. Patronage Capital	
3. TOTAL UTILITY PLANT (1 + 2)	2,005,698,265.18	a. Assigned and Assignable	
4. Accum. Provision for Depreciation and Amort.	918,032,794.85	b. Retired This year	
5. NET UTILITY PLANT (3 - 4)	1,087,665,470.33	c. Retired Prior years	
6. Non-Utility Property (Net)	0.00	d. Net Patronage Capital	0.00
7. Investments in Subsidiary Companies	0.00	34. Operating Margins - Prior Years	<247,338,928.12>
8. Invest. in Assoc. Org. - Patronage Capital	3,642,053.26	35. Operating Margin - Current Year	<187,953.03>
9. Invest. in Assoc. Org. - Other - General Funds	684,993.00	36. Non-Operating Margins	638,928,115.31
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	0.00	37. Other Margins and Equities	<4,923,483.80>
11. Investments in Economic Development Projects	10,000.00	38. TOTAL MARGINS & EQUITIES (32 + 33d thru 37)	386,477,825.36
12. Other Investments	5,333.85	39. Long-Term Debt - RUS (Net)	673,664,621.15
13. Special Funds	178,253,651.71	40. Long-Term Debt - FFB - RUS Guaranteed	0.00
14. TOTAL OTHER PROPERTY AND INVESTMENTS (6 thru 13)	182,596,031.82	41. Long-Term Debt - Other - RUS Guaranteed	0.00
15. Cash - General Funds	5,791.38	42. Long-Term Debt - Other (Net)	142,100,000.00
16. Cash - Construction Funds - Trustee	0.00	43. Long-Term Debt - RUS - Econ. Devel. (Net)	0.00
17. Special Deposits	572,410.82	44. Payments - Unapplied	0.00
18. Temporary Investments	91,374,566.59	45. TOTAL LONG-TERM DEBT (39 thru 43-44)	815,764,621.15
19. Notes Receivable (Net)	0.00	46. Obligations Under Capital Leases - Noncurrent	0.00
20. Accounts Receivable - Sales of Energy (Net)	38,897,174.91	47. Accumulated Operating Provisions and Asset Retirement Obligations	19,635,946.12
21. Accounts Receivable - Other (Net)	<471,643.14>	48. TOTAL OTHER NONCURRENT LIABILITIES (46 + 47)	19,635,946.12
22. Fuel Stock	29,130,067.35	49. Notes Payable	0.00
23. Materials and Supplies - Other	23,796,152.42	50. Accounts Payable	27,087,431.53
24. Prepayments	2,933,890.77	51. Current Maturities Long-Term Debt	11,289,560.76
25. Other Current and Accrued Assets	859,851.21	52. Current Maturities Long-Term Debt - Rural Development	0.00
26. TOTAL CURRENT AND ACCRUED ASSETS (15 thru 25)	187,098,262.31	53. Current Maturities Capital Leases	0.00
27. Unamortized Debt Discount & Extraor. Prop. Losses	2,159,340.45	54. Taxes Accrued	1,118,146.69
28. Regulatory Assets	0.00	55. Interest Accrued	9,604,862.40
29. Other Deferred Debits	1,204,645.26	56. Other Current and Accrued Liabilities	7,757,826.82
30. Accumulated Deferred Income Taxes	0.00	57. TOTAL CURRENT & ACCRUED LIABILITIES (49 thru 56)	56,857,828.20
31. TOTAL ASSETS AND OTHER DEBITS (5+14+26 thru 30)	1,460,723,750.17	58. Deferred Credits	181,987,529.34
		59. Accumulated Deferred Income Taxes	0.00
		60. TOTAL LIABILITIES AND OTHER CREDITS (38 + 45 + 48 + 57 thru 59)	1,460,723,750.17

RUS Form 12a

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE OPERATING REPORT - FINANCIAL		BORROWER DESIGNATION KY0082 PERIOD ENDED Apr-11		
INSTRUCTIONS: Submit an original and two copies to RUS or file electronically. For detailed instructions, see RUS Bulletin 1717B-3.		This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et. seq.) and may be confidential.		
SECTION A. STATEMENT OF OPERATIONS				
ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Electric Energy Revenues	171,384,422.37	177,669,989.86	176,583,942.00	44,068,990.47
2. Income From Leased Property (Net)	0.00	0.00	0.00	0.00
3. Other Operating Revenue and Income	4,508,251.85	994,445.01	6,361,332.00	370,070.91
4. TOTAL OPER. REVENUES & PATRONAGE CAPITAL (1 thru 3)	175,892,674.22	178,664,434.87	182,945,274.00	44,439,061.38
5. Operating Expense - Production - Excluding Fuel	16,670,915.41	16,103,977.87	20,517,446.00	3,955,304.87
6. Operating Expense - Production - Fuel	69,816,071.51	75,742,589.59	68,659,113.00	19,417,030.40
7. Operating Expense - Other Power Supply	31,616,588.97	34,541,575.28	34,938,363.00	8,680,898.36
8. Operating Expense - Transmission	2,575,201.98	4,015,518.82	5,419,307.00	1,185,242.29
9. Operating Expense - Distribution	0.00	0.00	0.00	0.00
10. Operating Expense - Customer Accounts	0.00	0.00	0.00	0.00
11. Operating Expense - Customer Service & Information	178,952.10	134,299.18	309,964.00	33,924.32
12. Operating Expense - Sales	<4,274.17>	<5,989.24>	336,924.00	<6,518.76>
13. Operating Expense - Administrative & General	9,773,138.22	8,753,719.92	8,402,842.00	1,957,748.96
14. TOTAL OPERATION EXPENSE (5 thru 13)	130,626,594.02	139,285,691.42	138,603,959.00	35,223,630.44
15. Maintenance Expense - Production	9,540,856.63	12,142,649.59	14,130,374.00	2,726,031.18
16. Maintenance Expense - Transmission	1,242,164.68	1,320,563.20	1,027,261.00	396,611.89
17. Maintenance Expense - Distribution	0.00	0.00	0.00	0.00
18. Maintenance Expense - General Plant	83,089.13	27,794.14	39,409.00	25,796.10
19. TOTAL MAINTENANCE EXPENSE (15 thru 18)	10,866,110.44	13,491,006.93	15,197,044.00	3,148,439.17
20. Depreciation and Amortization Expense	11,302,222.87	11,558,108.84	11,907,202.00	2,877,063.19
21. Taxes	65,910.00	63,389.00	83,076.00	65,800.00
22. Interest on Long-Term Debt	16,012,874.11	15,380,427.22	15,506,776.00	3,769,701.18
23. Interest Charged to Construction - Credit	<107,773.00>	<337,282.00>	<104,546.00>	<14,818.00>
24. Other Interest Expense	21,696.12	58,894.15	82,192.00	8.06
25. Asset Retirement Obligations	0.00	0.00	0.00	0.00
26. Other Deductions	14,614.88	92,016.72	45,171.00	12,306.28
27. TOTAL COST OF ELECTRIC SERVICE (14 + 19 thru 26)	168,802,249.44	179,592,252.28	181,320,874.00	45,082,130.32
28. OPERATING MARGINS (4 less 27)	7,090,424.78	<927,817.41>	1,624,400.00	<643,069.94>
29. Interest Income	110,851.70	94,408.00	126,739.00	8,669.47
30. Allowance For Funds Used During Construction	0.00	0.00	0.00	0.00
31. Income (Loss) from Equity Investments	0.00	0.00	0.00	0.00
32. Other Non-operating Income (Net)	9,512.84	4,644.24	0.00	0.00
33. Generation & Transmission Capital Credits	0.00	0.00	0.00	0.00
34. Other Capital Credits and Patronage Dividends	12,806.00	96,795.44	96,438.00	0.00
35. Extraordinary Items	0.00	0.00	0.00	0.00
36. NET PATRONAGE CAPITAL OR MARGINS (28 thru 35)	7,223,595.32	<731,969.73>	1,847,577.00	<634,399.47>

RUS Form 12a

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE OPERATING REPORT - FINANCIAL		BORROWER DESIGNATION KY0082	
INSTRUCTIONS - Submit an original and two copies to RUS or file electronically. For detailed instructions, see RUS Bulletin 1717B-3.		PERIOD ENDED Apr-11	
SECTION B. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	1,962,629,227.00	32. Memberships	75.00
2. Construction Work in Progress	44,838,998.90	33. Patronage Capital	
3. TOTAL UTILITY PLANT (1 + 2)	2,007,468,225.90	a. Assigned and Assignable	
4. Accum. Provision for Depreciation and Amort.	920,940,537.12	b. Retired This Year	
5. NET UTILITY PLANT (3 - 4)	1,086,527,688.78	c. Retired Prior Years	
6. Non-Utility Property (Net)	0.00	d. Net Patronage Capital	0.00
7. Investments in Subsidiary Companies	0.00	34. Operating Margins - Prior Years	<247,338,928.12>
8. Invest. in Assoc. Org. - Patronage Capital	3,642,053.26	35. Operating Margin - Current Year	<831,021.97>
9. Invest. in Assoc. Org. - Other - General Funds	684,993.00	36. Non-Operating Margins	638,936,784.78
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	0.00	37. Other Margins and Equities	<4,923,483.80>
11. Investments in Economic Development Projects	10,000.00	38. TOTAL MARGINS & EQUITIES (32 + 33d thru 37)	385,843,425.89
12. Other Investments	5,333.85	39. Long-Term Debt - RUS (Net)	642,684,154.94
13. Special Funds	176,215,934.27	40. Long-Term Debt - FFB - RUS Guaranteed	0.00
14. TOTAL OTHER PROPERTY AND INVESTMENTS (6 thru 13)	180,558,314.38	41. Long-Term Debt - Other - RUS Guaranteed	0.00
15. Cash - General Funds	5,682.90	42. Long-Term Debt - Other (Net)	142,100,000.00
16. Cash - Construction Funds - Trustee	0.00	43. Long-Term Debt - RUS - Econ. Devel. (Net)	0.00
17. Special Deposits	572,447.52	44. Payments - Unapplied	0.00
18. Temporary Investments	61,495,379.40	45. TOTAL LONG-TERM DEBT (39 thru 43-44)	784,784,154.94
19. Notes Receivable (Net)	0.00	46. Obligations Under Capital Leases - Noncurrent	0.00
20. Accounts Receivable - Sales of Energy (Net)	39,661,488.31	47. Accumulated Operating Provisions and Asset Retirement Obligations	20,128,560.93
21. Accounts Receivable - Other (Net)	<628,409.34>	48. TOTAL OTHER NONCURRENT LIABILITIES (46 + 47)	20,128,560.93
22. Fuel Stock	26,319,716.07	49. Notes Payable	0.00
23. Materials and Supplies - Other	24,527,683.85	50. Accounts Payable	24,930,598.13
24. Prepayments	2,557,425.29	51. Current Maturities Long-Term Debt	14,810,967.01
25. Other Current and Accrued Assets	726,262.55	52. Current Maturities Long-Term Debt - Rural Development	0.00
26. TOTAL CURRENT AND ACCRUED ASSETS (15 thru 25)	155,237,676.55	53. Current Maturities Capital Leases	0.00
27. Unamortized Debt Discount & Extraor. Prop. Losses	2,150,599.37	54. Taxes Accrued	1,142,859.33
28. Regulatory Assets	0.00	55. Interest Accrued	5,346,100.03
29. Other Deferred Debits	1,282,272.94	56. Other Current and Accrued Liabilities	7,848,674.74
30. Accumulated Deferred Income Taxes	0.00	57. TOTAL CURRENT & ACCRUED LIABILITIES (49 thru 56)	54,079,199.24
31. TOTAL ASSETS AND OTHER DEBITS (5+14+26 thru 30)	1,425,756,552.02	58. Deferred Credits	180,921,211.02
		59. Accumulated Deferred Income Taxes	0.00
		60. TOTAL LIABILITIES AND OTHER CREDITS (38 + 45 + 48 + 57 thru 59)	1,425,756,552.02

RUS Form 12a

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION KY0002		
OPERATING REPORT - FINANCIAL		PERIOD ENDED May-11		
INSTRUCTIONS - Submit an original and two copies to RUS or file electronically. For detailed instructions, see RUS Bulletin 1717B-3.		This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et. seq.) and may be confidential.		
SECTION A. STATEMENT OF OPERATIONS				
ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Electric Energy Revenues	212,795,893.23	228,062,974.30	219,603,443.00	50,392,984.44
2. Income From Leased Property (Net)	0.00	0.00	0.00	0.00
3. Other Operating Revenue and Income	5,651,423.33	1,313,664.97	7,951,665.00	319,219.96
4. TOTAL OPER. REVENUES & PATRONAGE CAPITAL (1 thru 3)	218,447,316.56	229,376,639.27	227,555,108.00	50,712,204.40
5. Operating Expense - Production - Excluding Fuel	21,188,006.83	20,242,215.34	26,141,612.00	4,138,237.47
6. Operating Expense - Production - Fuel	85,234,372.80	95,812,527.24	86,034,032.00	20,069,937.65
7. Operating Expense - Other Power Supply	40,535,542.46	45,058,183.57	44,639,931.00	10,516,608.29
8. Operating Expense - Transmission	3,192,906.55	4,637,825.57	6,687,835.00	622,306.75
9. Operating Expense - Distribution	0.00	0.00	0.00	0.00
10. Operating Expense - Customer Accounts	0.00	0.00	0.00	0.00
11. Operating Expense - Customer Service & Information	224,500.75	160,870.23	378,820.00	26,571.05
12. Operating Expense - Sales	7,421.43	1,422.07	389,370.00	7,411.31
13. Operating Expense - Administrative & General	11,199,672.74	10,951,626.05	10,663,253.00	2,197,906.13
14. TOTAL OPERATION EXPENSE (5 thru 13)	161,582,423.56	176,864,670.07	174,934,853.00	37,578,978.65
15. Maintenance Expense - Production	13,127,831.95	14,774,469.29	17,415,334.00	2,631,819.70
16. Maintenance Expense - Transmission	1,575,921.49	1,707,057.36	1,267,648.00	386,494.16
17. Maintenance Expense - Distribution	0.00	0.00	0.00	0.00
18. Maintenance Expense - General Plant	90,347.27	41,080.29	47,301.00	13,286.15
19. TOTAL MAINTENANCE EXPENSE (15 thru 18)	14,794,100.71	16,522,606.94	18,730,283.00	3,031,600.01
20. Depreciation and Amortization Expense	14,187,897.22	14,435,952.60	14,917,226.00	2,877,843.76
21. Taxes	68,251.98	63,389.00	103,845.00	0.00
22. Interest on Long-Term Debt	19,712,709.46	19,243,619.06	19,549,258.00	3,863,191.84
23. Interest Charged to Construction - Credit	<137,114.00>	<354,209.00>	<158,628.00>	<16,927.00>
24. Other Interest Expense	42,774.19	58,902.14	82,192.00	7.99
25. Asset Retirement Obligations	0.00	0.00	0.00	0.00
26. Other Deductions	19,154.35	104,824.88	56,840.00	12,808.16
27. TOTAL COST OF ELECTRIC SERVICE (14 + 19 thru 26)	210,270,197.47	226,939,755.69	228,215,869.00	47,347,503.41
28. OPERATING MARGINS (1 less 27)	8,177,119.09	2,436,883.58	<660,761.00>	3,364,700.99
29. Interest Income	141,496.74	103,079.99	159,366.00	8,671.99
30. Allowance For Funds Used During Construction	0.00	0.00	0.00	0.00
31. Income (Loss) from Equity Investments	0.00	0.00	0.00	0.00
32. Other Non-operating Income (Net)	11,891.05	6,966.36	0.00	2,322.12
33. Generation & Transmission Capital Credits	0.00	0.00	0.00	0.00
34. Other Capital Credits and Patronage Dividends	12,806.00	96,795.44	96,438.00	0.00
35. Extraordinary Items	0.00	0.00	0.00	0.00
36. NET PATRONAGE CAPITAL OR MARGINS (28 thru 35)	8,343,312.88	2,643,725.37	<404,957.00>	3,375,695.10

RUS Form 12a

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE OPERATING REPORT - FINANCIAL		BORROWER DESIGNATION KY0062	
		PERIOD ENDED May-11	
INSTRUCTIONS - Submit an original and two copies to RUS or file electronically. For detailed instructions, see RUS Bulletin 1717B-3.		This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et. seq.) and may be confidential.	
SECTION B. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	1,962,669,109.77	32. Memberships	75.00
2. Construction Work in Progress	47,162,952.30	33. Patronage Capital	
3. TOTAL UTILITY PLANT (1 + 2)	2,009,832,062.07	a. Assigned and Assignable	
4. Accum. Provision for Depreciation and Amort.	923,894,666.04	b. Retired This year	
5. NET UTILITY PLANT (3 - 4)	1,085,937,396.03	c. Retired Prior years	
6. Non-Utility Property (Net)	0.00	d. Net Patronage Capital	0.00
7. Investments in Subsidiary Companies	0.00	34. Operating Margins - Prior Years	<247,338,928.12>
8. Invest. in Assoc. Org. - Patronage Capital	3,642,053.26	35. Operating Margin - Current Year	2,533,679.02
9. Invest. in Assoc. Org. - Other - General Funds	684,993.00	36. Non-Operating Margins	638,947,778.89
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	0.00	37. Other Margins and Equities	<4,923,483.80>
11. Investments in Economic Development Projects	10,000.00	38. TOTAL MARGINS & EQUITIES (32 + 33d thru 37)	389,219,120.99
12. Other Investments	5,333.85	39. Long-Term Debt - RUS (Net)	642,684,154.94
13. Special Funds	174,681,854.23	40. Long-Term Debt - FFB - RUS Guaranteed	0.00
14. TOTAL OTHER PROPERTY AND INVESTMENTS (6 thru 13)	179,024,234.34	41. Long-Term Debt - Other - RUS Guaranteed	0.00
15. Cash - General Funds	5,801.29	42. Long-Term Debt - Other (Net)	142,100,000.00
16. Cash - Construction Funds - Trustee	0.00	43. Long-Term Debt - RUS - Econ. Devel. (Net)	0.00
17. Special Deposits	572,485.44	44. Payments - Unapplied	0.00
18. Temporary Investments	67,021,168.92	45. TOTAL LONG-TERM DEBT (39 thru 43-44)	784,784,154.94
19. Notes Receivable (Net)	0.00	46. Obligations Under Capital Leases - Noncurrent	0.00
20. Accounts Receivable - Sales of Energy (Net)	46,287,535.36	47. Accumulated Operating Provisions and Asset Retirement Obligations	20,136,763.01
21. Accounts Receivable - Other (Net)	<687,545.78>	48. TOTAL OTHER NONCURRENT LIABILITIES (46 + 47)	20,136,763.01
22. Fuel Stock	24,589,496.49	49. Notes Payable	0.00
23. Materials and Supplies - Other	24,510,745.13	50. Accounts Payable	27,029,097.93
24. Prepayments	2,477,145.36	51. Current Maturities Long-Term Debt	14,810,967.01
25. Other Current and Accrued Assets	958,622.17	52. Current Maturities Long-Term Debt - Rural Development	0.00
26. TOTAL CURRENT AND ACCRUED ASSETS (15 thru 25)	165,735,454.38	53. Current Maturities Capital Leases	0.00
27. Unamortized Debt Discount & Extraor. Prop. Losses	2,141,566.90	54. Taxes Accrued	1,447,876.21
28. Regulatory Assets	0.00	55. Interest Accrued	9,191,643.57
29. Other Deferred Debits	1,257,690.34	56. Other Current and Accrued Liabilities	8,050,632.40
30. Accumulated Deferred Income Taxes	0.00	57. TOTAL CURRENT & ACCRUED LIABILITIES (49 thru 56)	60,530,217.12
31. TOTAL ASSETS AND OTHER DEBITS (5+14+26 thru 30)	1,434,096,341.99	58. Deferred Credits	179,426,085.93
		59. Accumulated Deferred Income Taxes	0.00
		60. TOTAL LIABILITIES AND OTHER CREDITS (38 + 45 + 48 + 57 thru 59)	1,434,096,341.99

RUS Form 12a

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION KY0082		
OPERATING REPORT - FINANCIAL		PERIOD ENDED Jun-11		
INSTRUCTIONS - Submit an original and two copies to RUS or file electronically. For detailed instructions, see RUS Bulletin 1717B-3.		This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et. seq.) and may be confidential.		
SECTION A. STATEMENT OF OPERATIONS				
ITEM	YEAR-TO-DATE			
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	THIS MONTH (d)
1. Electric Energy Revenues	255,653,174.63	273,551,013.06	263,531,730.00	45,488,038.76
2. Income From Leased Property (Net)	0.00	0.00	0.00	0.00
3. Other Operating Revenue and Income	6,936,108.93	1,520,063.26	9,541,998.00	206,398.29
4. TOTAL OPER. REVENUES & PATRONAGE CAPITAL (1 thru 3)	262,589,283.56	275,071,076.32	273,073,728.00	45,694,437.05
5. Operating Expense - Production - Excluding Fuel	25,800,688.52	24,222,206.04	31,683,388.00	3,979,990.70
6. Operating Expense - Production - Fuel	102,187,076.75	114,182,313.92	103,046,738.00	18,369,786.68
7. Operating Expense - Other Power Supply	48,654,858.79	55,019,146.67	53,885,010.00	9,960,963.10
8. Operating Expense - Transmission	3,847,745.58	5,913,811.31	7,838,490.00	1,275,985.74
9. Operating Expense - Distribution	0.00	0.00	0.00	0.00
10. Operating Expense - Customer Accounts	0.00	0.00	0.00	0.00
11. Operating Expense - Customer Service & Information	272,456.72	189,671.33	447,023.00	28,801.10
12. Operating Expense - Sales	26,182.08	22,499.55	457,339.00	21,077.48
13. Operating Expense - Administrative & General	14,164,500.36	13,677,210.01	13,300,638.00	2,725,583.96
14. TOTAL OPERATION EXPENSE (5 thru 13)	194,953,508.80	213,226,858.83	210,658,626.00	36,362,188.76
15. Maintenance Expense - Production	16,451,833.57	18,929,472.76	20,564,469.00	4,155,003.47
16. Maintenance Expense - Transmission	2,033,081.19	2,140,135.14	1,592,316.00	433,077.78
17. Maintenance Expense - Distribution	0.00	0.00	0.00	0.00
18. Maintenance Expense - General Plant	103,792.31	58,066.81	55,527.00	16,986.52
19. TOTAL MAINTENANCE EXPENSE (16 thru 18)	18,588,707.07	21,127,674.71	22,212,312.00	4,605,067.77
20. Depreciation and Amortization Expense	17,034,131.69	17,313,896.45	17,939,296.00	2,877,943.85
21. Taxes	133,251.98	128,389.00	124,614.00	65,000.00
22. Interest on Long-Term Debt	23,454,642.78	22,995,627.28	23,461,338.00	3,752,008.22
23. Interest Charged to Construction - Credit	<199,660.00>	<375,434.00>	<240,714.00>	<21,225.00>
24. Other Interest Expense	63,183.99	58,909.69	82,192.00	7.55
25. Asset Retirement Obligations	0.00	0.00	0.00	0.00
26. Other Deductions	33,753.32	116,389.31	68,133.00	11,564.43
27. TOTAL COST OF ELECTRIC SERVICE (14 + 19 thru 26)	254,061,519.63	274,592,311.27	274,305,797.00	47,652,555.58
28. OPERATING MARGINS (4 less 27)	8,527,763.93	478,765.05	<1,232,069.00>	<1,958,118.53>
29. Interest Income	171,982.49	110,282.00	191,122.00	7,202.01
30. Allowance For Funds Used During Construction	0.00	0.00	0.00	0.00
31. Income (Loss) from Equity Investments	0.00	0.00	0.00	0.00
32. Other Non-operating Income (Net)	14,213.17	9,288.48	0.00	2,322.12
33. Generation & Transmission Capital Credits	0.00	0.00	0.00	0.00
34. Other Capital Credits and Patronage Dividends	12,806.00	96,795.44	96,438.00	0.00
35. Extraordinary Items	0.00	0.00	0.00	0.00
36. NET PATRONAGE CAPITAL OR MARGINS (28 thru 35)	8,726,765.59	695,130.97	<944,509.00>	<1,948,594.40>

RUS Form 12a

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE OPERATING REPORT - FINANCIAL		BORROWER DESIGNATION KY0062	
		PERIOD ENDED Jun-11	
INSTRUCTIONS - Submit an original and two copies to RUS or file electronically. For detailed instructions, see RUS Bulletin 1717B-3.		This data will be used by RUS to review your financial situation. Your response is required (7 U.S. C. 901 et. seq.) and may be confidential.	
SECTION B. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	1,962,828,762.63	32. Memberships	75.00
2. Construction Work in Progress	48,851,778.79	33. Patronage Capital	
3. TOTAL UTILITY PLANT (1 + 2)	2,011,680,541.42	a. Assigned and Assignable	
4. Accum. Provision for Depreciation and Amort.	926,414,842.80	b. Retired This year	
5. NET UTILITY PLANT (3 - 4)	1,085,265,698.62	c. Retired Prior years	
6. Non-Utility Property (Net)	0.00	d. Net Patronage Capital	0.00
7. Investments in Subsidiary Companies	0.00	34. Operating Margins - Prior Years	<247,338,928.12>
8. Invest. in Assoc. Org. - Patronage Capital	3,642,053.26	35. Operating Margin - Current Year	575,560.49
9. Invest. in Assoc. Org. - Other - General Funds	684,993.00	36. Non-Operating Margins	638,957,303.02
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	0.00	37. Other Margins and Equities	<4,923,483.80>
11. Investments in Economic Development Projects	10,000.00	38. TOTAL MARGINS & EQUITIES (32 + 33d thru 37)	387,270,526.59
12. Other Investments	5,333.85	39. Long-Term Debt - RUS (Net)	644,387,546.30
13. Special Funds	172,604,463.18	40. Long-Term Debt - FFB - RUS Guaranteed	0.00
14. TOTAL OTHER PROPERTY AND INVESTMENTS (6 thru 13)	176,946,843.29	41. Long-Term Debt - Other - RUS Guaranteed	0.00
15. Cash - General Funds	5,623.19	42. Long-Term Debt - Other (Net)	142,100,000.00
16. Cash - Construction Funds - Trustee	0.00	43. Long-Term Debt - RUS - Econ. Devel. (Net)	0.00
17. Special Deposits	572,522.14	44. Payments - Unapplied	0.00
18. Temporary Investments	76,437,057.24	45. TOTAL LONG-TERM DEBT (39 thru 43-44)	786,487,546.30
19. Notes Receivable (Net)	0.00	46. Obligations Under Capital Leases - Noncurrent	0.00
20. Accounts Receivable - Sales of Energy (Net)	40,436,097.16	47. Accumulated Operating Provisions and Asset Retirement Obligations	20,841,995.91
21. Accounts Receivable - Other (Net)	<864,431.49>	48. TOTAL OTHER NONCURRENT LIABILITIES (46 + 47)	20,841,995.91
22. Fuel Stock	24,234,469.76	49. Notes Payable	0.00
23. Materials and Supplies - Other	24,473,407.16	50. Accounts Payable	26,911,064.06
24. Prepayments	2,056,826.90	51. Current Maturities Long-Term Debt	14,810,967.01
25. Other Current and Accrued Assets	1,219,104.59	52. Current Maturities Long-Term Debt - Rural Development	0.00
26. TOTAL CURRENT AND ACCRUED ASSETS (15 thru 25)	168,570,676.65	53. Current Maturities Capital Leases	0.00
27. Unamortized Debt Discount & Extraor. Prop. Losses	2,132,825.81	54. Taxes Accrued	1,717,188.16
28. Regulatory Assets	0.00	55. Interest Accrued	10,242,405.03
29. Other Deferred Debits	1,279,139.74	56. Other Current and Accrued Liabilities	7,754,375.13
30. Accumulated Deferred Income Taxes	0.00	57. TOTAL CURRENT & ACCRUED LIABILITIES (49 thru 56)	61,435,999.39
31. TOTAL ASSETS AND OTHER DEBITS (5+14+26 thru 30)	1,434,195,184.11	58. Deferred Credits	178,159,115.92
		59. Accumulated Deferred Income Taxes	0.00
		60. TOTAL LIABILITIES AND OTHER CREDITS (38 + 45 + 48 + 57 thru 59)	1,434,195,184.11

RUS Form 12a

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION KY0062		
OPERATING REPORT - FINANCIAL		PERIOD ENDED Jul-11		
INSTRUCTIONS - Submit an original and two copies to RUS or file electronically. For detailed instructions, see RUS Bulletin 1717B-3.		This data will be used by RUS to review your financial situation. Your response is required (7 U.S.C. 901 et. seq.) and may be confidential.		
SECTION A. STATEMENT OF OPERATIONS				
ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Electric Energy Revenues	300,716,426.91	324,292,363.18	311,334,644.00	50,741,350.12
2. Income From Leased Property (Net)	0.00	0.00	0.00	0.00
3. Other Operating Revenue and Income	8,078,125.13	1,708,000.69	11,132,331.00	187,937.43
4. TOTAL OPER. REVENUES & PATRONAGE CAPITAL (1 thru 3)	308,794,552.04	326,000,363.87	322,466,975.00	50,929,287.55
5. Operating Expense - Production - Excluding Fuel	30,288,762.87	28,445,296.87	37,375,036.00	4,223,090.83
6. Operating Expense - Production - Fuel	121,095,612.81	134,903,380.47	121,656,185.00	20,721,066.55
7. Operating Expense - Other Power Supply	57,225,220.42	64,095,863.09	63,142,018.00	9,076,716.42
8. Operating Expense - Transmission	4,450,174.39	6,615,390.31	9,078,345.00	701,579.00
9. Operating Expense - Distribution	0.00	0.00	0.00	0.00
10. Operating Expense - Customer Accounts	0.00	0.00	0.00	0.00
11. Operating Expense - Customer Service & Information	314,446.63	235,165.37	513,564.00	45,494.04
12. Operating Expense - Sales	39,812.42	6,328.32	510,649.00	<16,171.23>
13. Operating Expense - Administrative & General	15,545,753.74	16,191,082.53	15,329,632.00	2,513,872.52
14. TOTAL OPERATION EXPENSE (5 thru 13)	228,959,783.28	250,492,506.96	247,605,429.00	37,265,648.13
15. Maintenance Expense - Production	19,775,758.15	22,273,262.74	23,723,204.00	3,343,789.98
16. Maintenance Expense - Transmission	2,356,834.70	2,481,882.51	1,897,364.00	341,747.37
17. Maintenance Expense - Distribution	0.00	0.00	0.00	0.00
18. Maintenance Expense - General Plant	111,917.94	75,301.44	64,032.00	17,234.63
19. TOTAL MAINTENANCE EXPENSE (15 thru 18)	22,244,510.79	24,830,446.69	25,684,600.00	3,702,771.98
20. Depreciation and Amortization Expense	19,851,434.47	20,192,002.45	20,976,723.00	2,878,106.00
21. Taxes	133,251.98	128,389.00	145,383.00	0.00
22. Interest on Long-Term Debt	27,397,079.43	26,851,232.28	27,493,459.00	3,855,605.00
23. Interest Charged to Construction - Credit	<263,397.00>	<393,756.00>	<342,151.00>	<18,322.00>
24. Other Interest Expense	84,375.90	58,923.08	82,192.00	13.39
25. Asset Retirement Obligations	0.00	0.00	0.00	0.00
26. Other Deductions	44,581.51	128,372.49	79,802.00	11,983.18
27. TOTAL COST OF ELECTRIC SERVICE (14 + 19 thru 26)	298,451,620.36	322,288,116.95	321,725,437.00	47,695,805.68
28. OPERATING MARGINS (4 less 27)	10,342,931.68	3,712,246.92	741,538.00	3,233,481.87
29. Interest Income	203,825.19	116,447.27	223,791.00	6,165.27
30. Allowance For Funds Used During Construction	0.00	0.00	0.00	0.00
31. Income (Loss) from Equity Investments	0.00	0.00	0.00	0.00
32. Other Non-operating Income (Net)	16,535.29	9,288.48	0.00	0.00
33. Generation & Transmission Capital Credits	0.00	0.00	0.00	0.00
34. Other Capital Credits and Patronage Dividends	12,806.00	96,795.44	96,438.00	0.00
35. Extraordinary Items	0.00	0.00	0.00	0.00
36. NET PATRONAGE CAPITAL OR MARGINS (28 thru 35)	10,576,098.16	3,934,778.11	1,061,767.00	3,239,647.14

RUS Form 12a

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE OPERATING REPORT - FINANCIAL		BORROWER DESIGNATION KY0062	
INSTRUCTIONS - Submit an original and two copies to RUS or file electronically. For detailed instructions, see RUS Bulletin 1717B-3.		PERIOD ENDED Jul-11	
SECTION B. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	1,962,987,657.35	32. Memberships	75.00
2. Construction Work in Progress	51,039,678.18	33. Patronage Capital	
3. TOTAL UTILITY PLANT (1 + 2)	2,014,027,335.53	a. Assigned and Assignable	
4. Accum. Provision for Depreciation and Amort.	929,355,940.76	b. Retired This year	
5. NET UTILITY PLANT (3 - 4)	1,084,671,394.77	c. Retired Prior years	
6. Non-Utility Property (Net)	0.00	d. Net Patronage Capital	0.00
7. Investments in Subsidiary Companies	0.00	34. Operating Margins - Prior Years	<247,338,928.12>
8. Invest. in Assoc. Org. - Patronage Capital	3,642,053.26	35. Operating Margin - Current Year	3,809,042.36
9. Invest. in Assoc. Org. - Other - General Funds	684,993.00	36. Non-Operating Margins	638,963,468.29
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	0.00	37. Other Margins and Equities	<4,923,483.80>
11. Investments in Economic Development Projects	10,000.00	38. TOTAL MARGINS & EQUITIES (32 + 33d thru 37)	390,510,173.73
12. Other Investments	5,333.85	39. Long-Term Debt - RUS (Net)	640,340,042.24
13. Special Funds	171,194,722.42	40. Long-Term Debt - FFB - RUS Guaranteed	0.00
14. TOTAL OTHER PROPERTY AND INVESTMENTS (6 thru 13)	175,537,102.53	41. Long-Term Debt - Other - RUS Guaranteed	0.00
15. Cash - General Funds	5,854.35	42. Long-Term Debt - Other (Net)	142,100,000.00
16. Cash - Construction Funds - Trustee	0.00	43. Long-Term Debt - RUS - Econ. Devel. (Net)	0.00
17. Special Deposits	572,527.49	44. Payments - Unapplied	0.00
18. Temporary Investments	71,255,941.68	45. TOTAL LONG-TERM DEBT (39 thru 43-44)	782,440,042.24
19. Notes Receivable (Net)	0.00	46. Obligations Under Capital Leases - Noncurrent	0.00
20. Accounts Receivable - Sales of Energy (Net)	46,688,942.61	47. Accumulated Operating Provisions and Asset Retirement Obligations	20,836,042.16
21. Accounts Receivable - Other (Net)	<1,293,826.36>	48. TOTAL OTHER NONCURRENT LIABILITIES (46 + 47)	20,836,042.16
22. Fuel Stock	19,978,039.13	49. Notes Payable	0.00
23. Materials and Supplies - Other	24,635,304.69	50. Accounts Payable	28,985,394.41
24. Prepayments	1,966,428.85	51. Current Maturities Long-Term Debt	15,533,226.58
25. Other Current and Accrued Assets	1,050,527.22	52. Current Maturities Long-Term Debt - Rural Development	0.00
26. TOTAL CURRENT AND ACCRUED ASSETS (15 thru 25)	164,859,739.66	53. Current Maturities Capital Leases	0.00
27. Unamortized Debt Discount & Extraor. Prop. Losses	2,123,793.35	54. Taxes Accrued	2,078,861.38
28. Regulatory Assets	0.00	55. Interest Accrued	3,716,569.18
29. Other Deferred Debits	1,330,947.39	56. Other Current and Accrued Liabilities	7,895,692.47
30. Accumulated Deferred Income Taxes	0.00	57. TOTAL CURRENT & ACCRUED LIABILITIES (49 thru 56)	58,209,744.02
31. TOTAL ASSETS AND OTHER DEBITS (5+14+26 thru 30)	1,428,522,977.70	58. Deferred Credits	176,526,975.55
		59. Accumulated Deferred Income Taxes	0.00
		60. TOTAL LIABILITIES (ANT) OTHER CREDITS (38 + 45 + 48 + 57 thru 59)	1,428,522,977.70

RUS Form 12a

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY PART A - FINANCIAL		BORROWER DESIGNATION KY0062		
INSTRUCTIONS - See help in the online application.		PERIOD ENDED Aug-11		
SECTION A. STATEMENT OF OPERATIONS				
ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Electric Energy Revenues	347,349,045.43	373,264,263.06	360,884,228.00	48,971,899.88
2. Income From Leased Property (Net)	0.00	0.00	0.00	0.00
3. Other Operating Revenue and Income	9,223,460.79	1,892,855.84	12,722,664.00	184,855.15
4. Total Operation Revenues & Patronage Capital (1 thru 3)	356,572,506.22	375,157,118.90	373,606,892.00	49,156,755.03
5. Operating Expense - Production - Excluding Fuel	35,092,581.92	32,715,959.58	43,016,278.00	4,270,662.71
6. Operating Expense - Production - Fuel	140,848,543.50	154,981,335.57	140,961,132.00	20,077,955.10
7. Operating Expense - Other Power Supply	64,764,176.27	73,990,115.79	72,394,291.00	9,894,252.70
8. Operating Expense - Transmission	5,089,610.30	6,173,952.24	8,288,894.00	1,006,139.67
9. Operating Expense - RTO/ISO	0.00	1,639,985.78	2,061,127.00	192,408.04
10. Operating Expense - Distribution	0.00	0.00	0.00	0.00
11. Operating Expense - Customer Accounts	0.00	0.00	0.00	0.00
12. Operating Expense - Customer Service & Information	350,689.09	305,891.34	581,378.00	70,725.97
13. Operating Expense - Sales	64,299.86	91,863.04	563,224.00	85,534.72
14. Operating Expense - Administrative & General	17,504,474.80	17,541,926.58	17,277,986.00	1,350,844.05
15. Total Operation Expense (5 thru 14)	263,714,375.74	287,441,029.92	285,144,310.00	36,948,522.96
16. Maintenance Expense - Production	23,068,782.55	25,354,797.11	26,901,369.00	3,081,534.37
17. Maintenance Expense - Transmission	2,822,780.90	2,853,768.11	2,208,304.00	371,885.60
18. Maintenance Expense - RTO/ISO	0.00	0.00	0.00	0.00
19. Maintenance Expense - Distribution	0.00	0.00	0.00	0.00
20. Maintenance Expense - General Plant	134,316.95	85,026.68	71,771.00	9,725.24
21. Total Maintenance Expense (16 thru 20)	26,025,880.40	28,293,591.90	29,181,444.00	3,463,145.21
22. Depreciation and Amortization Expense	22,679,476.06	23,070,278.89	24,019,424.00	2,878,276.44
23. Taxes	132,822.98	128,389.00	166,152.00	0.00
24. Interest on Long-Term Debt	31,355,225.61	30,706,304.75	31,525,580.00	3,855,072.47
25. Interest Charged to Construction - Credit	<333,557.00>	<419,278.00>	<360,848.00>	<25,522.00>
26. Other Interest Expense	105,539.37	58,931.25	111,918.00	8.17
27. Asset Retirement Obligations	0.00	0.00	0.00	0.00
28. Other Deductions	60,824.79	144,748.13	91,471.00	16,375.64
29. Total Cost Of Electric Service (15 + 21 thru 28)	343,740,587.95	369,423,995.84	369,879,451.00	47,135,878.89
30. Operating Margins (4 less 29)	12,831,918.27	5,733,123.06	3,727,441.00	2,020,876.14
31. Interest Income	237,121.94	124,226.32	256,482.00	7,779.05
32. Allowance For Funds Used During Construction	0.00	0.00	0.00	0.00
33. Income (Loss) from Equity Investments	0.00	0.00	0.00	0.00
34. Other Non-operating Income (Net)	18,857.41	9,288.48	0.00	0.00
35. Generation & Transmission Capital Credits	0.00	0.00	0.00	0.00
36. Other Capital Credits and Patronage Dividends	19,868.17	96,795.44	96,438.00	0.00
37. Extraordinary Items	0.00	0.00	0.00	0.00
38. Net Patronage Capital Or Margins (30 thru 37)	13,107,765.79	5,963,433.30	4,080,361.00	2,028,655.19

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION KY0062	
FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY PART A - FINANCIAL		PERIOD ENDED Aug-11	
INSTRUCTIONS - See help in the online application.			
SECTION B. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant In Service	1,963,086,189.68	33. Memberships	75.00
2. Construction Work in Progress	53,971,540.40	34. Patronage Capital a. Assigned and Assignable b. Retired This year c. Retired Prior years d. Net Patronage Capital (a-b-c)	0.00
3. Total Utility Plant (1 + 2)	2,017,057,730.08		
4. Accum. Provision for Depreciation and Amort.	931,987,865.23		
5. Net Utility Plant (3 - 4)	1,085,069,864.85		
6. Non-Utility Property (Net)	0.00	35. Operating Margins - Prior Years	<247,338,928.12>
7. Investments in Subsidiary Companies	0.00	36. Operating Margin - Current Year	5,829,918.50
8. Invest. in Assoc. Org. - Patronage Capital	3,642,053.26	37. Non-Operating Margins	638,971,247.34
9. Invest. in Assoc. Org. - Other - General Funds	684,993.00	38. Other Margins and Equities	<4,923,483.80>
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	0.00	39. Total Margins & Equities (33 + 34d thru 38)	392,538,828.92
11. Investments in Economic Development Projects	10,000.00	40. Long-Term Debt - RUS (Net)	640,340,042.24
12. Other Investments	5,333.85	41. Long-Term Debt - FFB - RUS Guaranteed	0.00
		42. Long-Term Debt - Other - RUS Guaranteed	0.00
13. Special Funds	170,187,208.72	43. Long-Term Debt - Other (Net)	142,100,000.00
14. Total Other Property And Investments (6 thru 13)	174,529,588.83	44. Long-Term Debt - RUS - Econ. Devel. (Net)	0.00
15. Cash - General Funds	5,828.00	45. Payments - Unapplied	0.00
16. Cash - Construction Funds - Trustee	0.00	46. Total Long-Term Debt (40 thru 44-45)	782,440,042.24
17. Special Deposits	572,532.84	47. Obligations Under Capital Leases - Noncurrent	0.00
18. Temporary Investments	76,636,038.16	48. Accumulated Operating Provisions and Asset Retirement Obligations	20,964,755.39
19. Notes Receivable (Net)	0.00	49. Total Other NonCurrent Liabilities (47 +48)	20,964,755.39
20. Accounts Receivable - Sales of Energy (Net)	45,443,972.70	50. Notes Payable	0.00
21. Accounts Receivable - Other (Net)	<1,833,121.94>	51. Accounts Payable	30,963,505.52
22. Fuel Stock	21,911,147.93	52. Current Maturities Long-Term Debt	15,533,226.58
23. Renewable Energy Credits	0.00	53. Current Maturities Long-Term Debt - Rural Development	0.00
24. Materials and Supplies - Other	24,969,889.55	54. Current Maturities Capital Leases	0.00
25. Prepayments	1,643,284.89	55. Taxes Accrued	499,431.19
26. Other Current and Accrued Assets	409,816.00	56. Interest Accrued	7,553,993.35
27. Total Current And Accrued Assets (15 thru 26)	169,759,388.13	57. Other Current and Accrued Liabilities	7,595,705.22
28. Unamortized Debt Discount & Extraor. Prop. Losses	2,114,760.89	58. Total Current & Accrued Liabilities (50 thru 57)	62,145,861.86
29. Regulatory Assets	0.00	59. Deferred Credits	175,173,714.10
30. Other Deferred Debits	1,789,599.81	60. Accumulated Deferred Income Taxes	0.00
31. Accumulated Deferred Income Taxes	0.00	61. Total Liabilities and Other Credits (39 + 46 + 49 + 58 thru 60)	1,433,263,202.51
32. Total Assets And Other Debits (5+14+27 thru 31)	1,433,263,202.51		

RUS Financial and Operating Report Electric Power Supply Part A - Financial

Revision Date 2010

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY PART A - FINANCIAL	BORROWER DESIGNATION KY0062
	PERIOD ENDED Sep-11

SECTION A. STATEMENT OF OPERATIONS				
ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Electric Energy Revenues	386,667,789.19	422,320,923.10	407,724,974.00	49,056,660.04
2. Income From Leased Property (Net)	0.00	0.00	0.00	0.00
3. Other Operating Revenue and Income	10,365,695.14	2,167,762.77	14,312,997.00	274,906.93
4. Total Operation Revenues & Patronage Capital (1 thru 3)	397,033,484.33	424,488,685.87	422,037,971.00	49,331,566.97
5. Operating Expense - Production - Excluding Fuel	39,792,311.10	37,000,721.75	48,500,799.00	4,284,762.17
6. Operating Expense - Production - Fuel	157,895,022.72	173,106,985.46	158,603,817.00	18,125,649.89
7. Operating Expense - Other Power Supply	73,076,140.36	83,178,821.74	80,953,529.00	9,188,705.95
8. Operating Expense - Transmission	5,740,776.23	6,919,691.09	9,360,474.00	745,738.85
9. Operating Expense - RTO/ISO	0.00	1,832,483.01	2,291,946.00	192,497.23
10. Operating Expense - Distribution	0.00	0.00	0.00	0.00
11. Operating Expense - Customer Accounts	0.00	0.00	0.00	0.00
12. Operating Expense - Customer Service & Information	374,545.19	344,618.55	657,498.00	38,727.21
13. Operating Expense - Sales	164,468.86	129,850.48	742,056.00	37,987.44
14. Operating Expense - Administrative & General	19,483,040.58	19,979,650.48	19,460,310.00	2,437,723.90
15. Total Operation Expense (5 thru 14)	296,526,305.04	322,492,822.56	320,570,429.00	35,051,792.64
16. Maintenance Expense - Production	27,402,955.63	29,181,571.13	31,750,996.00	3,826,774.02
17. Maintenance Expense - Transmission	3,608,332.65	3,347,673.93	2,533,969.00	493,905.82
18. Maintenance Expense - RTO/ISO	0.00	0.00	0.00	0.00
19. Maintenance Expense - Distribution	0.00	0.00	0.00	0.00
20. Maintenance Expense - General Plant	143,344.93	93,378.73	79,808.00	8,352.05
21. Total Maintenance Expense (16 thru 20)	31,154,633.21	32,622,623.79	34,364,773.00	4,329,031.89
22. Depreciation and Amortization Expense	25,645,975.63	26,373,902.54	27,068,218.00	3,303,623.65
23. Taxes	197,822.98	128,389.00	186,921.00	0.00
24. Interest on Long-Term Debt	35,185,894.08	34,450,455.53	35,427,634.00	3,744,150.78
25. Interest Charged to Construction - Credit	<410,590.63>	<449,625.00>	<389,894.00>	<30,347.00>
26. Other Interest Expense	126,022.57	58,956.39	140,685.00	25.14
27. Asset Retirement Obligations	0.00	0.00	0.00	0.00
28. Other Deductions	73,235.41	158,454.44	102,764.00	13,706.31
29. Total Cost Of Electric Service (15 + 21 thru 28)	388,499,298.29	415,835,979.25	417,471,530.00	46,411,983.41
30. Operating Margins (4 less 29)	8,534,186.04	8,652,706.62	4,566,441.00	2,919,583.56
31. Interest Income	269,915.87	131,802.42	288,300.00	7,576.10
32. Allowance For Funds Used During Construction	0.00	0.00	0.00	0.00
33. Income (Loss) from Equity Investments	0.00	0.00	0.00	0.00
34. Other Non-operating Income (Net)	1,692,826.30	9,288.48	0.00	0.00
35. Generation & Transmission Capital Credits	0.00	0.00	0.00	0.00
36. Other Capital Credits and Patronage Dividends	20,110.30	104,653.04	96,438.00	7,857.60
37. Extraordinary Items	0.00	0.00	0.00	0.00
38. Net Patronage Capital Or Margins (30 thru 37)	10,517,038.51	8,898,450.56	4,951,179.00	2,935,017.26

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE				BORROWER DESIGNATION KY0062				
FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY				PERIOD ENDED Sep-11				
INSTRUCTIONS - See help in the online application.								
Part B SE - Sales of Electricity								
Sale No.	Name of Company or Public Authority (a)	RUS Borrower Designation (b)	Statistical Classification (c)	Renewable Energy Program Name (d)	Primary Renewable Fuel Type (e)	Average Monthly Billing Demand (MW) (f)	Actual Average Monthly NCP Demand (g)	Actual Average Monthly CP Demand (h)
Ultimate Consumer(s)								
Distribution Borrowers								
1	Jackson Purchase Energy Corp	KY0020	RQ			135	145	131
2	Kenergy Corporation	KY0085	IF					
3	Kenergy Corporation	KY0085	LF					
4	Kenergy Corporation	KY0085	RQ			383	397	349
5	Meade County Rural ECC	KY0018	RQ			97	102	92
G&T Borrowers								
6	PowerSouth Energy Coop	AL0042	OS					
Others								
7	American Electric Power Service Corp		OS					
8	Cargill Power Markets		OS					
9	Constellation Energy Commodities		OS					
10	EDF Trading North America		OS					
11	Henderson Municipal Power & Light		OS					
12	Kentucky Utilities		OS					
13	Midwest Independent Trans. Sys. Op.		OS					
14	PJM Interconnection		OS					
15	Southern Company Services		OS					
16								
Total for Ultimate Consumer(s)						0	0	0
Total for Distribution Borrowers						615	644	572
Total for G&T Borrowers						0	0	0
Total for Others						0	0	0
Grand Total						615	644	572

RUS Financial and Operating Report Electric Power Supply

Revision Date 2010

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY PART A - FINANCIAL	BORROWER DESIGNATION KY0062
	PERIOD ENDED Oct-11

INSTRUCTIONS - See help in the online application.

SECTION A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Electric Energy Revenues	426,611,074.64	466,987,484.25	449,923,150.00	44,666,561.15
2. Income From Leased Property (Net)	0.00	0.00	0.00	0.00
3. Other Operating Revenue and Income	11,513,916.28	2,981,670.76	15,903,330.00	813,907.99
4. Total Operation Revenues & Patronage Capital (1 thru 3)	438,124,990.92	469,969,155.01	465,826,480.00	45,480,469.14
5. Operating Expense - Production - Excluding Fuel	44,417,894.27	41,534,846.90	53,322,062.00	4,534,125.15
6. Operating Expense - Production - Fuel	172,788,539.26	190,762,094.89	172,518,679.00	17,655,109.43
7. Operating Expense - Other Power Supply	81,756,315.74	92,142,983.76	91,301,337.00	8,964,162.02
8. Operating Expense - Transmission	6,425,992.32	7,637,817.55	10,256,907.00	718,126.46
9. Operating Expense - RTO/ISO	0.00	2,055,560.20	2,368,294.00	223,077.19
10. Operating Expense - Distribution	0.00	0.00	0.00	0.00
11. Operating Expense - Customer Accounts	0.00	0.00	0.00	0.00
12. Operating Expense - Customer Service & Information	411,156.58	371,713.07	731,073.00	27,094.52
13. Operating Expense - Sales	164,468.86	131,113.08	810,098.00	1,262.60
14. Operating Expense - Administrative & General	21,411,195.31	21,871,138.00	21,666,429.00	1,891,487.52
15. Total Operation Expense (5 thru 14)	327,375,562.34	356,507,267.45	352,974,879.00	34,014,444.89
16. Maintenance Expense - Production	34,779,870.27	33,221,278.88	36,967,903.00	4,039,707.75
17. Maintenance Expense - Transmission	3,955,134.78	3,783,424.46	2,775,557.00	435,750.53
18. Maintenance Expense - RTO/ISO	0.00	0.00	0.00	0.00
19. Maintenance Expense - Distribution	0.00	0.00	0.00	0.00
20. Maintenance Expense - General Plant	159,935.22	117,462.49	88,125.00	24,083.76
21. Total Maintenance Expense (16 thru 20)	38,894,940.27	37,122,165.83	39,831,585.00	4,499,542.04
22. Depreciation and Amortization Expense	28,485,884.11	28,872,655.57	30,120,491.00	2,498,753.03
23. Taxes	197,797.98	128,389.00	207,690.00	0.00
24. Interest on Long-Term Debt	39,137,428.63	38,246,446.93	39,450,564.00	3,795,991.40
25. Interest Charged to Construction - Credit	<492,297.88>	<475,923.00>	<423,236.00>	<26,298.00>
26. Other Interest Expense	147,315.29	58,989.26	170,411.00	32.87
27. Asset Retirement Obligations	0.00	0.00	0.00	0.00
28. Other Deductions	86,266.91	171,305.63	114,433.00	12,851.19
29. Total Cost Of Electric Service (15 + 21 thru 28)	433,832,897.65	460,631,296.67	462,446,817.00	44,795,317.42
30. Operating Margins (4 less 29)	4,292,093.27	9,337,858.34	3,379,663.00	685,151.72
31. Interest Income	303,069.18	138,407.95	321,033.00	6,605.53
32. Allowance For Funds Used During Construction	0.00	0.00	0.00	0.00
33. Income (Loss) from Equity Investments	0.00	0.00	0.00	0.00
34. Other Non-operating Income (Net)	1,698,580.82	9,288.48	0.00	0.00
35. Generation & Transmission Capital Credits	0.00	0.00	0.00	0.00
36. Other Capital Credits and Patronage Dividends	20,110.30	104,653.04	96,438.00	0.00
37. Extraordinary Items	0.00	0.00	0.00	0.00
38. Net Patronage Capital Or Margins (30 thru 37)	6,313,853.57	9,590,207.81	3,797,134.00	691,757.25

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION KY0062	
FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY PART A - FINANCIAL		PERIOD ENDED Oct-11	
INSTRUCTIONS - See help in the online application.			
SECTION B. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	1,966,495,824.41	33. Memberships	75.00
2. Construction Work in Progress	57,098,847.55	34. Patronage Capital	
3. Total Utility Plant (1 + 2)	2,023,594,671.96	a. Assigned and Assignable	
4. Accum. Provision for Depreciation and Amort.	935,129,529.02	b. Retired This Year	
5. Net Utility Plant (3 - 4)	1,088,465,142.94	c. Retired Prior Years	
6. Non-Utility Property (Net)	0.00	d. Net Patronage Capital (a-b-c)	0.00
7. Investments in Subsidiary Companies	0.00	35. Operating Margins - Prior Years	<247,338,928.12>
8. Invest. in Assoc. Org. - Patronage Capital	3,644,419.37	36. Operating Margin - Current Year	9,442,511.38
9. Invest. in Assoc. Org. - Other - General Funds	684,993.00	37. Non-Operating Margins	638,985,428.97
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	0.00	38. Other Margins and Equities	<4,923,483.80>
11. Investments in Economic Development Projects	10,000.00	39. Total Margins & Equities (33 + 34d thru 38)	396,165,603.43
12. Other Investments	5,333.85	40. Long-Term Debt - RUS (Net)	570,381,249.45
13. Special Funds	166,836,489.89	41. Long-Term Debt - FFB - RUS Guaranteed	0.00
14. Total Other Property And Investments (6 thru 13)	171,181,236.11	42. Long-Term Debt - Other - RUS Guaranteed	0.00
15. Cash - General Funds	5,904.00	43. Long-Term Debt - Other (Net)	142,100,000.00
16. Cash - Construction Funds - Trustee	0.00	44. Long-Term Debt - RUS - Econ. Devel. (Net)	0.00
17. Special Deposits	572,585.67	45. Payments - Unapplied	0.00
18. Temporary Investments	58,882,050.09	46. Total Long-Term Debt (40 thru 44-45)	712,481,249.45
19. Notes Receivable (Net)	0.00	47. Obligations Under Capital Leases - Noncurrent	0.00
20. Accounts Receivable - Sales of Energy (Net)	41,578,311.36	48. Accumulated Operating Provisions and Asset Retirement Obligations	20,969,910.93
21. Accounts Receivable - Other (Net)	<1,457,046.36>	49. Total Other NonCurrent Liabilities (47 + 48)	20,969,910.93
22. Fuel Stock	32,431,202.38	50. Notes Payable	0.00
23. Renewable Energy Credits	0.00	51. Accounts Payable	33,894,003.50
24. Materials and Supplies - Other	25,123,132.76	52. Current Maturities Long-Term Debt	72,144,640.18
25. Prepayments	1,065,579.21	53. Current Maturities Long-Term Debt - Rural Development	0.00
26. Other Current and Accrued Assets	592,946.88	54. Current Maturities Capital Leases	0.00
27. Total Current And Accrued Assets (15 thru 26)	158,794,665.99	55. Taxes Accrued	992,158.61
28. Unamortized Debt Discount & Extraor. Prop. Losses	2,096,987.33	56. Interest Accrued	5,223,567.24
29. Regulatory Assets	0.00	57. Other Current and Accrued Liabilities	8,251,893.97
30. Other Deferred Debits	1,850,424.36	58. Total Current & Accrued Liabilities (50 thru 57)	120,506,263.50
31. Accumulated Deferred Income Taxes	0.00	59. Deferred Credits	172,265,429.42
32. Total Assets And Other Debits (5+14+27 thru 31)	1,422,388,456.73	60. Accumulated Deferred Income Taxes	0.00
		61. Total Liabilities and Other Credits (38 + 46 + 49 + 58 thru 60)	1,422,388,456.73

RUS Financial and Operating Report Electric Power Supply Part A - Financial

Revision Date 2010

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY PART A - FINANCIAL		BORROWER DESIGNATION KY0062		
INSTRUCTIONS - See help in the online application.		PERIOD ENDED Nov-11		
SECTION A. STATEMENT OF OPERATIONS				
ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Electric Energy Revenues	467,315,771.32	510,961,044.35	494,458,461.00	43,973,560.10
2. Income From Leased Property (Net)	0.00	0.00	0.00	0.00
3. Other Operating Revenue and Income	12,681,764.64	3,237,001.53	17,493,663.00	255,330.77
4. Total Operation Revenues & Patronage Capital (1 thru 3)	479,997,535.96	514,198,045.88	511,952,124.00	44,228,890.87
5. Operating Expense - Production - Excluding Fuel	48,585,824.73	45,737,497.94	58,932,705.00	4,202,651.04
6. Operating Expense - Production - Fuel	188,741,558.93	207,154,640.29	188,377,866.00	16,392,545.40
7. Operating Expense - Other Power Supply	90,859,837.01	102,532,953.50	100,536,362.00	10,389,969.74
8. Operating Expense - Transmission	7,077,013.75	8,341,720.53	11,231,069.00	703,902.98
9. Operating Expense - RTO/ISO	0.00	2,317,681.27	2,544,187.00	262,121.07
10. Operating Expense - Distribution	0.00	0.00	0.00	0.00
11. Operating Expense - Customer Accounts	0.00	0.00	0.00	0.00
12. Operating Expense - Customer Service & Information	429,001.14	438,304.90	798,228.00	66,591.83
13. Operating Expense - Sales	189,473.38	140,925.58	862,021.00	9,812.50
14. Operating Expense - Administrative & General	23,661,609.28	23,702,723.58	23,620,934.00	1,831,585.58
15. Total Operation Expense (5 thru 14)	359,544,318.22	390,366,447.59	386,903,372.00	33,859,180.14
16. Maintenance Expense - Production	39,048,093.14	39,001,742.46	44,525,801.00	5,780,463.58
17. Maintenance Expense - Transmission	4,230,614.98	4,116,732.03	3,009,289.00	333,307.57
18. Maintenance Expense - RTO/ISO	0.00	0.00	0.00	0.00
19. Maintenance Expense - Distribution	0.00	0.00	0.00	0.00
20. Maintenance Expense - General Plant	171,918.99	133,524.06	95,994.00	16,061.57
21. Total Maintenance Expense (16 thru 20)	43,450,627.11	43,251,998.55	47,631,084.00	6,129,832.72
22. Depreciation and Amortization Expense	31,385,392.66	32,154,621.93	33,173,694.00	3,281,966.36
23. Taxes	197,797.98	128,389.00	228,459.00	0.00
24. Interest on Long-Term Debt	42,960,734.23	41,926,404.48	43,343,722.00	3,679,957.55
25. Interest Charged to Construction - Credit	<580,942.88>	<507,834.00>	<424,358.00>	<31,911.00>
26. Other Interest Expense	167,915.36	59,240.58	199,178.00	251.32
27. Asset Retirement Obligations	0.00	0.00	0.00	0.00
28. Other Deductions	98,690.09	202,783.38	125,726.00	31,477.75
29. Total Cost Of Electric Service (15 + 21 thru 28)	477,224,532.77	507,582,051.51	511,180,877.00	46,950,754.84
30. Operating Margins (4 less 29)	2,773,003.19	6,615,994.37	771,247.00	<2,721,863.97>
31. Interest Income	334,288.64	144,337.54	352,893.00	5,929.59
32. Allowance For Funds Used During Construction	0.00	0.00	0.00	0.00
33. Income (Loss) from Equity Investments	0.00	0.00	0.00	0.00
34. Other Non-operating Income (Net)	1,700,902.94	9,288.48	0.00	0.00
35. Generation & Transmission Capital Credits	0.00	0.00	0.00	0.00
36. Other Capital Credits and Patronage Dividends	20,110.30	104,653.04	96,438.00	0.00
37. Extraordinary Items	0.00	0.00	0.00	0.00
38. Net Patronage Capital Or Margins (30 thru 37)	4,828,305.07	6,874,273.43	1,220,578.00	<2,715,934.38>

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION KY0062	
FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY PART A - FINANCIAL		PERIOD ENDED Nov-11	
INSTRUCTIONS - See help in the online application.			
SECTION B. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	1,977,389,613.89	33. Memberships	75.00
2. Construction Work in Progress	46,868,174.87	34. Patronage Capital a. Assigned and Assignable b. Retired This year c. Retired Prior years d. Net Patronage Capital (a-b-c)	0.00
3. Total Utility Plant (1 + 2)	2,024,257,788.76		
4. Accum. Provision for Depreciation and Amort.	934,427,025.60		
5. Net Utility Plant (3 - 4)	1,089,830,763.16		
6. Non-Utility Property (Net)	0.00	35. Operating Margins - Prior Years	<247,338,928.12>
7. Investments in Subsidiary Companies	0.00	36. Operating Margin - Current Year	6,720,647.41
8. Invest. in Assoc. Org. - Patronage Capital	3,644,419.37	37. Non-Operating Margins	638,991,358.56
9. Invest. in Assoc. Org. - Other - General Funds	684,993.00	38. Other Margins and Equities	<4,923,483.80>
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	0.00	39. Total Margins & Equities (33 + 34d thru 38)	393,449,669.05
11. Investments in Economic Development Projects	10,000.00	40. Long-Term Debt - RUS (Net)	570,381,249.45
12. Other Investments	5,333.85	41. Long-Term Debt - FFB - RUS Guaranteed	0.00
		42. Long-Term Debt - Other - RUS Guaranteed	0.00
13. Special Funds	165,390,287.29	43. Long-Term Debt - Other (Net)	142,100,000.00
14. Total Other Property And Investments (6 thru 13)	169,735,033.51	44. Long-Term Debt - RUS - Econ. Devel. (Net)	0.00
15. Cash - General Funds	5,839.28	45. Payments - Unapplied	0.00
16. Cash - Construction Funds - Trustee	0.00	46. Total Long-Term Debt (40 thru 44-45)	712,481,249.45
17. Special Deposits	572,631.79	47. Obligations Under Capital Leases - Noncurrent	0.00
18. Temporary Investments	55,158,644.95	48. Accumulated Operating Provisions and Asset Retirement Obligations	21,282,104.98
19. Notes Receivable (Net)	0.00	49. Total Other NonCurrent Liabilities (47 + 48)	21,282,104.98
20. Accounts Receivable - Sales of Energy (Net)	41,359,189.46	50. Notes Payable	0.00
21. Accounts Receivable - Other (Net)	<1,823,692.11>	51. Accounts Payable	29,192,834.21
22. Fuel Stock	32,904,494.52	52. Current Maturities Long-Term Debt	72,144,640.18
23. Renewable Energy Credits	0.00	53. Current Maturities Long-Term Debt - Rural Development	0.00
24. Materials and Supplies - Other	24,937,693.89	54. Current Maturities Capital Leases	0.00
25. Prepayments	824,408.12	55. Taxes Accrued	798,235.81
26. Other Current and Accrued Assets	743,450.14	56. Interest Accrued	8,886,445.79
27. Total Current And Accrued Assets (15 thru 26)	154,682,660.04	57. Other Current and Accrued Liabilities	8,996,044.42
28. Unamortized Debt Discount & Extraor. Prop. Losses	2,088,246.24	58. Total Current & Accrued Liabilities (50 thru 57)	120,018,200.41
29. Regulatory Assets	0.00	59. Deferred Credits	170,982,910.86
30. Other Deferred Debits	1,877,431.80	60. Accumulated Deferred Income Taxes	0.00
31. Accumulated Deferred Income Taxes	0.00	61. Total Liabilities and Other Credits (39 + 46 + 49 + 58 thru 60)	1,418,214,134.75
32. Total Assets And Other Debits (5+14+27 thru 31)	1,418,214,134.75		

RUS Financial and Operating Report Electric Power Supply Part A - Financial

Revision Date 2010

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY PART A - FINANCIAL		BORROWER DESIGNATION KY0062		
INSTRUCTIONS - See help in the online application.		PERIOD ENDED Dec-11		
SECTION A. STATEMENT OF OPERATIONS				
ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Electric Energy Revenues	514,490,437.30	558,372,354.13	544,848,212.00	47,411,309.78
2. Income From Leased Property (Net)	0.00	0.00	0.00	0.00
3. Other Operating Revenue and Income	12,834,015.69	3,616,877.57	19,083,996.00	379,876.04
4. Total Operation Revenues & Patronage Capital (1 thru 3)	527,324,452.99	561,989,231.70	563,932,208.00	47,791,185.82
5. Operating Expense - Production - Excluding Fuel	52,506,941.86	50,410,485.54	64,788,729.00	4,672,987.60
6. Operating Expense - Production - Fuel	207,748,519.57	226,229,049.99	206,689,669.00	19,074,409.70
7. Operating Expense - Other Power Supply	99,421,265.39	112,261,892.16	109,893,232.00	9,728,938.66
8. Operating Expense - Transmission	7,888,483.40	9,183,058.45	12,297,288.00	841,337.92
9. Operating Expense - RTO/ISO	233,099.02	2,529,531.67	2,783,040.00	211,850.40
10. Operating Expense - Distribution	0.00	0.00	0.00	0.00
11. Operating Expense - Customer Accounts	0.00	0.00	0.00	0.00
12. Operating Expense - Customer Service & Information	446,300.01	631,534.63	863,960.00	193,229.73
13. Operating Expense - Sales	239,802.54	185,003.78	918,500.00	44,078.20
14. Operating Expense - Administrative & General	26,461,943.14	26,557,241.89	25,728,474.00	2,854,518.31
15. Total Operation Expense (5 thru 14)	394,946,354.93	427,987,798.11	423,962,892.00	37,621,350.52
16. Maintenance Expense - Production	42,156,863.06	42,896,418.40	47,234,025.00	3,894,675.94
17. Maintenance Expense - Transmission	4,473,124.46	4,680,625.01	3,262,807.00	563,892.98
18. Maintenance Expense - RTO/ISO	0.00	0.00	0.00	0.00
19. Maintenance Expense - Distribution	0.00	0.00	0.00	0.00
20. Maintenance Expense - General Plant	250,360.71	140,534.11	103,595.00	7,010.05
21. Total Maintenance Expense (16 thru 20)	46,880,348.23	47,717,577.52	50,600,427.00	4,465,578.97
22. Depreciation and Amortization Expense	34,242,192.19	35,406,805.68	36,227,624.00	3,252,183.75
23. Taxes	262,797.98	98,389.00	249,228.00	<30,000.00>
24. Interest on Long-Term Debt	47,064,226.00	45,715,143.94	47,366,652.00	3,788,739.46
25. Interest Charged to Construction - Credit	<683,534.88>	<548,206.00>	<425,884.00>	<40,372.00>
26. Other Interest Expense	189,161.53	59,249.64	228,904.00	9.06
27. Asset Retirement Obligations	0.00	0.00	0.00	0.00
28. Other Deductions	166,390.44	220,434.26	137,395.00	17,650.88
29. Total Cost Of Electric Service (15 + 21 thru 28)	523,301,035.44	556,657,192.15	558,347,238.00	49,075,140.64
30. Operating Margins (4 less 29)	4,256,516.57	5,332,039.55	5,584,970.00	<1,283,954.82>
31. Interest Income	391,494.15	150,516.18	385,669.00	6,178.64
32. Allowance For Funds Used During Construction	0.00	0.00	0.00	0.00
33. Income (Loss) from Equity Investments	0.00	0.00	0.00	0.00
34. Other Non-operating Income (Net)	2,321,612.06	9,288.48	0.00	0.00
35. Generation & Transmission Capital Credits	0.00	0.00	0.00	0.00
36. Other Capital Credits and Patronage Dividends	21,292.57	108,536.38	96,438.00	3,883.34
37. Extraordinary Items	0.00	0.00	0.00	0.00
38. Net Patronage Capital Or Margins (30 thru 37)	6,990,915.35	5,600,380.59	6,067,077.00	<1,273,892.84>

Preliminary

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION KY0062	
FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY PART A - FINANCIAL		PERIOD ENDED Dec-11	
INSTRUCTIONS - See help in the online application.			
SECTION B. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant In Service	1,979,267,724.38	33. Memberships	75.00
2. Construction Work In Progress	49,150,583.18	34. Patronage Capital a. Assigned and Assignable b. Retired This year c. Retired Prior years d. Net Patronage Capital (a-b-c)	0.00
3. Total Utility Plant (1 + 2)	2,028,418,307.56		
4. Accum. Provision for Depreciation and Amort.	936,354,953.07		
5. Net Utility Plant (3 - 4)	1,092,063,354.49		
6. Non-Utility Property (Net)	0.00	35. Operating Margins - Prior Years	<247,338,928.12>
7. Investments in Subsidiary Companies	0.00	36. Operating Margin - Current Year	5,440,575.93
8. Invest. in Assoc. Org. - Patronage Capital	3,648,302.71	37. Non-Operating Margins	638,997,537.20
9. Invest. in Assoc. Org. - Other - General Funds	684,993.00	38. Other Margins and Equities	<7,278,744.80>
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	0.00	39. Total Margins & Equities (33 + 34d thru 38)	389,820,515.21
11. Investments in Economic Development Projects	10,000.00	40. Long-Term Debt - RUS (Net)	572,153,789.55
12. Other Investments	5,333.85	41. Long-Term Debt - FFB - RUS Guaranteed	0.00
13. Special Funds	164,151,430.62	42. Long-Term Debt - Other - RUS Guaranteed	0.00
14. Total Other Property And Investments (6 thru 13)	168,500,060.18	43. Long-Term Debt - Other (Net)	142,100,000.00
15. Cash - General Funds	5,697.93	44. Long-Term Debt - RUS - Econ. Devel. (Net)	0.00
16. Cash - Construction Funds - Trustee	0.00	45. Payments - Unapplied	0.00
17. Special Deposits	572,679.44	46. Total Long-Term Debit (40 thru 44-45)	714,253,789.55
18. Temporary Investments	44,843,790.64	47. Obligations Under Capital Leases - Noncurrent	0.00
19. Notes Receivable (Net)	0.00	48. Accumulated Operating Provisions and Asset Retirement Obligations	22,098,787.73
20. Accounts Receivable - Sales of Energy (Net)	43,114,276.18	49. Total Other NonCurrent Liabilities (47 +48)	22,098,787.73
21. Accounts Receivable - Other (Net)	232,279.84	50. Notes Payable	0.00
22. Fuel Stock	33,894,013.47	51. Accounts Payable	30,324,950.14
23. Renewable Energy Credits	0.00	52. Current Maturities Long-Term Debt	72,144,640.18
24. Materials and Supplies - Other	25,295,264.40	53. Current Maturities Long-Term Debt - Rural Development	0.00
25. Prepayments	4,507,736.28	54. Current Maturities Capital Leases	0.00
26. Other Current and Accrued Assets	943,684.76	55. Taxes Accrued	956,559.11
27. Total Current And Accrued Assets (15 thru 26)	153,409,422.94	56. Interest Accrued	9,898,751.03
28. Unamortized Debt Discount & Extraor. Prop. Losses	2,079,213.78	57. Other Current and Accrued Liabilities	9,423,266.89
29. Regulatory Assets	0.00	58. Total Current & Accrued Liabilities (50 thru 57)	122,748,167.35
30. Other Deferred Debits	1,870,225.05		
31. Accumulated Deferred Income Taxes	0.00	59. Deferred Credits	169,001,016.60
32. Total Assets And Other Debits (5+14+27 thru 31)	1,417,922,276.44	60. Accumulated Deferred Income Taxes	0.00
		61. Total Liabilities and Other Credits (39 + 46 + 49 + 58 thru 60)	1,417,922,276.44

RUS Financial and Operating Report Electric Power Supply Part A - Financial

Revision Date 2010

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY PART A - FINANCIAL		BORROWER DESIGNATION KY0002		
INSTRUCTIONS - See help in the online application.		PERIOD ENDED Jan-12		
SECTION A. STATEMENT OF OPERATIONS				
ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Electric Energy Revenues	45,223,900.12	46,502,203.58	53,734,437.00	46,502,203.58
2. Income From Leased Property (Net)	0.00	0.00	0.00	0.00
3. Other Operating Revenue and Income	146,085.99	373,872.96	338,417.00	373,872.96
4. Total Operation Revenues & Patronage Capital (1 thru 3)	45,369,986.11	46,876,076.54	54,072,854.00	46,876,076.54
5. Operating Expense - Production - Excluding Fuel	4,221,246.13	3,972,740.12	4,889,305.00	3,972,740.12
6. Operating Expense - Production - Fuel	19,908,587.88	16,903,878.80	23,892,667.00	16,903,878.80
7. Operating Expense - Other Power Supply	8,468,177.30	10,234,058.03	7,335,390.00	10,234,058.03
8. Operating Expense - Transmission	733,198.14	818,025.74	928,844.00	818,025.74
9. Operating Expense - RTO/ISO	170,420.70	208,911.34	229,704.00	208,911.34
10. Operating Expense - Distribution	0.00	0.00	0.00	0.00
11. Operating Expense - Customer Accounts	0.00	0.00	0.00	0.00
12. Operating Expense - Customer Service & Information	25,473.69	15,200.89	77,589.00	15,200.89
13. Operating Expense - Sales	5,683.23	<3,938.52>	78,422.00	<3,938.52>
14. Operating Expense - Administrative & General	1,980,788.53	2,026,264.87	2,141,486.00	2,026,264.87
15. Total Operation Expense (5 thru 14)	35,513,575.60	34,175,141.27	39,573,407.00	34,175,141.27
16. Maintenance Expense - Production	2,778,500.36	3,158,935.04	2,704,801.00	3,158,935.04
17. Maintenance Expense - Transmission	280,781.95	315,086.59	303,708.00	315,086.59
18. Maintenance Expense - RTO/ISO	0.00	0.00	0.00	0.00
19. Maintenance Expense - Distribution	0.00	0.00	0.00	0.00
20. Maintenance Expense - General Plant	14,661.01	17,409.28	9,385.00	17,409.28
21. Total Maintenance Expense (16 thru 20)	3,073,943.32	3,491,430.91	3,017,894.00	3,491,430.91
22. Depreciation and Amortization Expense	2,859,500.22	3,396,407.46	3,439,077.00	3,396,407.46
23. Taxes	0.00	0.00	0.00	0.00
24. Interest on Long-Term Debt	3,945,132.92	3,823,910.12	3,769,061.00	3,823,910.12
25. Interest Charged to Construction - Credit	<123,669.00>	<69,840.00>	<789.00>	<69,840.00>
26. Other Interest Expense	21,240.44	13.80	0.00	13.80
27. Asset Retirement Obligations	0.00	0.00	0.00	0.00
28. Other Deductions	14,133.17	13,077.18	11,683.00	13,077.18
29. Total Cost Of Electric Service (15 + 21 thru 28)	45,303,856.67	44,830,140.74	49,010,333.00	44,830,140.74
30. Operating Margins (4 less 29)	66,129.44	2,045,935.80	4,262,521.00	2,045,935.80
31. Interest Income	29,794.50	5,655.03	4,689.00	5,655.03
32. Allowance For Funds Used During Construction	0.00	0.00	0.00	0.00
33. Income (Loss) from Equity Investments	0.00	0.00	0.00	0.00
34. Other Non-operating Income (Net)	2,322.12	0.00	0.00	0.00
35. Generation & Transmission Capital Credits	0.00	0.00	0.00	0.00
36. Other Capital Credits and Patronage Dividends	0.00	0.00	0.00	0.00
37. Extraordinary Items	0.00	0.00	0.00	0.00
38. Net Patronage Capital Or Margins (30 thru 37)	98,246.06	2,051,590.83	4,267,210.00	2,051,590.83

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION KY0062	
FINANCIAL AND OPERATING REPORT ELECTRIC POWER SUPPLY PART A - FINANCIAL		PERIOD ENDED Jan-12	
INSTRUCTIONS - See help in the online application.			
SECTION B. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	1,979,277,162.07	33. Memberships	75.00
2. Construction Work in Progress	52,248,462.80	34. Patronage Capital	
3. Total Utility Plant (1 + 2)	2,031,525,624.87	a. Assigned and Assignable	
4. Accum. Provision for Depreciation and Amort.	939,966,072.73	b. Retired This year	
5. Net Utility Plant (3 - 4)	1,091,559,552.14	c. Retired Prior years	
6. Non-Utility Property (Net)	0.00	d. Net Patronage Capital (a-b-c)	0.00
7. Investments in Subsidiary Companies	0.00	35. Operating Margins - Prior Years	<241,898,352.19>
8. Invest. In Assoc. Org. - Patronage Capital	3,648,302.71	36. Operating Margin - Current Year	2,045,935.80
9. Invest. in Assoc. Org. - Other - General Funds	684,993.00	37. Non-Operating Margins	639,003,192.23
10. Invest. In Assoc. Org. - Other - Nongeneral Funds	0.00	38. Other Margins and Equities	<7,278,744.80>
11. Investments in Economic Development Projects	10,000.00	39. Total Margins & Equities (33 + 34d thru 38)	391,872,106.04
12. Other Investments	5,333.85	40. Long-Term Debt - RUS (Net)	574,868,736.28
13. Special Funds	162,569,758.16	41. Long-Term Debt - FFB - RUS Guaranteed	0.00
14. Total Other Property And Investments (6 thru 13)	166,918,387.72	42. Long-Term Debt - Other - RUS Guaranteed	0.00
15. Cash - General Funds	5,785.00	43. Long-Term Debt - Other (Net)	142,100,000.00
16. Cash - Construction Funds - Trustee	0.00	44. Long-Term Debt - RUS - Econ. Devel. (Net)	0.00
17. Special Deposits	572,679.44	45. Payments - Unapplied	0.00
18. Temporary Investments	46,610,515.67	46. Total Long-Term Debt (40 thru 44-45)	716,968,736.28
19. Notes Receivable (Net)	0.00	47. Obligations Under Capital Leases - Noncurrent	0.00
20. Accounts Receivable - Sales of Energy (Net)	42,186,036.82	48. Accumulated Operating Provisions and Asset Retirement Obligations	23,159,279.81
21. Accounts Receivable - Other (Net)	<307,126.06>	49. Total Other NonCurrent Liabilities (47 + 48)	23,159,279.81
22. Fuel Stock	32,640,267.50	50. Notes Payable	0.00
23. Renewable Energy Credits	0.00	51. Accounts Payable	25,155,532.14
24. Materials and Supplies - Other	25,742,244.50	52. Current Maturities Long-Term Debt	77,025,594.12
25. Prepayments	4,001,637.54	53. Current Maturities Long-Term Debt - Rural Development	0.00
26. Other Current and Accrued Assets	933,023.34	54. Current Maturities Capital Leases	0.00
27. Total Current And Accrued Assets (15 thru 26)	152,385,063.75	55. Taxes Accrued	324,116.25
28. Unamortized Debt Discount & Extraor. Prop. Losses	2,076,451.32	56. Interest Accrued	3,610,112.18
29. Regulatory Assets	0.00	57. Other Current and Accrued Liabilities	9,603,967.50
30. Other Deferred Debits	1,857,470.19	58. Total Current & Accrued Liabilities (50 thru 57)	115,719,322.19
31. Accumulated Deferred Income Taxes	0.00	59. Deferred Credits	167,077,480.80
32. Total Assets And Other Debits (5+14+27 thru 31)	1,414,796,925.12	60. Accumulated Deferred Income Taxes	0.00
		61. Total Liabilities and Other Credits (39 + 46 + 49 + 58 thru 60)	1,414,796,925.12

RUS Financial and Operating Report Electric Power Supply Part A - Financial

Revision Date 2010