

DORSEY, GRAY, NORMENT & HOPGOOD
ATTORNEYS-AT-LAW

318 SECOND STREET
HENDERSON, KENTUCKY 42420

JOHN DORSEY (1920-1986)
STEPHEN D. GRAY
WILLIAM B. NORMENT, JR.
J. CHRISTOPHER HOPGOOD
S. MADISON GRAY
DAVIS L. HUNTER

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Oct. 27, 2015

RECEIVED

OCT 28 2015

PUBLIC SERVICE
COMMISSION

FEDEX

Mr. Jeff DeRouen
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601

Re: Kenergy
Case No. 2015-00~~38~~ 191

Dear Mr. DeRouen:

Pursuant to the directives in the Commission's order dated August 11, 2015, the actual amount of the loan from CFC is \$27,814,873 or \$21 less than that which was approved in the order. The savings from the refinance did not change appreciatively and is as was stated in the application.

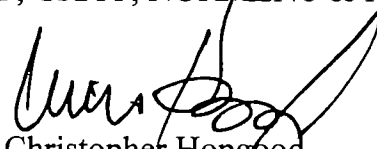
Three (3) copies of the CFC loan documents are enclosed.

Your assistance in this matter is appreciated.

Very truly yours,

DORSEY, GRAY, NORMENT & HOPGOOD

By


J. Christopher Hopgood
Counsel for Kenergy Corp.

JCH/cds

Encls.

COPY/w/o/encls.: Mr. Jeff Hohn, Kenergy
Mr. Steve Thompson, Kenergy

DORSEY, GRAY, NORMENT & HOPGOOD

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September 14, 2015

FEDEX

NRUCFC

Attn: Legal Assistant
20701 Cooperative Way
Dulles, VA 20166

RECEIVED

OCT 28 2015

PUBLIC SERVICE
COMMISSION

Re Kenergy Corp.
KY065-A-9014

Dear Sir/Madam:

I am counsel to Kenergy Corp. ("Kenergy").

Enclosed you will find:

1. A copy of the Kentucky Public Service Commission's Order approving the subject financing.
2. Both original counterparts of the Loan Agreement fully executed by Kenergy.
3. My original opinion of counsel.
4. A copy of each notice of refinancing of notes.
5. The certificate of resolutions and incumbency.
6. A copy of the Kentucky Secretary of State's acknowledgment of the filing of the UCC-1 Financing Statement.

In addition, Ranyer Bravo had asked for copies of Supplemental Mortgage dated August 18, 2004; Supplemental Mortgage dated September 1, 2005; Supplemental Mortgage dated November 3, 2008 and Supplemental Mortgage dated June 21, 2010.

In addition, we noted some typographical errors on the spreadsheet of historical recordings in each county. The October 6, 2004, mortgage in Webster County, Kentucky was

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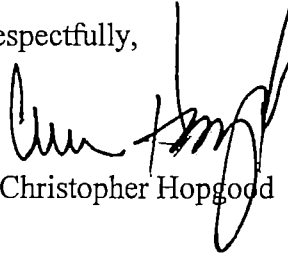
Page Two
September 14, 2015

recorded on October 8, 2004 and is at page "733" not "233" as currently stated. The January 15, 2009, mortgage in Livingston County is at page "326, not page "236."

Please notify me at once if there are any irregularities in what is enclosed.

We appreciate the patience and cooperation of your office in working with our firm and Kenergy.

Respectfully,

A handwritten signature in black ink, appearing to read "Chris Hopgood", written in a cursive style.

J. Christopher Hopgood

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENERGY CORP. FOR)	
AUTHORIZATION TO BORROW \$27,814,894)	
FROM CFC AND EXECUTE NECESSARY NOTES)	CASE NO.
AND TO PREPAY RURAL UTILITIES SERVICE)	2015-00191
TREASURY NOTES OF THE SAME AMOUNT)	

ORDER

On June 19, 2015, Kenergy Corp. ("Kenergy") filed its application seeking Commission authority to execute a note to National Rural Utilities Cooperative Finance Corporation ("CFC") in an amount up to \$27,814,894.¹ Kenergy intends to use the proceeds from the CFC loan to refinance and discharge part of its indebtedness to the Rural Utilities Service ("RUS"). Due to the lower interest rates offered by CFC, Kenergy projects a lifetime cash flow savings of approximately \$6,731,398² over the life of the loan by refinancing \$27,814,894.

As of April 30, 2015, Kenergy's outstanding balance of RUS debt was \$111,492,438.65.³ The outstanding RUS balance consists of debt with interest rates varying from 0 to 5.125 percent. Kenergy also has outstanding long-term debt with CFC and CoBank, ACB ("CoBank"). Its outstanding balance of CFC debt is \$968,699.86,

¹ Application at numbered paragraph 7.

² *Id.* at numbered paragraph 13.

³ *Id.*, Exhibit 1, Attachment A.

with an interest rate of 2.20 percent.⁴ Kenergy's outstanding balance of CoBank debt is \$19,811,041.15, with interest rates varying from 2.08 percent to 5.36 percent.⁵

Of its total outstanding RUS debt, Kenergy proposes to refinance 12 RUS loans in the aggregate amount of \$27,814,894, with interest rates varying from 4.47 percent to 5.13 percent under the CFC program.⁶ The refinancing of the RUS secured debt is permitted by RUS under Article 11, Section 2.02, of the RUS Mortgage. CFC's offer to refinance the RUS notes at a fixed interest rate of 4.11 percent expires November 9, 2015.⁷ In its application, Kenergy stated that the closing date was scheduled for October 2, 2015,⁸ and to facilitate closing the new loan by that date, Kenergy has requested an order by September 25, 2015.⁹ On August 7, 2015, Kenergy filed a notice informing the Commission that RUS had established a closing date of October 21, 2015.

Kenergy proposes to execute one note in conjunction with the borrowing from CFC at a fixed interest rate of 4.11 percent.¹⁰ The new CFC note will be amortized for a period of 22.5 years,¹¹ and the principal repayment schedule will be slightly less than

⁴ *Id.*

⁵ *Id.*

⁶ Application, Exhibit 2, Attachment B at 2. In paragraph 8 of the application, Kenergy indicated that it expects the actual payoff to be very close to \$27,814,894.

⁷ See cover letter accompanying Kenergy's application.

⁸ See Kenergy's Response to Commission Staff's Informal Conference Information Request. RUS has informed Kenergy that the first available closing date is approximately October 15, 2015.

⁹ See cover letter accompanying Kenergy's application.

¹⁰ Application at numbered paragraph 7.

¹¹ Kenergy's Response to Commission Staff's Initial Request for Information ("Staff's First Request"), Item 1.

the consolidated principal payments of the refinanced RUS notes.¹² The weighted average life of the new CFC note will be 12.56 years, which is slightly less than the weighted average remaining life of the RUS notes selected for refinancing of 14.69 years.¹³ Kenergy provided a cash flow analysis which indicates it would save \$6,731,398 over the life of the proposed loan.¹⁴ The net present value of the cash flow savings was provided as part of the analysis prepared by CFC for Kenergy. CFC determined that the fixed interest rate would result in a positive net present value cash flow of \$2,849,389 at an effective interest rate of 3.85 percent.¹⁵

The Commission has reviewed the proposed refinancing and finds Kenergy's proposal reasonable. Kenergy has determined that it can refinance a portion of its RUS debt at a lower effective interest rate and experience cash flow savings over the period of the loan. The Commission commends Kenergy for taking advantage of the financing alternatives available to it, thereby securing savings for itself and its member-consumers.

The final amounts of the RUS payoff and the new CFC loan will not be known until the refinancing transaction is finalized. Therefore, Kenergy should provide the Commission with the exact amount of the new CFC loan within ten days of finalizing the transaction. In addition, Kenergy should provide an updated version of Exhibit 2,

¹² Application, Exhibit 2, Attachment B at 3.

¹³ Kenergy's Response to Staff's First Request, Item 1.b.

¹⁴ Application, Exhibit 2, Attachment B at 3.

¹⁵ Kenergy's Response to Staff's First Request, Item 3.b.

Attachment B, page 3, of its application reflecting the cash flow analysis of the new CFC loan.

The Commission, after consideration of the evidence of record and being sufficiently advised, finds that:

1. The loan from CFC is for lawful objects within the corporate purposes of Kenergy, is necessary and appropriate for and consistent with the proper performance by the utility of its service to the public, will not impair its ability to perform that service, is reasonable, necessary, and appropriate for such purposes, and should be approved.

2. Kenergy should execute its note as security for the proposed loan in the manner described in its application.

3. Within ten days of finalizing the refinancing transaction, Kenergy should notify the Commission in writing of the exact amount of the new CFC loan. Kenergy should include with the notice an updated version of Exhibit 2, Attachment B, page 3, of its application reflecting the savings based on the actual amount of the new CFC loan.

4. Within ten days of the execution of the new CFC loan documents, Kenergy should file with the Commission three copies of the loan documents.

5. The proceeds from the proposed loan should be used only for the lawful purposes set out in Kenergy's application.

6. The terms and conditions of the new CFC loan should be consistent with the CFC refinancing program as described in Kenergy's application.

IT IS THEREFORE ORDERED that:

1. Kenergy is authorized to borrow from CFC up to \$27,814,894, but no more than the total amount needed to pay off the RUS notes proposed to be refinanced as

identified in the application. The loan maturity date and interest rate shall be in accordance with the CFC refinancing program as described in Kenergy's application.

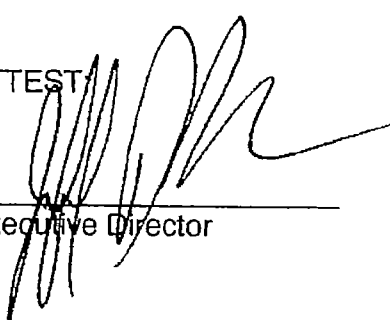
2. Kenergy shall execute the CFC loan documents as authorized herein.
3. Kenergy shall comply with all matters set out in Findings 3 through 6 as if they were individually so ordered.
4. Any documents filed in the future pursuant to Findings 3 and 4 herein shall reference this case number and shall be retained in the utility's general correspondence file.

Nothing contained herein shall be deemed a warranty or finding of value of securities or financing authorized herein on the part of the Commonwealth of Kentucky or any agency thereof.

By the Commission

ENTERED ⁰⁹
AUG 11 2015
KENTUCKY PUBLIC SERVICE COMMISSION

ATTEST



Executive Director

Case No. 2015-00191

*J. Christopher Hopgood
Dorsey, Gray, Norment & Hopgood
318 Second Street
Henderson, KENTUCKY 42420

*Kenergy Corp.
6402 Old Corydon Road
P. O. Box 18
Henderson, KY 42419

*Steve Thompson
Vice President Finance
Kenergy Corp.
P.O. Box 1389
Owensboro, KENTUCKY 42302

DORSEY, GRAY, NORMENT & HOPGOOD

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S. MADISON GRAY
DAVIS L. HUNTER

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September 9, 2015

National Rural Utilities Cooperative Finance Corporation
20701 Cooperative Way
Dulles, Virginia 20166
Attn: General Counsel

Re: KENERGY CORP.
Loan Designation KY065-A-9014

Dear Madam:

I am counsel for KENERGY CORP., a corporation organized under the laws of the Commonwealth of Kentucky ("Borrower"), and render this opinion to you in connection with the loan of \$27,814,894.33, provided for in the Loan Agreement, dated as of September 8, 2015, made by and between the Borrower and National Rural Utilities Cooperative Finance Corporation ("CFC") (the "Loan Agreement").

I have examined such corporate records and proceedings of the Borrower, and such other documents as I have deemed necessary as a basis for the opinions hereinafter expressed.

I have also examined the following documents as executed and delivered:

- (1) the Loan Agreement;
- (2) the Secured Promissory Note ("Note"), dated as of September 8, 2015, in the principal amount of \$27,814,894.33, said Note payable to the order of CFC;
- (3) the Restated Mortgage and Security Agreement, dated as of July 1, 2003, made by and among the Borrower, the United States of America, CoBank, ACB and CFC as it may have been supplemented, amended, consolidated or restated from time to time ("Mortgage"); and
- (4) a UCC-1 Financing Statement as authorized by the Borrower and filed as described herein ("Financing Statement").

The Loan Agreement, the Note and the Mortgage are collectively referred to herein as the "Loan Documents."

I have also examined the records and files of all offices in which there might be recorded, filed or indexed evidence of the Borrower's title, and any liens of any nature whatsoever affecting the title,

to any real or personal property of the Borrower, other than easements or rights of way relating to the electric lines of the Borrower.

I have supervised, examined, or caused to be examined by competent and trustworthy persons, (i) the recordation of the Mortgages as mortgages of real property in the counties of Breckinridge, Hancock, Ohio, Daviess, McLean, Henderson, Union, Webster, Hopkins, Crittenden, Lyon, Caldwell, Muhlenberg and Livingston, in the State of Kentucky; and (ii) the filing of the Financing Statement with the Secretary of State of the Commonwealth of Kentucky and in such other locations necessary to provide CFC with a perfected lien on all of Borrower's Mortgaged Property (as defined in the Mortgage) to the extent set forth below. All taxes, recording and filing fees required to be paid in connection with the recording of the Mortgage and the filing of the Financing Statement have been paid.

Based upon the foregoing, I am of the opinion that:

(i) the Borrower is a duly organized, validly existing corporation and in good standing under the laws of the jurisdiction of its organization, and the Borrower has full corporate power (a) to execute and deliver the Loan Documents; (b) to perform all acts required to be done by it under the Loan Documents; and (c) to own, operate and maintain its properties and operate its business as conducted at the date of this opinion;

(ii) to the extent reasonably required for the maintenance and operation of its properties and business taken as a whole, the Borrower has complied with all requirements of the laws of all states in which it operates or does business and, to the extent reasonably required to enable the Borrower to engage in the business currently transacted by it, the Borrower holds all certificates, licenses, consents or approvals of governmental authorities required to be obtained on or prior to the date of this opinion;

(iii) the Loan Documents have been duly authorized, executed and delivered by the Borrower to CFC and constitute the valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with their respective terms, provided, however, that: (A) enforceability may be limited by bankruptcy, insolvency or other similar laws of general application relating to or affecting the enforcement of creditors' rights; and (B) applicable law may limit or impose conditions upon the exercise of certain remedies included in the Loan Documents, but such limitations or conditions will not affect the validity of the Loan Documents, each of which contains adequate enforceable provisions for the practical realization of the substantive benefits purported to be afforded thereby;

(iv) the execution, delivery and performance by the Borrower of the Loan Documents, and the transactions contemplated thereby will not violate any provision of law, the articles of incorporation, or bylaws of the Borrower, or result in the 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, known to the undersigned;

v) all authorizations from regulatory bodies required in connection with the execution, delivery and performance of the Loan Documents, including, without limitation, the Federal Energy Regulatory Commission and/or the state public utility commission, if applicable, have been obtained and copies thereof are attached hereto;

(vi) I know of no legal proceedings pending or threatened against or affecting the Borrower or its property which, if adversely determined, would have a material adverse effect upon the business, operations or financial condition of the Borrower; and

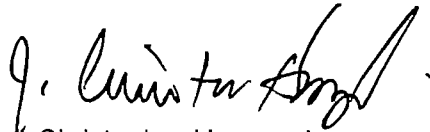
(vii) the Mortgage and Financing Statement create a validly recorded, filed and perfected lien on, and security interest in, all of Borrower's real and personal property, including, without limitation, all such property of the Borrower acquired after the date of execution of the Mortgage, securing Borrower's obligations under the Note and the Loan Agreement subject and subordinate only to those liens and encumbrances expressly permitted by the Mortgage;^[3] and

Although the parties have agreed that the Loan Agreement and the Note shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia, if a court were to hold that the Loan Agreement is to be governed by and construed in accordance with the laws of the Commonwealth of Kentucky, the Loan Agreement and the Note would under the laws of the Commonwealth of Kentucky, be legal, valid and binding obligations of the Borrower enforceable against the Borrower in accordance with their respective terms, subject as to enforceability only to those qualifications referenced in proviso (iii), above.

Sincerely,

DORSEY, GRAY, NORMENT & HOPGOOD

By



J. Christopher Hopgood
Counsel for Kenergy Corp.

JCH/cds



P.O. Box 18 ♦ 6402 Old Corydon Road
Henderson, Kentucky 42419-0018
(270) 826-3991 ♦ FAX (270) 826-3999
(800) 844-4832

National Rural Utilities Cooperative Finance Corporation
20701 Cooperative Way
Dulles, Virginia 20166

CoBank
5500 South Quebec Street
Greenwood Village, Colorado 80111
Attention: Communications and Energy Banking Group

Rural Utilities Service
United States Department of Agriculture
Washington, DC 20250-1500

Date: September 8, 2015

Re: Notice of Refinancing or Refunding Notes

Ladies and Gentlemen:

This correspondence serves as notice to you under Section 2.02 of that certain Restated Mortgage and Security Agreement, dated as of July 1, 2003, among KENERGY CORP. (the "Cooperative"), National Rural Utilities Cooperative Finance Corporation ("CFC"), CoBank, ACB and the United States of America, acting through the Administrator of the Rural Utilities Service ("RUS") (the "Mortgage"). You are hereby notified that the Cooperative intends to refinance certain of its indebtedness with RUS and in connection therewith, will issue Additional Notes to CFC under and as defined in the Mortgage, in an amount not to exceed the lesser of \$27,814,894.33 and 105% of the then outstanding principal balance of the Note or Notes being refunded or refinanced. Under the terms of the Mortgage, these Notes will, upon issuance, be secured equally and ratably with all other Notes under the Mortgage.

Very truly yours,

BORROWER
KENERGY CORP.

By: *Robert S. White*

Robert S. White
Board Chairman

CERTIFICATE OF RESOLUTIONS AND INCUMBENCY

I, **BRENT WIGGINTON**, do hereby certify that (i) I am the Secretary of KENERGY CORP. (hereinafter called the "Cooperative"); (ii) the following are true and correct copies of resolutions duly adopted by the board of directors of the Cooperative at a meeting held on August 11, 2015; (iii) the meeting was duly and regularly called and held in accordance with the articles and bylaws of the Cooperative; (iv) the Cooperative is duly incorporated, validly existing and in good standing under the laws of the state of its incorporation and there is no pending or contemplated proceeding for the merger, consolidation, sale of assets or business or dissolution of the Cooperative; (v) forms of the loan documents were submitted to the meeting and were authorized by the board of directors to be executed; (vi) none of the following resolutions has been rescinded or modified as of this date; and (vii) the persons authorized below have been duly elected or appointed to their respective positions and occupied such positions on the date of actual execution of the loan documents:

RESOLVED, that the Cooperative borrow from National Rural Utilities Cooperative Finance Corporation ("CFC"), from time to time as determined by the persons designated by the board of directors of the Cooperative, an aggregate amount not to exceed \$27,814,894.33, as set forth in the loan agreement with CFC governing such loan, substantially in the form of the loan agreement presented to this meeting (the "Loan Agreement");

RESOLVED, that the proceeds of this loan be used to refinance certain of the Cooperative's existing indebtedness with its other lenders;

RESOLVED, that the individuals listed below are hereby authorized to execute and deliver to CFC the following documents:

- (a) as many counterparts as shall be deemed advisable of the Loan Agreement;
- (b) one or more secured promissory notes payable to the order of CFC, which in the aggregate shall not exceed the principal amount of \$27,814,894.33, substantially in the form of the note(s) presented to this meeting; and
- (c) if required by CFC, an amended, restated or supplemental mortgage, security agreement and financing statement with CFC and the United States of America as mortgagees for purposes of securing the loan provided for herein, in such form as the individuals authorized herein may negotiate with CFC.

RESOLVED, that each of the following individuals is hereby authorized in the name and on behalf of the Cooperative to execute and to deliver all such other documents and instruments as may be necessary or appropriate, to make all payments, to execute any future amendments to said Loan Agreement as such individual may deem appropriate within the amount of the promissory notes so authorized herein and to do all such other acts as in the opinion of such authorized individual acting may be necessary or appropriate in order to carry out the purposes and intent of the foregoing resolutions:

<u>Title or Office</u>	<u>Name (typed or printed)</u>
Chairman	Robert S. White
Vice Chairman	William H. Reid
Secretary-Treasurer	Brent Wigginton

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Cooperative this 8th day of September, 2015.


Secretary

SECURED PROMISSORY NOTE

\$27,814,894.33

dated as of September 8, 2015

KENERGY CORP., a Kentucky corporation (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 TWENTY SEVEN MILLION EIGHT HUNDRED FOURTEEN THOUSAND EIGHT HUNDRED NINETY FOUR AND 33/100 U.S.DOLLARS (\$27,814,894.33), 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 twenty three (23) years and six (6) months from the date of the Loan Agreement (such date herein called the "Maturity Date") *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 a Restated Mortgage and Security Agreement, dated as of July 1, 2003, among the Borrower, the Payee, CoBank, ACB and the United States of America, as it may have been or shall be supplemented, amended, consolidated or restated from time to time ("Mortgage"). 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 Mortgage 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.

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.

KENERGY CORP.

(SEAL)

By: Robert S. White
Name: Robert S. White
Title: Board Chairman

Attest: Bonnie Helwig
Secretary

Loan No. KY065-A-9014

LOAN AGREEMENT

LOAN AGREEMENT (this "Agreement") dated as of September 8, 2015 between KENERGY CORP. ("Borrower"), a 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 a loan or a series of loans for the purpose of refinancing certain of its existing indebtedness, as more fully described on Schedule 1 hereto, and CFC is willing to make such a loan to the Borrower on the terms and conditions stated herein; and

WHEREAS, the Borrower has agreed to execute one or more secured 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 For purposes of this Agreement, the following capitalized terms shall have the following meanings (such definitions to 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 Mortgage.

"Accounting Requirements" shall mean any system of accounts prescribed by a federal regulatory authority having jurisdiction over the Borrower (including but not limited to that prescribed by the financial and statistical report required by RUS, commonly known as the "RUS Form 7"), or in the absence thereof, the requirements of GAAP applicable to businesses similar to that of the Borrower.

"Advance" shall mean each advance of funds by CFC to the Borrower pursuant to the terms and conditions of this Agreement.

"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.

"Average DSC Ratio" shall mean the average of the Borrower's two highest annual DSC Ratios during the most recent three calendar years.

"Billing Cycle" shall mean any 3-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.

"CFC Commitment" shall have the meaning ascribed to it 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 by the parties and reflected on the written requisition for funds in the form attached as Exhibit A hereto.

"CFC Fixed Rate Term" shall mean the specific period of time that a CFC Fixed Rate is in effect for an Advance.

"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 on the written requisition for funds in the form attached as Exhibit A hereto.

"CoBank" shall mean CoBank, ACB, a federally chartered instrumentality of the United States.

"Conversion Request" shall mean a written request to CFC from any duly authorized officer or other employee of the Borrower requesting an interest rate conversion available pursuant to the terms of this Agreement.

"Debt Service Coverage ("DSC") Ratio" shall mean the ratio determined as follows: for any calendar year add (i) Operating Margins, (ii) Non-Operating Margins—Interest, (iii) Interest Expense, (iv) Depreciation and Amortization Expense, and (v) cash received in respect of generation and transmission and other capital credits, and divide the sum so obtained by the sum of all payments of Principal and Interest Expense required to be made during such calendar year; provided, however, that in the event that any amount of Long-Term Debt has been refinanced during such year, the payments of Principal and Interest Expense required to be made during such year on account of such refinanced amount of Long-Term Debt shall be based (in lieu of actual payments required to be made on such refinanced amount of Long-Term Debt) upon the larger of (i) an annualization of the payments required to be made with respect to the refinancing debt during the portion of such year such refinancing debt is outstanding or (ii) the payment of Principal and Interest Expense required to be made during the following year on account of such refinancing debt.

"Default Rate" shall mean a rate per annum equal to the interest rate in effect for an Advance plus two hundred (200) basis points.

"Depreciation and Amortization Expense" shall mean an amount constituting the depreciation and amortization of the Borrower computed pursuant to Accounting Requirements.

"Distributions" shall mean, with respect to the Borrower, any dividend, patronage refund, patronage capital retirement or cash distribution to its members, or consumers (including but not limited to any general cancellation or abatement of charges for electric energy or services furnished by the Borrower). The term "Distribution" shall *not* include (a) a distribution by the

Borrower to the estate of a deceased patron, (b) repayment by the Borrower of a membership fee upon termination of a membership, or (c) any rebate to a patron resulting from a cost abatement received by the Borrower, such as a reduction of wholesale power cost previously incurred.

"Draw Period" shall mean the period of beginning on the date hereof and ending on the date that is one year thereafter.

"Environmental Laws" shall mean all 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.

"Equity" shall mean the aggregate of the Borrower's equities and margins computed pursuant to Accounting Requirements.

"Event of Default" shall have the meaning ascribed to it in Article VI hereof.

"GAAP" shall mean generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board.

"Governmental Authority" shall mean the government of the United States of America, any other nation or government, 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 designated as hazardous or toxic or as a pollutant or contaminant under any Environmental Law.

"Interest Expense" shall mean an amount constituting the interest expense with respect to Long-Term Debt of the Borrower computed pursuant to Accounting Requirements. In computing Interest Expense, there shall be added, to the extent not otherwise included, an amount equal to 33-1/3% of the excess of Restricted Rentals paid by the Borrower over 2% of the Borrower's Equity.

"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.

"LCTC Purchase Provisions" shall mean the specific conditions and covenants in any Prior Loan Document requiring the Borrower to purchase subordinated debt instruments issued by CFC that may be referred to in Prior Loan Documents as "LCTCs", "Loan Capital Term Certificates", "Capital Certificates", "Equity Certificates", "Subordinated Term Certificates" or instruments with other like designations.

"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 Mortgage and all other documents or instruments executed, delivered or executed and delivered by the Borrower and evidencing, securing, governing or otherwise pertaining to the loan made by CFC to the Borrower pursuant to this Agreement.

"Long-Term Debt" shall mean an amount constituting the long-term debt of the Borrower computed pursuant to Accounting Requirements.

"Make-Whole Premium" shall mean, with respect to any principal sum of a CFC Fixed Rate Advance paid prior to the expiration of the CFC Fixed Rate Term applicable thereto (the "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 government security 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 government security yields dated 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 government security 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.

"Maturity Date" with respect to each Note shall have the meaning ascribed to it therein.

"Mortgage" shall have the meaning ascribed to it in Schedule 1 hereto.

"Mortgagee" shall mean each of CFC, RUS, and CoBank, and each other lender which shall hereafter become a mortgagee under the terms of the Mortgage.

"Mortgaged Property" shall have the meaning ascribed to it in the Mortgage.

"Non-Operating Margins-Interest" shall mean the amount representing the interest component of non-operating margins of the Borrower computed pursuant to Accounting Requirements.

"Note" or "Notes" shall mean each 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.

"Obligations" shall mean any and all liabilities, obligations or indebtedness owing by the Borrower to CFC, 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.

"Operating Margins" shall mean the amount of patronage capital and operating margins of the Borrower computed pursuant to Accounting Requirements.

"Payment Date" shall mean the last day of each of the months referred to in Schedule 1.

"Permitted Encumbrances" shall have the meaning ascribed to it in the Mortgage.

"Person" shall mean natural persons, cooperatives, corporations, limited liability companies, limited partnerships, general partnerships, limited liability partnerships, joint ventures, associations, companies, trusts or other organizations, irrespective of whether they are legal entities, and Governmental Authorities.

"Prepayment Administrative Fee" shall mean an amount equal to thirty three one-hundredths of one percent (0.33%) of the amount being prepaid.

"Principal" shall mean the amount of principal billed on account of Long-Term Debt of the Borrower computed pursuant to Accounting Requirements.

"Prior Loan Documents" shall mean, collectively, all long term loan agreements entered into prior to the date hereof by and between CFC and the Borrower, and all promissory notes delivered pursuant thereto secured under the Mortgage, other than loan agreements and notes or bonds representing loans sold, transferred assigned or otherwise endorsed by CFC to a purchaser thereof.

"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 (3) years and covering property having an initial cost in excess of \$250,000 other than automobiles, trucks, trailers, other vehicles (including without limitation aircraft and ships), office, garage and warehouse space and office equipment (including without limitation computers).

"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 entity performing such duties at such time.

"Subsidiary" as to any Person, shall mean a corporation, partnership, limited partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise qualified, all references to a "Subsidiary" or to "Subsidiaries" in this Agreement shall refer to a Subsidiary or Subsidiaries of the Borrower.

"Total Assets" shall mean an amount constituting the total assets of the Borrower computed pursuant to Accounting Requirements.

"Total Utility Plant" shall mean the amount constituting the total utility plant of the Borrower computed pursuant to Accounting Requirements.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.01 The Borrower represents and warrants to CFC that as of the date of this Agreement:

A. Good Standing. The Borrower is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization, 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.

B. 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.

C. Authority; Validity. The Borrower has the power and authority to enter into this Agreement, the Note and the Mortgage; 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 Mortgage, 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 Mortgage 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.

D. No Conflicting Agreements. The execution and delivery of the Loan Documents and performance by the Borrower of the obligations thereunder, and the transactions contemplated hereby or thereby, will not: (i) violate any provision of law, any order, rule or regulation of any court or other Governmental Authority, any award of any arbitrator, the articles of incorporation or by-laws of the Borrower, or any indenture, 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, indenture, contract, agreement, mortgage, deed of trust or other instrument, or result in the creation or imposition of any Lien (other than contemplated hereby) upon any of the property or assets of the Borrower.

The Borrower is not in default of any of its obligations to RUS or, in any material respect, under any agreement or instrument to which it is a party or by which it is bound and no event or condition exists which constitutes a default, or with the giving of notice or lapse of time, or both, would constitute a default under any such agreement or instrument.

E. Taxes. The Borrower, and each of its Subsidiaries, 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 Authority charges and levies thereon, including interest and penalties to the extent that such taxes, assessments, and Governmental Authority charges and levies have become due, except for such taxes, assessments, and Governmental Authority charges and levies which the Borrower or any Subsidiary is contesting in good faith by appropriate proceedings for which adequate reserves have been set aside.

F. 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.

G. Litigation. There are no outstanding judgments, suits, claims, actions or proceedings pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower, its Subsidiaries or any of their respective properties which, if adversely determined, either individually or collectively, would have a material adverse effect upon the business, operations, prospects, assets, liabilities or financial condition of the Borrower or its Subsidiaries. The Borrower and its Subsidiaries are not, to the Borrower's knowledge, in default or violation with respect to any judgment, order, writ, injunction, decree, rule or regulation of any Governmental Authority which would have a material adverse effect upon the business, operations, prospects, assets, liabilities or financial condition of the Borrower or its Subsidiaries.

H. Financial Statements. The balance sheet of the Borrower as at the date identified in Schedule 1 hereto, the statement of operations of the Borrower for the period ending on said date, and the interim financial statements of the Borrower, all heretofore furnished to CFC, are complete and correct. Said balance sheet fairly presents the financial condition of the Borrower as at said date and said statement of operations fairly reflects its operations for the period ending on said date. The Borrower has no contingent obligations or extraordinary forward or long-term commitments except as specifically stated in said balance sheet or herein. There has been no material adverse change in the financial condition or

operations of the Borrower from that set forth in said financial statements except changes disclosed in writing to CFC prior to the date hereof.

I. 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.

J. Required Approvals. No license, consent or approval of any Governmental Authority is required to enable the Borrower to enter into this Agreement, the Note and the Mortgage, or to perform any of its Obligations provided for in such documents, including without limitation (and if applicable), that of any state public utilities commission and any state public service commission, except as disclosed in Schedule 1 hereto, all of which the Borrower has obtained prior to the date hereof.

K. Compliance With Laws. The Borrower and each Subsidiary is in compliance, in all material respects, with all applicable requirements of law and all applicable rules and regulations of each Governmental Authority.

L. Disclosure. To the Borrower's knowledge, information and belief, neither this Agreement nor any document, certificate or financial statement furnished to CFC by or on behalf of the Borrower in connection herewith (all such documents, certificates and financial statements, taken as a whole) 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 misleading.

M. No Other Liens. As to property which is presently included in the description of Mortgaged Property, 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 with respect to assets owned by it, other than security agreements, mortgages and financing statements in favor of any of the Mortgagees, except as disclosed in writing to CFC prior to the date hereof or relating to Permitted Encumbrances.

N. Environmental Matters. Except as to matters which individually or in the aggregate would not have a material adverse effect upon the business or financial condition of the Borrower or its Subsidiaries, (i) the Borrower is in compliance with all Environmental Laws (including, but not limited to, having any required permits and licenses), (ii) there have been no releases (other than releases remediated in compliance with Environmental Laws) from any underground or aboveground storage tanks (or piping associated therewith) that are or were present at the Mortgaged Property, (iii) the Borrower has not received written notice or claim of any violation of any Environmental Law, (iv) there is no pending investigation of Borrower in regard to any Environmental Law, and (v) to the best of the Borrower's knowledge, there has not been any release or contamination (other than releases or contamination remediated in compliance with Environmental Laws) resulting from the presence of Hazardous Materials on property owned, leased or operated by the Borrower.

ARTICLE III

LOAN

Section 3.01 Advances. CFC agrees to make one or more Advances for the purpose of refinancing certain of Borrower's existing indebtedness, as more fully described on Schedule 1 hereto, in an aggregate principal amount not to exceed the CFC Commitment. The total amount of outstanding indebtedness evidenced by the Note shall not be greater than 105% of the then outstanding principal balance of the note or notes under the Mortgage being refunded or refinanced. The Borrower shall not request, and CFC shall have no obligation to advance, an amount greater than 105% of the then outstanding principal balance of the note or notes under the Mortgage being refunded or refinanced.

The Borrower shall give CFC written notice of the date on which each Advance is to be made. Advances shall be remitted by CFC directly to the lender whose indebtedness the Borrower is refinancing. Borrower shall provide CFC with wiring instructions and/or such other information as is necessary to remit funds pursuant hereto.

At the end of the Draw Period, CFC shall have no further obligation to make Advances. The obligation of the Borrower to repay the Advances shall be evidenced by one or more Notes.

Section 3.02 Interest Rate and Payment. Notes shall be payable and bear interest as follows:

A. Payments; Maturity, Amortization.

(i) Each Note shall have a Maturity Date as set forth therein, *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) The principal amount of each Advance shall amortize over a period not to exceed twenty three (23) years and six (6) months from the date of such Advance according to the amortization method set forth in Schedule 1 hereto, *provided, however*, that such period shall not extend beyond the Maturity Date.

For each Advance, the Borrower shall promptly pay interest in the amount invoiced on each Payment Date until the first Payment Date of the Billing Cycle in which the Amortization Basis Date occurs. On such Payment Date, and on each Payment Date thereafter, the Borrower shall promptly pay interest and principal in the amounts invoiced. 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. The amortization method for each Advance shall be as stated on Schedule 1 or, if not so stated, then as stated on the written requisition for such Advance submitted by the Borrower to CFC pursuant to the terms hereof.

(iii) 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.

(iv) No provision of this Agreement or of any Note shall require the payment, or permit the collection, of interest in excess of the highest rate permitted by applicable law.

(v) Notwithstanding anything to contrary contained herein, the weighted average life of a Note shall not be greater than the weighted average remaining life of the notes being refinanced with the proceeds of such Note.

B. Application of Payments. Each payment shall be applied to the Obligations as follows: (i) first, to any fees, costs, expenses or charges due other than interest or principal, (ii) second, to interest accrued and unpaid, and (iii) third, the balance, if any, to the outstanding principal balance.

C. Selection of Interest Rate and Interest Rate Computation. Prior to each Advance on a 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 an Advance, then such rate shall be in effect for the CFC Fixed Rate Term selected by the Borrower. CFC shall provide the Borrower with at least sixty (60) days prior written or electronic notice of 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. CFC agrees that its long-term loan policies will include a fixed interest rate option until the Maturity Date. For any Advance, the Borrower may not select a CFC Fixed Rate with a CFC Fixed Rate Term that extends beyond the Maturity Date. Interest on 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.

(ii) **CFC Variable Rate.** If the Borrower selects the CFC Variable Rate for an 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 Borrower may at any time exercise any or all of the following interest rate conversion options by submitting a Conversion Request. The effective date of the interest rate conversion shall be determined by CFC pursuant to its policies of general application.

A. CFC Variable Rate to a CFC Fixed Rate. The Borrower may convert the interest rate on an outstanding Advance from the CFC Variable Rate to a CFC Fixed Rate without a fee. Upon such conversion, the new interest rate shall be the CFC Fixed Rate in effect on the date of the Conversion Request for the CFC Fixed Rate Term selected by the Borrower.

B. CFC Fixed Rate to CFC Variable Rate. The Borrower may convert the interest rate on an outstanding Advance from a CFC Fixed Rate to the CFC Variable Rate, provided that the Borrower promptly pays the invoiced amount for 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. Upon such conversion, the new interest rate shall be the CFC Variable Rate in effect on the date of the Conversion Request.

C. A CFC Fixed Rate to Another CFC Fixed Rate. The Borrower may convert the interest rate on an outstanding Advance from a CFC Fixed Rate to a different CFC Fixed Rate by selecting a different CFC Fixed Rate Term, provided that the Borrower promptly pays the invoiced amount for 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. Upon such conversion, the new interest rate shall be the CFC Fixed Rate in effect on the date of the Conversion Request for the new CFC Fixed Rate Term selected by the Borrower.

Section 3.04 Optional Prepayment. The Borrower may at any time, on not less than thirty (30) days prior written notice to CFC, prepay any Advance, in whole or in part. In the event the Borrower prepays all or any part of an Advance (regardless of the source of such prepayment and whether voluntary, by acceleration or otherwise), the Borrower shall pay any Prepayment Administrative 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 (i) first to any fees, costs, expenses or charges due hereunder other than interest or principal, (ii) second, to the payment of accrued and unpaid interest, and (iii) third, the balance, if any, to the outstanding principal balance of the applicable 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 Administrative 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 Administrative Fee, or (b) any other Business Day, provided that the Borrower pays together therewith the Prepayment Administrative Fee and any applicable Make-Whole Premium.

Section 3.05 Mandatory Prepayment. If there is a change in the Borrower's corporate structure (including without limitation by merger, consolidation, conversion or acquisition), then upon the effective date of such change, (a) the Borrower shall no longer have the ability to request, and CFC shall have no obligation to make, Advances hereunder and (b) the Borrower shall prepay the outstanding principal balance of all Obligations, together with any accrued but unpaid interest thereon, any unpaid costs or expenses provided for herein, and a prepayment premium as set forth in any agreement between the Borrower and CFC with respect to any such Obligation or, if not specified therein, as prescribed by CFC pursuant to its policies of general application in effect from time to time.

Notwithstanding the foregoing, if after giving effect to such change in the Borrower's corporate structure, Borrower, or its successor in interest, is engaged in the furnishing of electric utility services to its members and patrons for their use as ultimate consumers and is organized as a cooperative, nonprofit corporation, public utility district, municipality, or other public governmental body, Borrower shall retain the ability to request, and CFC shall retain the

obligation to make, Advances hereunder and no prepayment shall be required under this Section 3.05.

Section 3.06 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 days thereafter, then beginning on the thirty-first day after the Payment Date and for so long as such default continues, Advances shall bear interest at the Default Rate.

ARTICLE IV

CONDITIONS OF LENDING

Section 4.01 Conditions Precedent to Closing. The obligation of CFC to make Advances hereunder shall not become effective until the date on which the following conditions precedent have been satisfied:

A. Legal Matters. All legal matters incident to the consummation of the transactions hereby contemplated shall be satisfactory to counsel for CFC.

B. Representations and Warranties. The representations and warranties contained in Article II shall be true on the date hereof.

C. Closing Deliverables. CFC shall have been furnished with the following, in form and substance satisfactory to CFC:

(i) Documents. (a) the executed Loan Documents, (b) certified copies of all such organizational documents and proceedings of the Borrower authorizing the transactions hereby contemplated as CFC shall require, (c) an opinion of counsel for the Borrower addressing such legal matters as CFC shall reasonably require, and (d) all other such documents as CFC may reasonably request.

(ii) Government Approvals. True and correct copies of all certificates, authorizations, consents, permits and licenses from Governmental Authorities (including RUS) necessary for the execution or delivery of the Loan Documents or performance by the Borrower of the obligations thereunder.

D. Mortgage Recordation. The Mortgage (and any amendments, supplements or restatements as CFC may require from time to time) 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 CFC a Lien, subject to Permitted Encumbrances, on all of the Borrower's real property, all in accordance with all applicable laws, rules and regulations, and the Borrower shall have paid all applicable taxes, recording and filing fees and caused satisfactory evidence thereof to be furnished to CFC.

E. UCC Filings. Uniform Commercial Code financing statements (and any continuation statements and other amendments thereto that CFC shall require from time to time) 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 CFC a perfected security interest, subject to Permitted Encumbrances, in the Mortgaged Property which may be perfected by the filing of a financing statement, all in accordance with all applicable laws, rules

and regulations, and the Borrower shall have paid all applicable taxes, recording and filing fees and caused satisfactory evidence thereof to be furnished to CFC.

F. Notification of Refinancing. On or before the first Advance, Borrower shall have notified each Mortgagee of the refunding or refinancing contemplated herein, as required by Section 2.02 of the Mortgage, with such notice to be in form and substance satisfactory to CFC.

G. Special Conditions of Closing. CFC shall be fully satisfied that the Borrower has complied with all special conditions of closing identified in Schedule 1 hereto.

Section 4.02 Conditions to Advances. The obligation of CFC to make each Advance hereunder is additionally subject to satisfaction of the following conditions:

A. Requisitions. The Borrower will requisition each Advance by submitting its written requisition to CFC, in form and substance satisfactory to CFC. Requisitions for Advances shall be made only for the purposes set forth in Schedule 1 hereto.

B. Representations and Warranties; Default. The representations and warranties contained in Article II shall be true on the date of the making of each Advance hereunder with the same effect as though such representations and warranties had been made on such date; no Event of Default and no event which, with the lapse of time or the notice and lapse of time would become such an Event of Default, shall have occurred and be continuing or will have occurred after giving effect to each Advance on the books of the Borrower; there shall have occurred no material adverse change in the business or condition, financial or otherwise, of the Borrower; and nothing shall have occurred which in the opinion of CFC materially and adversely affects the Borrower's ability to perform its obligations hereunder.

C. Other Information. The Borrower shall have furnished such other information as CFC may reasonably require, including but not limited to (i) 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 DSC 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 (ii) any other information as CFC may reasonably request.

D. Special Conditions of Advances. CFC shall be fully satisfied that the Borrower has complied with all special conditions to advance identified in Schedule 1 hereto.

ARTICLE V

COVENANTS

Section 5.01 Affirmative Covenants. The Borrower covenants and agrees with CFC that until payment in full of all Notes and performance of all obligations of the Borrower hereunder:

A. Financial Ratios; Design of Rates. The Borrower shall achieve an Average DSC Ratio of not less than 1.35. The Borrower shall not decrease its rates for electric service if it has

failed to achieve a DSC Ratio of 1.35 for the calendar year prior to such reduction subject only to an order from a Governmental Authority properly exercising jurisdiction over the Borrower.

B. Loan Proceeds. The Borrower shall use the proceeds of this loan solely for the purposes identified on Schedule 1 hereto.

C. Notice. The Borrower shall promptly notify CFC in writing of:

- (i) any material adverse change in the business, operations, prospects, assets, liabilities or financial condition of the Borrower;
- (ii) the institution or threat of any litigation or administrative proceeding of any nature involving the Borrower which could materially affect the business, operations, prospects, assets, liabilities or financial condition of the Borrower; and
- (iii) the occurrence of an Event of Default hereunder, or any event that, with the giving of notice or lapse of time, or both, would constitute an Event of Default.

D. Default Notices. Upon receipt of any notices with respect to a default by the Borrower under the terms of any evidence of any indebtedness with parties other than CFC or of any loan agreement, mortgage or other agreement relating thereto, the Borrower shall deliver copies of such notice to CFC.

E. Annual Certificate. Within one hundred twenty (120) days after the close of each calendar year, commencing with the year in which the initial Advance hereunder shall have been made, the Borrower will deliver to CFC a written statement, in form and substance satisfactory to CFC, either (a) signed by the Borrower's General Manager or 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 under this Agreement, the Note, and the Mortgage 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. The Borrower shall also deliver to CFC such other information as CFC may reasonably request from time to time.

F. Reserved.

G. Financial Books; Financial Reports; Right of Inspection. The Borrower will at all times keep, and safely preserve, proper books, records and accounts in which full and true entries will be made of all of the dealings, business and affairs of the Borrower, in accordance with Accounting Requirements. When requested by CFC, the Borrower will prepare and furnish CFC from time to time, periodic financial and statistical reports on its condition and operations. All of such reports shall be in such form and include such information as may be specified by CFC. Within one hundred twenty (120) days of the end of each calendar year during the term hereof, the Borrower shall furnish to CFC a full and complete report of its financial condition and statement of its operations as of the end of such calendar year, in form and substance satisfactory to CFC. In addition, within one hundred twenty (120) days of the end of each the Borrower's fiscal years during the term hereof, the Borrower shall furnish to CFC a full and complete consolidated and consolidating report of its financial condition and statement of its operations as of the end of

such fiscal year, audited and certified by independent certified public accountants nationally recognized or otherwise satisfactory to CFC and accompanied by a report of such audit in form and substance satisfactory to CFC, including without limitation a consolidated and consolidating balance sheet and the related consolidated and consolidating statements of income and cash flow. CFC, through its representatives, shall at all times during reasonable business hours and upon prior notice have access to, and the right to inspect and make copies of, any or all books, records and accounts, and any or all 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.

H. Notice of Additional Secured Debt. The Borrower will notify CFC promptly in writing if it incurs any additional secured indebtedness other than indebtedness to CFC.

I. Funds Requisition. The Borrower agrees (i) that CFC may rely conclusively upon the interest rate option, interest rate term and other written instructions submitted to CFC in the Borrower's written request for an Advance hereunder, (ii) that such instructions shall constitute a covenant under this Agreement to repay the Advance in accordance with such instructions, the applicable Note, the Mortgage and this Agreement, and (iii) to request Advances only for the purposes set forth in Schedule 1 hereto.

J. Compliance With Laws. The Borrower and each Subsidiary shall remain in compliance, in all material respects, with all applicable requirements of law and applicable rules and regulations of each Governmental Authority.

K. Taxes. The Borrower shall pay, or cause to be paid all taxes, assessments or Governmental Authority charges lawfully levied or imposed on or against it and its properties prior to the time they become delinquent, except for any taxes, assessments or charges that are being contested in good faith and with respect to which adequate reserves as determined in good faith by the Borrower have been established and are being maintained.

L. 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, rule or regulation, 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 thereby. 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 of the Liens created or intended to be created by the Loan Documents.

M. Environmental Covenants. The Borrower shall:

- (i) at its own cost, comply in all material respects with all applicable Environmental Laws, including, but not limited to, any required remediation; and
- (ii) if it receives any written communication alleging the Borrower's violation of any Environmental Law, provide CFC with a copy thereof within ten (10) Business Days after receipt, and promptly take appropriate action to remedy, cure, defend, or otherwise affirmatively respond to the matter.

N. Limitations on Loans, Investments and Other Obligations. The aggregate amount of all purchases, investments, loans, guarantees, commitments and other obligations described in Section 5.02.D(i) of this Agreement shall at all times be less than fifteen percent (15%) of Total Utility Plant or fifty percent (50%) of Equity, whichever is greater.

O. Special Covenants. The Borrower agrees that it will comply with any special covenants identified in Schedule 1 hereto.

Section 5.02 Negative Covenants. The Borrower covenants and agrees with CFC that until payment in full of the Note and performance of all obligations of the Borrower hereunder, the Borrower will not, directly or indirectly, without CFC's prior written consent:

A. Limitations on Mergers. Consolidate with, merge, or sell all or substantially all of its business or assets, or enter into an agreement for such consolidation, merger or sale, to another entity or person unless such action is either approved, as is evidenced by the prior written consent of CFC, or the purchaser, successor or resulting corporation is or becomes a member in good standing of CFC and assumes the due and punctual payment of the Note and the due and punctual performance of the covenants contained in the Mortgage and this Agreement.

B. Limitations on Sale, Lease or Transfer of Capital Assets; Application of Proceeds. Sell, lease or transfer (or enter into an agreement to sell, lease or transfer) any capital asset, except in accordance with this Section 5.02.B. If no Event of Default (and no event which with notice or lapse of time and notice would become an Event of Default) shall have occurred and be continuing, the Borrower may, without the prior written consent of CFC, sell, lease or transfer (or enter into an agreement to sell, lease or transfer) any capital asset in exchange for fair market value consideration paid to the Borrower if the value of such capital asset is less than five percent (5%) of Total Utility Plant and the aggregate value of capital assets sold, leased or transferred in any 12-month period is less than ten percent (10%) of Total Utility Plant. Subject to the terms of the Mortgage, if the Borrower does sell, lease or transfer any capital assets, then the proceeds thereof (less ordinary and reasonable expenses incident to such transaction) shall immediately (i) be applied as a prepayment of the Note, to such installments as may be designated by CFC at the time of any such prepayment; (ii) in the case of dispositions of equipment, material or scrap, applied to the purchase of other property useful in the Borrower's business, although not necessarily of the same kind as the property disposed of, which shall forthwith become subject to the Lien of the Mortgage; or (iii) applied to the acquisition or construction of other property or in reimbursement of the costs of such property.

C. Limitation on Dividends, Patronage Refunds and Other Distributions. Make any Distribution except under the following conditions:

(i) if (a) no Event of Default has occurred and is continuing and (b), after taking into account the effect of the Distribution, the total Equity of the Borrower will be at least twenty percent (20%) of its Total Assets, then the Borrower may make a Distribution in any amount.

(ii) if (a) no Event of Default has occurred and is continuing and (b), after taking into account the effect of the Distribution, the total Equity of the Borrower will be less than twenty percent (20%) of its Total Assets, then the Borrower may make a Distribution in

an amount up to thirty percent (30%) of the Borrower's total margins for the preceding calendar year.

D. Limitations on Loans, Investments and Other Obligations.

(i) (a) Purchase, or make any commitment to purchase, any stock, bonds, notes, debentures, or other securities or obligations of or beneficial interests in, (b) make, or enter into a commitment to make, any other investment, monetary or otherwise, in, (c) make, or enter into a commitment to make, any loan to, or (d) guarantee, assume, or otherwise become liable for, or enter into a commitment to guarantee, assume, or otherwise become liable for, any obligation of any Person if, after giving effect to such purchase, investment, loan, guarantee or commitment, the aggregate amount thereof would exceed the greater of fifteen percent (15%) of Total Utility Plant or fifty percent (50%) of Equity.

(ii) The following shall not be included in the limitation of purchases, investments, loans and guarantees in (i) above: (a) bonds, notes, debentures, stock, or other securities or obligations issued by or guaranteed by the United States or any agency or instrumentality thereof; (b) bonds, notes, debentures, stock, commercial paper, subordinated capital certificates, or any other security or obligation issued by CFC or by institutions whose senior unsecured debt obligations are rated by at least two nationally recognized rating organizations in either of their two highest categories; (c) investments incidental to loans made by CFC; (d) any deposit that is fully insured by the United States; (e) loans and grants made by any Governmental Authority to the Borrower under any rural economic development program, but only to the extent that such loans and grants are non-recourse to the Borrower; and (f) unretired patronage capital allocated to the Borrower by CFC, a cooperative from which the Borrower purchases electric power, or a statewide cooperative association of which the Borrower is a member.

(iii) In no event may the Borrower take any action pursuant to subsection (i) if an Event of Default under this Agreement has occurred and is continuing,

E. Organizational Change. Change its type of organization or other legal structure, except as permitted by Section 5.02.A hereof, in which case the Borrower shall provide at least thirty (30) days prior written notice to CFC together with all documentation reflecting such change as CFC may reasonably require.

F. Notice of Change In Borrower Information. Change its (i) state of incorporation, (ii) legal name, (iii) mailing address, or (iv) organizational identification number, if it has one, unless the Borrower provides written notice to CFC at least thirty (30) days prior to the effective date of any such change together with all documentation reflecting any such change as CFC may reasonably require.

ARTICLE VI

EVENTS OF DEFAULT

Section 6.01 The following shall be "Events of Default" under this Agreement:

A. Representations and Warranties. Any representation or warranty made by the Borrower herein, or in any of the other Loan Documents, or in any certificate or financial

statement furnished to CFC hereunder or under any of the other Loan Documents shall prove to be false or misleading in any material respect.

B. Payment. The Borrower shall fail to pay (whether upon stated maturity, by acceleration, or otherwise) any principal, interest, premium (if any) or other amount payable under the Note and the Loan Documents within five (5) Business Days after the due date thereof.

C. Other Covenants.

(i) No Grace Period. Failure of the Borrower to observe or perform any covenant or agreement contained in Sections 5.01.A, 5.01.B, 5.01.D, 5.01.E, 5.01.G, 5.01.I, 5.01.N or 5.02 of this Agreement.

(ii) Thirty Day Grace Period. Failure of the Borrower to observe or perform any other covenant or agreement contained in this Agreement or any of the other Loan Documents, which shall remain unremedied for thirty (30) calendar days after written notice thereof shall have been given to the Borrower by CFC.

D. Legal Existence, Permits and Licenses. The Borrower shall forfeit or otherwise be deprived of (i) its authority to conduct business in the jurisdiction in which it is organized or in any other jurisdiction where such authority is required in order for the Borrower to conduct its business in such jurisdiction or (ii) permits, easements, consents or licenses required to carry on any material portion of its business.

E. Other CFC Obligations. The Borrower shall be in breach or default of any Obligation, which breach or default continues uncured beyond the expiration of any applicable grace period.

F. Other Obligations. The Borrower shall (i) fail to make any payment of any principal, premium or any other amount due or interest on any indebtedness with parties other than CFC which shall remain unpaid beyond the expiration of any applicable grace period, or (ii) be in breach or default with respect to any other term of any evidence of any other indebtedness with parties other than CFC or of any loan agreement, mortgage or other agreement relating thereto which breach or default continues uncured beyond the expiration of any applicable grace period, if the effect of such failure, default or breach is to cause the holder or holders of that indebtedness to cause that indebtedness to become or be declared due prior to its stated maturity (upon the giving or receiving of notice, lapse of time, both or otherwise).

G. Involuntary Bankruptcy. An involuntary case or other proceeding shall be commenced against the Borrower seeking liquidation, reorganization or other relief with respect to it or its debts under bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property and such involuntary case or other proceeding shall continue without dismissal or stay for a period of sixty (60) consecutive days; or an order for relief shall be entered against the Borrower under the federal bankruptcy laws or applicable state law as now or hereafter in effect.

H. Insolvency. The Borrower shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts

under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall admit in writing its inability to, or be generally unable to, pay its debts as they become due, or shall take any action to authorize any of the foregoing.

I. Dissolution or Liquidation. Other than as provided in subsection H. above, 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 will impair its ability to continue its business or fulfill its obligations and such execution, garnishment or attachment shall not be vacated within sixty (60) consecutive days. The term "dissolution or liquidation of the Borrower", as used in this subsection, 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 set forth in Section 5.02.A.

J. Material Adverse Change. Any material adverse change in the business or condition, financial or otherwise, of the Borrower.

K. Monetary Judgment. The Borrower shall suffer any money judgment not covered by insurance, writ or warrant of attachment or similar process involving an amount in excess of \$100,000 and shall not discharge, vacate, bond or stay the same within a period of sixty (60) days.

L. Nonmonetary Judgment. One or more nonmonetary judgments or orders (including, without limitation, injunctions, writs or warrants of attachment, garnishment, execution, distraint, replevin or similar process) shall be rendered against the Borrower that, either individually or in the aggregate, could reasonably be expected to have a material adverse effect upon the business, operations, prospects, assets, liabilities or financial condition of the Borrower.

ARTICLE VII

REMEDIES

Section 7.01 If any Event of Default shall occur after the date of this Agreement and shall not have been remedied within the applicable grace period therefor, then in every such event (other than an event described in Section 6.01.G, 6.01.H or 6.01.I) and at any time during the continuance of such event, CFC may:

- (i) Cease making Advances hereunder;
- (ii) Declare all unpaid principal outstanding on the Note, all accrued and unpaid interest thereon, and all other Obligations to be immediately due and payable and the same shall thereupon become immediately due and payable without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived;

- (iii) Exercise rights of setoff or recoupment and apply any and all amounts held, or hereafter held, by CFC 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 Note, including, but not limited to, patronage capital allocations and retirements, money due to the Borrower from equity certificates purchased from CFC, and any membership or other fees that would otherwise be returned to the Borrower. The rights of CFC under this section 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;
- (iv) Pursue all rights and remedies available to CFC that are contemplated by the Mortgage and the other Loan Documents in the manner, upon the conditions, and with the effect provided in the Mortgage and the other Loan Documents, including, but not limited to, a suit for specific performance, injunctive relief or damages; and
- (v) Pursue any other rights and remedies available to CFC at law or in equity.

If any Event of Default described in Section 6.01.G, 6.01.H or 6.01.I shall occur after the date of this Agreement, then CFC's commitment to make Advances hereunder shall automatically terminate and the unpaid principal outstanding on the Note, all accrued and unpaid interest thereon, and all other Obligations shall thereupon become immediately due and payable without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived. In addition, CFC may pursue all rights and remedies available to CFC that are contemplated by the Mortgage and the other Loan Documents in the manner, upon the conditions, and with the effect provided in the Mortgage and the other Loan Documents, including, but not limited to, a suit for specific performance, injunctive relief or damages and any other rights and remedies available to CFC at law or in equity.

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 facsimile) 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 facsimile, 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:

The Borrower:

CFC:

The address set forth in Schedule 1 hereto.

National Rural Utilities Cooperative Finance Corporation
20701 Cooperative Way
Dulles, Virginia 20166
Attention: General Counsel
Fax # 866-230-5635

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 Obligation, to effect collection of any Mortgaged Property, or in preparation for such enforcement or collection, (b) to institute, maintain, preserve, enforce and foreclose on CFC's security interest in or Lien on any of the Mortgaged Property, whether through judicial proceedings or otherwise, (c) to restructure any of the Obligations, (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 secured by the Mortgage and shall be payable upon demand, and if not paid, shall accrue interest at the then prevailing CFC Variable Rate plus two hundred (200) basis points.

Section 8.03 Late Payments. If payment of any amount due hereunder or under the Notes 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 applicable 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 Mortgage and any other security instruments as may be required by CFC in connection with this Agreement, 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 subsection 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 Note or the other Loan Documents 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 AND THE NOTE 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 MORTGAGED PROPERTY, 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 SOLELY FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF CFC OR ANY INDEMNITEE. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN SECTION 8.10 HEREOF, THE OBLIGATIONS IMPOSED UPON

THE BORROWER BY THIS SECTION SHALL SURVIVE THE REPAYMENT OF THE NOTE, THE TERMINATION OF THIS AGREEMENT AND THE TERMINATION OR RELEASE OF THE LIEN OF THE MORTGAGE.

Section 8.09 Complete Agreement. This Agreement, together with the schedules to this Agreement, the Note 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, 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 Loan hereunder and shall continue in full force and effect until all of the obligations under the Loan Documents have been paid in full. All covenants, agreements, representations and warranties of the Borrower which are contained in this Agreement shall 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, except as provided in Section 5.02.A hereof.

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 Note or the other Loan Documents shall for any reason be found or held invalid or unenforceable by any Governmental Authority 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 Note 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 Prior Loan Documents. It is understood and agreed that the covenants set forth in this Agreement under the Article entitled "COVENANTS" shall restate and supersede all of the covenants set forth in the corresponding Article or Articles of each Prior Loan Document dealing with covenants, regardless of the specific title or titles thereof, *except for* (a) the LCTC Purchase Provisions and (b) any special covenant or other specific term set forth on Schedule 1 to any Prior Loan Document, unless otherwise explicitly agreed to in writing by CFC, or superseded by explicit reference thereto in this Agreement. For purposes of the foregoing, this Section 8.14 shall be deemed to amend all Prior Loan Documents, and notwithstanding termination of this Agreement for any reason, this Section 8.14 shall nevertheless survive and shall continue to amend each Prior Loan Document for as long as the respective Prior Loan Document is in effect, but only with respect to the matters set forth in this Section 8.14.

Section 8.15 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.

Section 8.16 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 8.17 Rescission of Excess Commitment. Any amount of the CFC Commitment not required for the purpose set forth in Schedule 1 shall be rescinded by CFC and the CFC Commitment shall automatically be reduced by such amount without fee.

Section 8.18 Schedule 1. Schedule 1 attached hereto is an integral part of this Agreement.

[Signatures appear on the following page.]

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

KENERGY CORP.

(SEAL)

By: Robert S. White
Name: Robert S. White
Title: Board Chairman

Attest: Frank Hleggitow
Secretary

NATIONAL RURAL UTILITIES
COOPERATIVE FINANCE CORPORATION

(SEAL)

By: _____
Assistant Secretary-Treasurer

Attest: _____
Assistant Secretary-Treasurer

SCHEDULE 1

1. The purpose of this loan is to refinance up to 105% of the outstanding principal balance of certain indebtedness of the Borrower to RUS.
2. The aggregate CFC Commitment is \$27,814,894.33.
3. The Mortgage shall mean the Restated Mortgage and Security Agreement, dated as of July 1, 2003, among the Borrower, CFC, CoBank and RUS, as it may have been supplemented, amended, consolidated, or restated from time to time.
4. The Note executed pursuant hereto and the amortization method for such Note is as follows:

LOAN NUMBER	AMOUNT	AMORTIZATION METHOD
KY065-A-9014	\$27,814,894.33	Level Debt Service

5. The Payment Date months are February, May, August and November.
6. The Subsidiaries of the Borrower referred to in Section 2.01.B are: NONE.
7. The date of the Borrower's balance sheet referred to in Section 2.01.H is December 31, 2014.
8. The Borrower's exact legal name is: KENERGY CORP.
9. The Borrower's organizational type is: Corporation.
10. The Borrower is organized under the laws of the Commonwealth of: Kentucky.
11. The Borrower's organizational identification number is: 0471117.
12. The place of business or, if more than one, the chief executive office of the Borrower referred to in Section 2.01.I is: 6402 Old Corydon Road, Henderson, KY 42419.
13. The Governmental Authority referred to in Section 2.01.J is: Kentucky Public Service Commission.
14. The special conditions of closing referred to in Section 4.01.G are as follows: None.
15. The special conditions of advance referred to in Section 4.02.D are as follows: None.
16. The special covenant(s) referred to in Section 5.01.O is (are) as follows: None.
17. The address for notices to the Borrower referred to in Section 8.01 is: P.O. Box 18, Henderson, KY 42419.

EXHIBIT A



**Loan Funds Requisition Statement
Refinance of RUS Loans**

Borrower Name: _____
Date of Advance: _____

Co-op ID: _____

Amount requested to prepay the following RUS loans:

Loan Designation and Account No.	Principal to be Paid	Interest to be Paid	Total Payment
Total amount to be wired directly to RUS by CFC for Borrower			

Officer's Certification

I hereby certify that as of the date below: (1) I am duly authorized to make this certification and to request funds on behalf of the Borrower (each such request, an "Advance") in accordance with the loan agreement governing the Advance (the "Loan Agreement"); (2) no Event of Default (as defined in the Loan Agreement) has occurred and is continuing; (3) I know of no other event that has occurred which, with the lapse of time and/or notification to CFC of such event, or after giving effect to the Advance, would become such an Event of Default; (4) all of the representations and warranties made in the Loan Agreement are true; (5) the Borrower has satisfied each other condition to the Advance as set forth in the Loan Agreement; and (6) the proceeds of the Advance will be used only for the purposes permitted by the Loan Agreement. I hereby authorize CFC to make Advances on the following terms, and hereby agree that such terms shall be binding upon Borrower under the provisions of the Loan Agreement:

Facility No.	Advance No.	Advance Amount	Advance Term (Years)	Loan Maturity	Amortization Type	Interest Rate	Rate Term	Rate Maturity	Principal Deferral (Years)	1st Prin Pymt Date
Total										

Certified By: _____ Date: _____
Signature

Print Name

Title

Please fax to CFC at 703.467.5652 ATTN: _____ (AVP)

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

2015-2788728-20.01
Alison Lundergan Grimes
Kentucky Secretary of State
File Date 9/14/2015 4:30:00 PM
Status Active
Fee \$10.00
Filer mmullins

A. NAME & PHONE OF CONTACT AT FILER (optional)
B. E-MAIL CONTACT AT FILER (optional)
C. SEND ACKNOWLEDGMENT TO: (Name and Address)
NRUCFC ATTN: LEGAL ASSISTANT 20701 COOPERATIVE WAY DULLES, VA 20166

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name). If any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here and provide the Individual Debtor Information in Item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME	KENERGY CORP.			
OR	1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
1c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
P.O. Box 18	HENDERSON	KY	42419	USA

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here and provide the Individual Debtor Information in Item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME				
OR	2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION			
OR	3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
3c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
20701 COOPERATIVE WAY	DULLES	VA	20166	USA

4. COLLATERAL: This financing statement covers the following collateral:
ALL ASSETS

5. Check only if applicable and check only one box: Collateral is held in a Trust (see UCC1Ad, Item 17 and Instructions) being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box:
 Public-Finance Transaction Manufactured-Home Transaction A Debtor is a Transmitting Utility

6b. Check only if applicable and check only one box:
 Agricultural Lien Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): Lessee/Lessor Consignee/Consignor Seller/Buyer Bailor/Bailee Licensee/Licensor

8. OPTIONAL FILER REFERENCE DATA:
KY065-A-9014

Chris Hopgood

To: Steve Thompson
Subject: RE: property schedule

Will do.
chris

-----Original Message-----

From: Steve Thompson [mailto:SThompson@kenenergycorp.com]
Sent: Thursday, September 10, 2015 2:04 PM
To: Chris Hopgood
Subject: FW: property schedule

I would like to take you up on your offer to send these documents to Ranyer.

-----Original Message-----

From: Ranyer Bravo [mailto:Ranyer.Bravo@nrucfc.coop]
Sent: Tuesday, September 08, 2015 1:55 PM
To: Steve Thompson
Cc: Chris Hopgood
Subject: Re: property schedule

Hi Steve,

I hope you had a great holiday weekend!

Our legal team is requesting a couple of additional items to have for our records. When you have a moment could you send me the following documents:

Supplemental Mortgage dated August 18, 2004 ✓
Supplemental Mortgage dated September 1, 2005 ✓
Supplemental Mortgage dated November 3, 2008 ✓
Supplemental Mortgage dated June 21, 2010 ✓

I know that your board meeting is today. Whenever you have a moment, I would appreciate it.

Thank you again for you help. I look forward to hearing from you.

Ranyer Bravo

~~~~~  
CFC: Created and Owned by America's Electric Cooperative Network

Ranyer Bravo  
Associate Vice President

National Rural Utilities Cooperative Finance Corporation  
20701 Cooperative Way  
Dulles, VA 20166  
Office: 703-467-1885 or toll-free 800-424-2954  
Fax: 703-467-5652  
[ranyer.bravo@nrucfc.coop](mailto:ranyer.bravo@nrucfc.coop)

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| From: |  
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| Steve Thompson <SThompson@kenenergycorp.com>  
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>-----  
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|----->  
| To: |  
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>-----  
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| "Ranyer Bravo (Ranyer.Bravo@nrucfc.coop)" <Ranyer.Bravo@nrucfc.coop>  
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| Cc: |  
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| "Chris Hopgood" <chopgood@dkgnlaw.com>  
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| Date: |  
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| 09/04/2015 08:29 AM  
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| Subject: |  
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| property schedule  
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SUPPLEMENTAL MORTGAGE  
AND  
SECURITY AGREEMENT

Made by and among

KENERGY CORP.  
6402 Old Corydon Road  
Henderson, Kentucky 42420  
Mortgagor, and

UNITED STATES OF AMERICA

Rural Utilities Service  
Washington, D.C. 20250  
Mortgagee  
and

CoBANK, ACB  
5500 South Quebec Street  
Greenwood Village, Colorado 80111  
Mortgagee

Dated as of June 21, 2010

THIS INSTRUMENT GRANTS A SECURITY INTEREST IN A TRANSMITTING UTILITY  
THE DEBTOR AS MORTGAGOR IS A TRANSMITTING UTILITY  
THIS INSTRUMENT CONTAINS PROVISIONS THAT COVER REAL AND PERSONAL PROPERTY, AFTER-  
ACQUIRED PROPERTY, PROCEEDS, FUTURE ADVANCES AND FUTURE OBLIGATIONS  
NOTICE-THIS MORTGAGE SECURED CREDIT IN THE AMOUNT OF UP TO \$250,000,000.00.  
INDEBTEDNESS SECURED HEREUNDER, INCLUDING FUTURE INDEBTEDNESS, TOGETHER WITH  
INTEREST, ARE SENIOR TO INDEBTEDNESS TO OTHER CREDITORS UNDER MORTGAGES AND LIENS  
FILED OR RECORDED SUBSEQUENT HERETO.  
THIS INSTRUMENT WAS PREPARED BY STEPHEN TICK, SHERMAN & HOWARD L.L.C.  
633 17TH ST, SUITE 3000, DENVER, CO 80202  
THE MORTGAGOR'S ORGANIZATIONAL IDENTIFICATION NUMBER IS 0471117

SUPPLEMENTAL MORTGAGE

SUPPLEMENTAL MORTGAGE AND SECURITY AGREEMENT, dated as of June 21, 2010 (hereinafter sometimes called this "Supplemental Mortgage") is made by and among KENERGY CORP. (hereinafter called the "Mortgagor"), a corporation existing under the laws of the Commonwealth of Kentucky, the UNITED STATES OF AMERICA, acting by and through the Administrator of the Rural Utilities Service (hereinafter called the "Government"), and CoBANK, ACB (hereinafter called "CoBank"), a federally chartered instrumentality of the United States, and is intended to confer rights and benefits on the Government and CoBank in accordance with this Supplemental Mortgage and the Original Mortgage (hereinafter defined) (the Government, and CoBank being hereinafter sometimes collectively referred to as the "Mortgagees").

Recitals

Whereas, the Mortgagor, the Government and CoBank or its predecessor are parties to that certain Restated Mortgage and Security Agreement, as supplemented, amended or restated (the "Original Mortgage" as identified in Schedule "A" of this Supplemental Mortgage) originally entered into between the Mortgagor, the Government acting by and through the Administrator of the Rural Utilities Service (hereinafter called "RUS") and CoBank; and

Whereas, the Original Mortgage as the same may have been previously supplemented, amended or restated is hereinafter referred to as the "Existing Mortgage"; and

Whereas, the Mortgagor deems it necessary to borrow money for its corporate purposes and to issue its promissory notes and other debt obligations therefor, and to mortgage and pledge its property hereinafter described or mentioned to secure the payment of the same, and to enter into this Supplemental Mortgage pursuant to which all secured debt of the Mortgagor hereunder shall be secured on parity, hereunder and under the Existing Mortgage (this Supplemental Mortgage and the Existing Mortgage, as it may have been previously amended or supplemented, hereinafter may be called collectively the "Mortgage"); and

Whereas, all of the Mortgagor's Outstanding Notes listed in Schedule "A" hereto are secured pari passu by the Existing Mortgage for the benefit of all the Mortgagees under the Existing Mortgage; and

Whereas, the Existing Mortgage provides the terms by which additional pari passu obligations may be issued thereunder and further provides that the Existing Mortgage may be supplemented from time to time to evidence that such obligations are entitled to the security of the Existing Mortgage and to add additional Mortgages, and

Whereas, by their execution and delivery of this Supplemental Mortgage the parties hereto do hereby secure the Additional Note listed in Schedule "A" pari passu with the Outstanding Notes under the Existing Mortgage; and

Whereas, all acts necessary to make this Supplemental Mortgage a valid and binding legal instrument for the security of such notes and obligations, subject to the terms of the Mortgage, have been in all respects duly authorized:

Now, Therefore, This Supplemental Mortgage Witnesseth: That to secure the payment of the principal of (and premium, if any) and interest on all Notes issued hereunder according to their tenor and effect, and the performance of all provisions therein and herein contained, and in consideration of the covenants herein contained and the purchase or guarantee of Notes by the guarantors or holders thereof,

the Mortgagor has mortgaged, pledged and granted a continuing security interest in, and by these presents does hereby grant, bargain, sell, alienate, remise, release, convey, assign, transfer, hypothecate, pledge, set over and confirm pledge and grant a continuing security interest in for the purposes hereinafter expressed, unto the Mortgagees all property, rights, privileges and franchises of the Mortgagor of every kind and description, real, personal or mixed, tangible and intangible, of the kind or nature specifically mentioned herein or any other kind or nature, except any Excepted Property set forth on Schedule "C" hereof, whether now owned or hereafter acquired by the Mortgagor (by purchase, consolidation, merger, donation, construction, erection or in any other way) and wherever located, including (without limitation) all and singular the following:

A. all of those fee and leasehold interests in real property set forth in Schedule "B" hereto, subject in each case to those matters set forth in such Schedule; and

B. all of those fee and leasehold interests in real property set forth in Schedule "B" of the Original Mortgage or in any restatement, amendment or supplement thereto, subject in each case to those matters set forth in such Schedule; and

C. all of the kinds, types or items of property, now owned or hereafter acquired, described as Mortgaged Property in the Original Mortgage or in any restatement, amendment to supplement thereto as Mortgaged Property.

It is Further Agreed and Covenanted That the Original Mortgage, as previously restated, amended or supplemented, and this Supplemental Mortgage shall constitute one agreement and the parties hereto shall be bound by all of the terms thereof and, without limiting the foregoing.

1. All capitalized terms not defined herein shall have the meaning given in Article I of the Original Mortgage.

2. This Supplemental Mortgage is one of the Supplemental Mortgages contemplated by Article II of the Original Mortgage.

3. The Maximum Debt Limit for the Mortgage shall be as set forth in Schedule "A" hereto.





UNITED STATES OF AMERICA

By: Jonathan Adelstein  
Administrator of the Rural Utilities Service

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

Mary E. Weber MARY E. WEBER  
D.P. Jenkins Douglas P. Jenkins  
Witnesses

DISTRICT OF COLUMBIA ) SS

On this 7 day of July, 2010, personally appeared before me Jonathan Adelstein, who, being duly sworn, did say that he is the Administrator of the Rural Utilities Service, an agency of the United States of America, and acknowledged to me that, acting under a delegation of authority duly given and evidenced by law and presently in effect, he executed said instrument as the act and deed of the United States of America for the uses and purposes therein mentioned.

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

William A. Frost  
Notary Public, District of Columbia  
My Commission Expires 04-14-2011

William A. Frost  
Notary Public

(Notarial Seal)

My commission expires: \_\_\_\_\_

SUPPLEMENTAL MORTGAGE

SCHEDULE A

MAXIMUM DEBT LIMIT AND OTHER INFORMATION

1. The Maximum Debt Limit is \$250,000,000.
2. The Original Mortgage as referred to in the first WHEREAS clause above is more particularly described as follows:

Restated Mortgage and Security Agreement dated as of July 1, 2003, among KENERGY CORP., as Mortgagor, the UNITED STATES OF AMERICA acting by and through the Administrator of the Rural Utilities Service, as a Mortgagee, COBANK, ACB, as a Mortgagee, and the NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION, as a Mortgagee.

As supplemented by the Supplemental Mortgage dated as of September 19, 2003, among KENERGY CORP., as Mortgagor, the UNITED STATES OF AMERICA acting by and through the Administrator of the Rural Utilities Service, as a Mortgagee, COBANK, ACB, as a Mortgagee, and the NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION, as a Mortgagee.

As supplemented by the Supplemental Mortgage dated as of April 5, 2004, among KENERGY CORP., as Mortgagor, the UNITED STATES OF AMERICA acting by and through the Administrator of the Rural Utilities Service, as a Mortgagee, COBANK, ACB, as a Mortgagee, and the NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION, as a Mortgagee.

As supplemented by the Supplemental Mortgage dated as of August 18, 2004, among KENERGY CORP., as Mortgagor, the UNITED STATES OF AMERICA acting by and through the Administrator of the Rural Utilities Service, as a Mortgagee, COBANK, ACB, as a Mortgagee, and the NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION, as a Mortgagee.

As supplemented by the Supplemental Mortgage dated as of September 1, 2005, among KENERGY CORP., as Mortgagor, the UNITED STATES OF AMERICA acting by and through the Administrator of the Rural Utilities Service, as a Mortgagee, COBANK, ACB, as a Mortgagee.

As supplemented by the Supplemental Mortgage dated as of November 3, 2008, among KENERGY CORP., as Mortgagor, the UNITED STATES OF AMERICA acting by and through the Administrator of the Rural Utilities Service, as a Mortgagee, COBANK, ACB, as a Mortgagee.

3. The outstanding secured indebtedness described in the third WHEREAS clause above is more particularly described as follows:

**OUTSTANDING NOTES issued to the Government**

| <u>Loan Designation</u> | <u>Face Amount</u> | <u>Date</u> | <u>Final Maturity</u> | <u>% Rate<sup>1</sup></u> |
|-------------------------|--------------------|-------------|-----------------------|---------------------------|
| AP6                     | \$ 2,117,000       | 26 Nov 1986 | 26 Nov 2021           | 5.00                      |
| AS7                     | \$ 3,402,000       | 5 Dec 1986  | 5 Dec 2021            | 5.00                      |
| AT7                     | \$ 3,369,000       | 5 Oct 1988  | 5 Oct 2023            | 5.00                      |
| AR6                     | \$ 2,784,000       | 22 Sep 1989 | 22 Sep 2024           | 5.00                      |
| AU7                     | \$ 3,672,000       | 5 Sep 1990  | 5 Sep 2025            | 5.00                      |
| AV7                     | \$ 3,741,000       | 28 Jan 1993 | 28 Jan 2028           | 5.00                      |
| AS6                     | \$ 2,544,000       | 27 May 1994 | 27 May 2029           | 5.00                      |
| AW70                    | \$ 3,403,000       | 14 Dec 1994 | 14 Dec 2029           | V                         |
| AX70                    | \$ 3,962,000       | 1 Jul 1997  | 1 Jul 2032            | V                         |
| AT60                    | \$ 5,226,000       | 1 Apr 1998  | 1 Apr 2033            | V                         |
| A40                     | \$ 56,451,000      | 1 Feb 2001  | 1 Feb 2036            | V                         |
| B8 <sup>2</sup>         | \$ 21,355,000      | 1 July 2003 | 31 Dec 2037           | V                         |
| C44                     | \$ 27,325,000      | 1 Sep 2005  | 1 Sep 2040            | V                         |
| D8 <sup>3</sup>         | \$ 31,622,000      | 3 Nov 2008  | 31 Dec 2042           | V                         |

**OUTSTANDING NOTES issued to CoBank:**

| <u>CoBank Loan Designation</u> | <u>Face Amount of Note</u> | <u>Note Date</u> | <u>Maturity Date</u> |
|--------------------------------|----------------------------|------------------|----------------------|
| ML0501T1                       | \$1,698,000.00             | July 1, 1999     | May 1, 2032          |
| ML0501T2                       | \$1,458,000.00             | July 1, 1999     | March 20, 2020       |
| ML0501T4                       | \$1,444,000.00             | July 1, 1999     | November 20, 2022    |
| ML0501T5                       | \$1,287,000.00             | July 1, 1999     | October 20, 2017     |
| ML0501T6                       | \$1,603,000.00             | July 1, 1999     | January 20, 2028     |
| ML0501T7                       | \$1,458,000.00             | July 1, 1999     | December 20, 2029    |

<sup>1</sup> V=variable interest rate calculated by RUS pursuant to title 7 of the Code of Federal Regulations (or by the Secretary of Treasury. CoBank=an interest rate which may be fixed or variable from time to time as provided in the CoBank Loan Agreement pertaining to a loan which has been made by CoBank and guaranteed by RUS.

<sup>2</sup> In addition to this note which the Mortgagor has issued to FFB, the Mortgagor has also issued a corresponding promissory note to RUS designated as the certain "Reimbursement Note" bearing even date therewith. Such Reimbursement Note is payable to the Government on demand and evidences the Mortgagor's obligation immediately to repay RUS, any payment which RUS may make pursuant to the RUS guarantee of such FFB note, together with interest, expenses and penalties (all as described in such Reimbursement Note). Such Reimbursement Note is and "Additional Note issued to the Government" for purposes of this Part One of Schedule A of this Supplemental Mortgage and is entitled to all of the benefits and security of the Mortgage.

<sup>3</sup> See footnote 2 in this Schedule A.



|           |                |                    |                    |
|-----------|----------------|--------------------|--------------------|
| ML0501T8  | \$1,573,000.00 | July 1, 1999       | June 20, 2025      |
| ML0501T10 | \$3,827,000.00 | October 2, 2001    | October 20, 2026   |
| ML0501T11 | \$6,500,000.00 | September 19, 2003 | May 31, 2014       |
| ML0501T12 | \$1,491,370.00 | April 5, 2004      | April 20, 2015     |
| ML0501T13 | \$1,716,790.00 | April 5, 2004      | April 20, 2016     |
| ML0501T14 | \$1,118,748.00 | April 5, 2004      | April 20, 2017     |
| ML0501T15 | \$1,954,881.00 | April 5, 2004      | April 20, 2018     |
| RX0501T19 | \$ 682,481.79  | August 18, 2004    | September 20, 2021 |
| RX0501T20 | \$ 984,496.79  | August 18, 2004    | March 20, 2029     |
| RX0501T21 | \$1,492,094.06 | August 18, 2004    | March 20, 2033     |

4. The Additional Notes described in the fifth WHEREAS clause above are more particularly described as follows:

**ADDITIONAL NOTE issued to CoBank:**

| <u>CoBank Loan Designation</u> | <u>Face Amount of Note</u> | <u>Note Date</u> | <u>Maturity Date</u> |
|--------------------------------|----------------------------|------------------|----------------------|
| RX0501T22                      | \$9,110,101.44             | June 21, 2010    | June 20, 2020        |

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SUPPLEMENTAL MORTGAGE

SCHEDULE B

PROPERTY SCHEDULE

The fee and leasehold interests in real property referred to in Subclause "A" of Granting Clause First are described on the attached pages B-2 through B-7 of this Schedule B.

BUS\_RE0344940 1

B-1

## KENERGY PROPERTY SCHEDULE

- (a) The existing electric facilities are located in the following counties:  
 Breckinridge, Caldwell, Crittenden, Daviess, Hancock, Henderson, Hopkins, Livingston, Lyon, McLean, Muhlenburg, Ohio, Union, and Webster in the state of Kentucky.
- (b) The property referred to in the last line of Paragraph 1 of the Granting Clause includes the following:

|                                                               |                                                                                                                                                                                                                                                                                                                                                     |
|---------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. West Owensboro Substation<br>Daviess County<br>1.033 Acres | A certain tract of land described in a certain deed, dated March 19, 1951, by R. L. Mitchell and Doris Mitchell, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on April 9, 1951, in the office of the County Clerk of Daviess County, in the state of Kentucky, in Deed Book 209, on Page 263.                |
| 2. Beda Substation<br>Ohio County<br>1 Acre                   | A certain tract of land described in a certain deed, dated April 26, 1951, by J. R. Shown and Antha Shown, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on April 30, 1951, in the office of the County Clerk of Ohio County, in the state of Kentucky, in Deed Book 113, on Page 133.                        |
| 3. Hanson Substation<br>Hopkins County<br>.56 Acre            | A certain tract of land described in a certain deed, dated September 13, 1951, by B. W. L. McLaughlin, as grantor to Green River Electric Corporation, as grantee, and recorded on September 15, 1951, in the office of the County Court Clerk of Hopkins County, in the state of Kentucky, in Deed Book 209, on Page 186.                          |
| 4. Guffie Substation<br>McLean County<br>1 Acre               | A certain tract of land described in a certain deed, dated June 13, 1953, by Howard Whitaker and Mittie Whitaker, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on July 31, 1953, in the office of the County Court clerk of McLean County, in the state of Kentucky, in Deed Book 45, on Page 379.           |
| 5. Lewisport Substation<br>Hancock County<br>1.5 Acres        | A certain tract of land described in a certain deed, dated January 20, 1955, by R. T. Toler, Sr., and Mary Idelle Toler, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on February 3, 1955, in the office of the County Court Clerk of Hancock County, in the state of Kentucky in Deed Book 63, on Page 256. |
| 6. Utica Substation<br>Daviess County<br>1.72 Acres           | A certain tract of land described in a certain deed, dated March 26, 1956, by W. D. Ridgeway and Verda Ridgeway, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on March 29, 1956, in the office of the County Court Clerk of Daviess County, in the state of Kentucky, in Deed Book 254, on Page 192.         |
| 7. Whitesville Substation<br>Daviess County<br>1.5 Acres      | A certain tract of land described in a certain deed, dated June 22, 1956, by Otis W. Greer and Martha A. Greer, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on June 22, 1956, in the office of the County Court Clerk of Daviess County, in the state of Kentucky, in Deed Book 257, on Page 315.           |
| 8. Weberstown Substation<br>Hancock County<br>1.08 Acres      | A certain tract of land described in a certain deed, dated June 27, 1956, by Walter A. Glover and Blanche Glover, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on July 21, 1956, in the office of the County Court Clerk of Hancock County, in the state of Kentucky, in Deed Book 64, on Page 238.          |
| 9. Hawesville Office<br>Hancock County<br>One-Half 1/2 Acre   | A certain tract of land described in a certain deed, dated March 31, 1960, by J. E. Harp and Salome Harp, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on March 31, 1960, in the office of the County Court Clerk of Hancock County, in the state of Kentucky, in Deed Book 66, on Page 35.                  |
| 10. Hawesville Substation<br>Hancock County<br>6.01 Acres     | A certain tract of land described in a certain deed, dated June 7, 1960, by Earl L. White and Opal White, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on June 8, 1960, in the office of the County Court Clerk of Hancock County, in the state of Kentucky, in Deed Book 66, on Page 127.                   |
| 11. Stanley Substation<br>Daviess County<br>2 Acres           | A certain tract of land described in a certain deed, dated May 29, 1961, by J. H. Jarboe and Hattie Jarboe, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on May 31, 1961, in the office of the County Court Clerk of Daviess County, in the state of Kentucky, in Deed Book 301, on Page 26.                 |

|                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-----------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>12. Thruston Substation<br/>Davless County<br/>2 Acres</p>                     | <p>A certain tract of land described in a certain deed, dated March 10, 1962, by William T. Abell and Carye B. Abell, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on March 13, 1962, in the office of the County Court Clerk of Davless County, in the state of Kentucky, in Deed Book 307, on Page 534.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <p>13. Masonville Substation<br/>Davless County<br/>2.02 Acres</p>                | <p>A certain tract of land described in a certain deed dated June 28, 1962, by J. C. Barnhill and Stella Barnhill, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on July 6, 1962, in the office of the County Court Clerk of Davless County, in the state of Kentucky, in Deed Book 310, on Page 612.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <p>14. Owensboro Office/Warehouse<br/>Davless County<br/>33.90 Acres</p>          | <p>(a) A certain tract of land described in a certain deed, dated January 7, 1964, by Guy Wright and Bertha M. Wright, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on January 9, 1964, in the office of the County Court Clerk of Davless County, in the state of Kentucky, in Deed Book 325, on Page 293.<br/>(b) A certain tract of land described in a certain deed, dated June 24, 1971, by Thomason Industries, Inc., as grantor to Green River Electric Corporation, as grantee, and recorded on July 2, 1971, in the office of the County Court Clerk of Davless County, in the state of Kentucky, in Deed Book 404, on Page 76.<br/>(c) A certain tract of land described in a certain deed, dated September 28, 1982, by J. W. McCormick and Bonita McCormick, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on September 29, 1982, in the office of the County Court Clerk of Davless County, in the state of Kentucky, in Deed Book 497, on Page 665.</p> |
| <p>15. Onton Substation Webster<br/>County 2 Acres</p>                            | <p>A certain tract of land described in a certain deed, dated August 4, 1965, by Walter Lee Ritz and Marvene Ritz, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on August 4, 1965, in the office of the County Court Clerk of Webster County, in the state of Kentucky, in Deed Book 131, on Page 315.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <p>16. St. Joseph Substation<br/>Davless County<br/>2 Acres</p>                   | <p>A certain tract of land described in a certain deed, dated August 7, 1965, by Joseph Daniel Mattingly and Ora B. Mattingly, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on August 11, 1965, in the office of the County Court Clerk of Davless County, in the state of Kentucky, in Deed Book 342, on Page 516.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <p>17. Dermont Substation<br/>Davless County<br/>2 Acres</p>                      | <p>A certain tract of land described in a certain deed, dated November 28, 1967, by Edward Leo Jones and Margaret T. Jones, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on December 7, 1967, in the office of the County Court Clerk of Davless County, in the state of Kentucky, in Deed Book 366, on Page 161.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <p>18. So. Hanson<br/>Warehouse/Substation<br/>Hopkins County<br/>5.139 Acres</p> | <p>A certain tract of land described in a certain deed, dated April 11, 1974, by Arthur Adams and Ruth Adams, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on April 11, 1974, in the office of the County Court Clerk of Hopkins County, in the state of Kentucky, in Deed Book 362, on Page 672.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <p>19. Hartford Office<br/>Ohio County<br/>.52 Acre</p>                           | <p>A certain tract of land described in a certain deed, dated August 6, 1976, by Herman Park, a single man, as grantor to Green River Electric Corporation, as grantee, and recorded on August 6, 1976, in the office of the County Court Clerk of Ohio County, in the state of Kentucky, in Deed Book 220, on Page 116-117.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <p>20. So. Owensboro Substation<br/>Davless County<br/>2.410 Acres</p>            | <p>A certain tract of land described in a certain deed, dated May 16, 1977, by and between Norbert Goetz and Mary Goetz, his wife, and Robert M. Moorman and Barbara Moorman, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on August 1, 1977, in the office of the County Court Clerk of Davless County, in the state of Kentucky, in Deed Book 469, on Page 37.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <p>21. Centertown Substation<br/>Ohio County<br/>2 Acres</p>                      | <p>A certain tract of land described in a certain deed, dated August 8, 1977, by Homer Ford and Kathryn Ford, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on August 13, 1977, in the office of the County Court Clerk of Ohio County, in the state of Kentucky, in Deed Book 224, on Page 28-31.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <p>22. South Dermont Substation<br/>Davless County<br/>2.020 Acres</p>            | <p>A certain tract of land described in a certain deed, dated December 19, 1977, by and between William L. Reno Jr. and Barbara G. Reno, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on January 3, 1978, in the office of the County Court Clerk of Davless County, in the state of Kentucky, in Deed Book 473, on Page 794.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

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| <p>23. Panther Microwave<br/>Davless County<br/>2.833 Acres</p>                  | <p>A certain tract of land described in a certain deed, dated October 3, 1980, by and between E. D. Rafferty and Tina Rafferty, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on October 10, 1980, in the office of the County Court Clerk of Daviess County, in the state of Kentucky, in Deed Book 501, Page 437-439.</p>                                                                                                                   |
| <p>24. East Owensboro Substation<br/>Davless County<br/>6.587 Acres</p>          | <p>A certain tract of land described in a certain deed, dated November 26, 1980, by and between B. Chrisler and Gertrude Chrisler, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on November 28, 1980, in the office of the County Court Clerk of Daviess County, in the state of Kentucky, in Deed Book 222, in Page 486.</p>                                                                                                                |
| <p>25. Whitesville Microwave Site<br/>Daviess County<br/>.0918 Acres</p>         | <p>A certain tract of land described in a certain deed, dated October 31, 1980, by and between Virginia C. Kelley, a widow, as grantor to Green River Electric Corporation, as grantee, and recorded on November 5, 1980, in the office of the County Court Clerk of Daviess County, in the state of Kentucky, in Deed Book 502, on Page 211.</p>                                                                                                                                   |
| <p>26. Nuckols Substation<br/>Davless County<br/>1.947 Acres</p>                 | <p>A certain tract of land described in a certain deed, dated November 9, 1982, by and between Virginia Coke, a widow, Baxter Jean Coke Jr., and Ella C. Coke, his wife, James W. Coke, single and Ben H. Coke, single, as grantors to Green River Electric Corporation, as grantee, and recorded on November 10, 1982, in the office of the County Court Clerk of McLean County, in the state of Kentucky, in Deed Book 67, on Page 93.</p>                                        |
| <p>27. Sacramento Substation<br/>Daviess County<br/>3.465 Acres</p>              | <p>A certain tract of land described in a certain deed, dated December 21, 1983, by and between Emma Sue Lancaster and Pat Lancaster, her husband, and Carolyn Jackson and J. O. Jackson, her husband, and Charlotte Jackson and Charles Jackson, her husband, as grantors to Green River Electric Corporation, as grantee, and recorded on January 10, 1984, in the office of the County Court Clerk of McLean County, in the state of Kentucky, in Deed Book 104, on Page 70.</p> |
| <p>28. Philpot Substation<br/>Davless County<br/>3.466 Acres</p>                 | <p>A certain tract of land described in a certain deed, dated December 10, 1987, by and between Anna Elizabeth Oberst, widow, by and through her Co-Attorneys-in-Fact, Gerald E. Oberst and Rose O. Clark, as grantors to Green River Electric Corporation, as grantee, and recorded on December 11, 1987, in the office of the County Court Clerk of Daviess County, in the state of Kentucky, in Deed Book 567, on Page 724.</p>                                                  |
| <p>29. Pleasant Ridge Substation<br/>Daviess County<br/>3.305 Acres</p>          | <p>A certain tract of land described in a certain deed, dated July 8, 1991, by and between Donald Rock and Marie Nicely Rock, husband and wife, as grantors to Green River Electric Corporation, as grantee, and recorded on July 10, 1991, in the office of the County Court Clerk of Ohio County, in the state of Kentucky, in Deed Book 277, on Page 669.</p>                                                                                                                    |
| <p>30. Beech Grove Substation<br/>McLean County<br/>.74 Acre</p>                 | <p>A certain tract of land described in a certain deed, dated November 18, 1997, by and between Ola Bell Edds, unmarried, as grantor to Green River Electric Corporation, as grantee, and recorded on November 18, 1997, in the office of the County Court Clerk of McLean County, in the state of Kentucky, in Deed Book 140, on Page 94.</p>                                                                                                                                      |
| <p>31. Beech Grove Substation<br/>McLean County<br/>.027 Acre</p>                | <p>A certain tract of land described in a certain deed, dated January 8, 1998, by and between Herman B. Ward Jr. and Kathleen C. Ward, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on January 8, 1998, in the office of the County Court Clerk of McLean County, in the state of Kentucky, in Deed Book 140, on Page 445.</p>                                                                                                               |
| <p>32. Lewsport Substation<br/>(Second Bay)<br/>Hancock County<br/>.888 Acre</p> | <p>A certain tract of land described in a certain deed, dated September 10, 1998, by and between Samuel H. Pate and Michael Pate (aka Michele Pate), his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on October 29, 1998, in the office of the County Court Clerk of Hancock County, in the state of Kentucky, in Deed Book 118, on Page 644.</p>                                                                                               |
| <p>33. Horse Fork Substation<br/>Daviess County<br/>6.49 Acres</p>               | <p>A certain tract of land described in a certain deed, dated January 22, 1999, by and between Rudolph D. Martin and Martha Louis Martin, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on January 26, 1999, in the office of the County Court Clerk of Daviess County, in the state of Kentucky, in Deed Book 696, on Page 161.</p>                                                                                                          |

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| 34. Hawesville Property (Powers Street)<br>Hancock County<br>.579 Acre | A certain tract of land described in a certain deed, dated February 25, 1999, by and between Joel White, unmarried, Larry R. White and Jackie White, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on March 8, 1999, in the office of the County Court Clerk of Hancock County, in the state of Kentucky, in Deed Book 119, Pages 400 - 403. |
| 35. Weaverton Sub.<br>Henderson County<br>.23 Acre                     | A certain tract of land described in a certain deed, dated July 16, 1937, by Straughtn Suggs, et al., as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Henderson County, in the state of Kentucky, in Deed Book 91, Page 139.                                            |
| 36. Weaverton Sub.<br>Henderson County<br>.03 Acre                     | A certain tract of land described in a certain deed, dated April 5, 1939, by Straughtn Suggs et al., as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Henderson County, in the state of Kentucky, in Deed Book 93, Page 547.                                             |
| 37. Marion Substation<br>Crittenden County<br>.36 Acre                 | A certain tract of land described in a certain deed, dated April 11, 1947, by the City of Marion, Kentucky, as grantor, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Crittenden County, in the state of Kentucky, in Deed Book 75, Page 199.                                      |
| 38. Zion Substation<br>Henderson County<br>.49 Acre                    | A certain tract of land described in a certain deed, dated November 25, 1952, by Paul Bickett and his wife, Mary Ellen Bickett, as grantors, to the Mortgagor, as grantee, and recorded in the office of the Clerk of the County Court of Henderson County, in the state of Kentucky, in Deed Book 159, Page 409.                                                                  |
| 39. Sebree Substation<br>Webster County<br>.34 Acre                    | A certain tract of land described in a certain deed, dated October 26, 1954, by E. C. Liles, and his wife, Beatrice Liles, as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Webster County, in the state of Kentucky, in Deed Book 112, Page 436.                        |
| 40. Niagra Substation<br>Henderson County<br>.34 Acre                  | A certain tract of land described in a certain deed, dated November 4, 1968, by James C. Hicks et al., as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the County Court of Henderson County, in the state of Kentucky, in Deed Book 239, Page 34.                                                        |
| 41. Little Dixie Sub.<br>Henderson County<br>1 Acre                    | A certain tract of land described in a certain deed, dated September 8, 1965, by Mae Dossett et al., as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Henderson County, in the state of Kentucky, in Deed Book 221, Page 387.                                            |
| 42. Morganfield Sub.<br>Union County<br>.39 Acre                       | A certain tract of land described in a certain deed, dated August 8, 1956, by Charles M. Meacham, Jr., and his wife, Annie Meacham, as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Union County, in the state of Kentucky, in Deed Book 158, Page 307.                 |
| 43. Marion Office<br>Crittenden County<br>.39 Acre                     | A certain tract of land described in a certain deed, dated November 2, 1953, by Robert L. Qualls, and his wife, Nellie R. Qualls, as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the Office of the Clerk of the County Court of Crittenden County, in the state of Kentucky, in Deed Book 83, Page 475.               |
| 44. Marion Office<br>Crittenden County<br>.39 Acre                     | A certain tract of land described in a certain deed, dated October 31, 1953, by O. J. Rice and his wife, Lura Rice, as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Crittenden County, in the state of Kentucky in Deed Book 83, Page 471.                              |
| 45. Marion Office<br>Crittenden County<br>.31 Acre                     | A certain tract of land described in a certain deed, dated October 6, 1953, by Gid Woods, a widower, as grantor, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Crittenden County, in the state of Kentucky, in Deed Book 83, Page 442.                                             |
| 46. Providence Sub.<br>Hopkins County<br>1.05 Acres                    | A certain tract of land described in a certain deed, dated February 21, 1949, by T. G. Rice and his wife, Leta Rice, as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Hopkins County, in the state of Kentucky, in Deed Book 188, Page 249.                              |

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| 47. Geneva Sub.<br>Henderson County<br>.91 Acre                 | A certain tract of land described in a certain deed, dated June 30, 1960, by J. B. Eakins, unmarried, as Grantor, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantees, and recorded in the office of the Clerk of the County Court of Henderson County, in the state of Kentucky, in Deed Book 199, Page 280.                                                                                                                                                                                                                                                                                                                         |
| 48. Henderson Sub.<br>Henderson County<br>.27 Acre              | A certain tract of land described in a certain deed, dated December 9, 1950, by Russell D. Brown and Mary M. Brown, his wife, as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Henderson County, in the state of Kentucky, in Deed Book 150, Page 44.                                                                                                                                                                                                                                                                                                  |
| 49. Lyon County Substation<br>Lyon County<br>1.52 Acres         | (a) A certain tract of land described in a certain deed, dated February 25, 1960, by A. F. Thomas and his wife, as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Lyon County, in the state of Kentucky, in Deed Book 49, Page 292.<br>(b) A certain tract of land described in a certain deed, dated August 14, 2000, by Stanley Thomas and Leona Guess Thomas, his wife, as grantors, to Kenergy Corp., as grantee, and recorded in the office of the Clerk of the County Court of Lyon County, in the state of Kentucky, in Deed Book 123, Page 613. |
| 50. Sullivan Sub.<br>Crittenden County<br>.38 Acre              | A certain tract of land described in a certain deed, dated May 12, 1972, by Big Rivers Rural Electric Cooperative Corporation, as grantor, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Crittenden County, in the state of Kentucky, in Deed Book 111, Page 532.                                                                                                                                                                                                                                                                                                |
| 51. Dixon Substation<br>Webster County<br>.92 Acre              | A certain tract of land described in a certain deed, dated October 20, 1976, by Aubrey Dossett and Mary Dossett, his wife, as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Webster County, in the state of Kentucky, in Deed Book 169, Page 306.                                                                                                                                                                                                                                                                                                      |
| 52. Dixon Substation<br>Webster County<br>.14 Acre              | A certain tract of land described in a certain deed, dated May 10, 1977, by Aubrey Dossett and Mary Dossett, his wife, as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Webster County, in the state of Kentucky, in Deed Book 173, Page 429.                                                                                                                                                                                                                                                                                                          |
| 53. Race Creek Sub.<br>Henderson County<br>1.02 Acres           | A certain tract of land described in a certain deed, dated April 5, 1979, by C. Cooksey Crafton, and Dorothy C. Crafton, his wife, as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Henderson County, in the state of Kentucky, in Deed Book 311, Page 714.                                                                                                                                                                                                                                                                                            |
| 54. Lot Adjacent Marion Office<br>Crittenden County<br>.29 Acre | A certain house and lot in the town of Marion, Crittenden County, Kentucky, in a certain deed dated January 26, 1981, by and between Farley Heirs, party of the First Part, and Henderson Union Electric Cooperative Corp., or its predecessor, party of the Second Part, and recorded in the office of the County Court Clerk of Crittenden County in the state of Kentucky, in Deed Book 137, Page 197.                                                                                                                                                                                                                                                        |
| 55. Weaverton Sub.<br>Henderson County<br>.033 Acre             | A certain tract of land described in a certain deed, dated February 20, 1984, by Russell D. Brown, as grantor, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Henderson County, in the state of Kentucky, in Deed Book 344, Page 189.                                                                                                                                                                                                                                                                                                                             |
| 56. Persimmon Ridge Microwave<br>Union County<br>.06 Acre       | A certain tract of land described in a certain deed, dated April 25, 1984, by Glenn Watson, and his wife, Peggy Watson, as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Union County, in the state of Kentucky, in Deed Book 244, Page 357.                                                                                                                                                                                                                                                                                                           |
| 57. Henderson Headquarters<br>Henderson County<br>20 Acres      | A certain tract of land described in a certain deed, dated January 20, 1989, by Tommy D. Tapp, and his wife, Theda Tapp, as parties of the First Part, grantors, and Henderson Union Electric Cooperative Corp., or its predecessor, party of the Second Part, as grantee, and recorded in the office of the Clerk of Henderson County, in the state of Kentucky, in Deed Book 393, Page 22.                                                                                                                                                                                                                                                                     |

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| 58. Riverport Sub.<br>Henderson County<br>0.80 Acre                | A certain tract of land described in a certain deed, dated October 26, 1988, by Valley Grain Products, Inc., as grantor, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Henderson County, in the state of Kentucky, in Deed Book 391, Page 434.                                                                               |
| 59. Tyson Substation<br>Henderson County<br>1.3774 Acres           | A certain tract of land and ingress and egress easement described in a certain deed dated November 8, 1995, by the County of Henderson, Kentucky, et al., as grantors, to Henderson Union Electric Cooperative Corp., as grantee, and recorded in the office of the Clerk of the County Court of Henderson County, in the state of Kentucky, in Deed Book 454, Page 506.                                                     |
| 60. Bon Harbor Substation<br>Davies County<br>2 Acres              | A certain tract of land described in a certain deed, dated June 9, 1999, by Sara Jane McNulty, unmarried, as grantor to Green River Electric Corporation, as grantee, and recorded on June 22, 1999, in the office of the County Clerk of Daviess County, in the state of Kentucky, in Deed Book 702, on Page 991.                                                                                                           |
| 61. Maceo Substation<br>Davless County<br>2.103 Acres              | A certain tract of land described in a certain deed, dated March 15, 2000, by Walter Ford, and his wife, Carol Ford, as grantors, to Kenergy Corp., as grantee, and recorded on March 16, 2000, in the office of the County Clerk of Caldwell County, in the state of Kentucky, in Deed Book 716, on Page 338.                                                                                                               |
| 62. Caldwell Springs Substation<br>Crittenden County<br>3.27 Acres | A certain tract of land described in a certain deed, dated July 12, 2000, by Vernon L. Travis, unmarried, as grantor to Kenergy Corp., as grantee, and recorded on July 15, 2000, in the office of the County Clerk of Crittenden County, in the state of Kentucky, in Deed Book 187, on Page 121.                                                                                                                           |
| 63. Crossroads Substation<br>Caldwell County<br>3.30 Acres         | A certain tract of land described in a certain deed, dated September 29, 2000, by Gerald W. Sigler, and his wife, Sandra K. Sigler, as grantors, to Kenergy Corp., as grantee, and recorded on October 4, 2000, in the office of the County Clerk of Caldwell County, in the state of Kentucky, in Deed Book 225, on Page 498.                                                                                               |
| 64. Wolf Hills Substation<br>Henderson Co.<br>2.387 Acres          | A certain tract of land described in a certain deed, dated January 2, 2001, by Cosmos Broadcasting Corp., a South Carolina corporation, successor by merger to WFIE, Inc., whose address is 1115 Mt. Auburn Road, Evansville, IN 47710, as grantor, to Kenergy Corp., as grantee, and recorded January 8, 2001, in the office of the County Clerk of Henderson County, in the state of Kentucky, in Deed Book 8, on Page 72. |
| 65. Air Park Substation<br>Davies County<br>2.643 Acres            | A certain tract of land described in a certain deed, dated January 23, 2001, by and between Economic Development Properties, Inc. and The City of Owensboro, as grantors, to Kenergy Corp., as grantee, and recorded on March 13, 2001, in the office of the County Clerk of Daviess County, in the state of Kentucky, in Deed Book 731, on Page 973.                                                                        |
| 66. Providence Substation<br>Hopkins County<br>1.612 Acres         | A certain tract of land described in a certain deed, dated June 12, 2002, by Big Rivers Electric Corporation, as grantor, to Kenergy Corp., as grantee, and recorded on June 13, 2002, in the office of the County Clerk of Hopkins County, in the state of Kentucky, in Deed Book 609, on Page 220.                                                                                                                         |
| 67. Adams Lane Substation<br>Henderson County<br>5.7 Acres         | A certain tract of land described in a certain deed, dated November 22, 2002, by Kendall Drilling Company, Inc., as grantor, to Kenergy Corp., as grantee, and recorded on November 22, 2002, in the office of the County Clerk of Henderson County, in the state of Kentucky, in Deed Book 518, on Page 851.                                                                                                                |
| 68. Madisonville Substation<br>Hopkins County<br>1.69 Acres        | A certain tract of land described in a certain deed, dated November 17, 2005, by the City of Madisonville, Kentucky, as grantor, to Kenergy Corp., as grantee, and recorded on November 17, 2005, in the office of the County Clerk of Hopkins County, in the state of Kentucky, in Deed Book 645, on Page 557.                                                                                                              |



SUPPLEMENTAL MORTGAGE

SCHEDULE C

EXCEPTED PROPERTY

NONE.

Del:  
Dorsey, King, Gray,  
Normant + Haggood  
7-20-10

STATE OF KENTUCKY  
COUNTY OF HENDERSON, Ky. St.  
I, Renny T. Matthews, Clerk of Henderson County, certify that the  
foregoing Mortgage  
was this day at 8:00 o'clock P.M. lodged in my said office  
for record and that I have recorded it, the foregoing and this  
certificate in my said office.  
Given under my hand this 19<sup>th</sup> day July 20 10  
Renny T. Matthews  
By: Sharon Sellers D.C.

RUS PROJECT DESIGNATION:

KENTUCKY 65-D8 HENDERSON

SUPPLEMENTAL MORTGAGE

made by and among

KENERGY CORP.  
6402 Old Corydon Road  
Henderson, Kentucky 42420,

Mortgagor, and

UNITED STATES OF AMERICA  
Rural Utilities Service  
Washington, D.C. 20250-1500,

Mortgagee, and

COBANK, ACB  
5500 South Quebec Street  
Greenwood Village, Colorado 80111-1914,

Mortgagee

Dated as of November 3, 2008

THIS INSTRUMENT GRANTS A SECURITY INTEREST IN A TRANSMITTING UTILITY.  
THE DEBTOR AS MORTGAGOR IS A TRANSMITTING UTILITY.  
THIS INSTRUMENT CONTAINS PROVISIONS THAT COVER REAL AND PERSONAL PROPERTY, FIXTURES, AFTER-ACQUIRED PROPERTY, PROCEEDS, FUTURE ADVANCES AND FUTURE OBLIGATIONS.  
NOTICE - THIS MORTGAGE SECURES CREDIT IN THE AMOUNT OF UP TO \$250,000,000.00.  
INDEBTEDNESS SECURED HEREUNDER, INCLUDING FUTURE INDEBTEDNESS, TOGETHER WITH INTEREST, ARE SENIOR TO INDEBTEDNESS TO OTHER CREDITORS UNDER MORTGAGES AND LIENS FILED OR RECORDED SUBSEQUENT HERETO.  
THIS INSTRUMENT WAS PREPARED BY TERENCE M. BRADY, ASSISTANT GENERAL COUNSEL, AS ATTORNEY FOR UNITED STATES DEPARTMENT OF AGRICULTURE, RURAL UTILITIES SERVICE, WASHINGTON, D.C. 20250-1500.  
MORTGAGOR'S ORGANIZATIONAL IDENTIFICATION NUMBER IS 0471117.

No. 13

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SUPPLEMENTAL MORTGAGE, dated as of November 3, 2008 (hereinafter sometimes called this "Supplemental Mortgage"), is made by and among KENERGY CORP. (hereinafter called the "Mortgagor"), a corporation existing under the laws of the Commonwealth of Kentucky, and the UNITED STATES OF AMERICA acting by and through the Administrator of the Rural Utilities Service (hereinafter called the "Government") and COBANK, ACB (hereinafter called "CoBank"), a federally chartered instrumentality of the United States, and is intended to confer rights and benefits on both the Government and CoBank, in accordance with this Supplemental Mortgage and the Original Mortgage (hereinafter defined) (the Government and CoBank being hereinafter sometimes collectively referred to as the "Mortgagees").

## RECITALS

WHEREAS, the Mortgagor, the Government and CoBank or its predecessor are parties to that certain Restated Mortgage and Security Agreement (the "Original Mortgage" as identified in Schedule "A" of this Supplemental Mortgage) originally entered into among the Mortgagor, the Government acting by and through the Administrator of the Rural Utilities Service (hereinafter called "RUS"), and CoBank; and

WHEREAS, the Original Mortgage as the same may have been previously supplemented, amended or restated is hereinafter referred to as the "Existing Mortgage"; and

WHEREAS, the Mortgagor deems it necessary to borrow money for its corporate purposes and to issue its promissory notes and other debt obligations therefor, and to mortgage and pledge its property hereinafter described or mentioned to secure the payment of the same, and to enter into this Supplemental Mortgage pursuant to which all secured debt of the Mortgagor hereunder shall be secured on parity, hereunder and under the Existing Mortgage (this Supplemental Mortgage and the Existing Mortgage, hereinafter sometimes collectively referred to as the "Mortgage"); and

WHEREAS, all of the Mortgagor's Outstanding Notes listed in Schedule "A" hereto are secured pari passu by the Existing Mortgage for the benefit of all of the Mortgagees under the Existing Mortgage; and

WHEREAS, the Existing Mortgage provides the terms by which additional pari passu obligations may be issued thereunder and further provides that the Existing Mortgage may be supplemented from time to time to evidence that such obligations are entitled to the security of the Existing Mortgage and to add additional Mortgagees; and

WHEREAS, by their execution and delivery of this Supplemental Mortgage the parties hereto do hereby secure the Additional Notes listed in Schedule "A" pari passu with the Outstanding Notes under the Existing Mortgage; and

WHEREAS, all acts necessary to make this Supplemental Mortgage a valid and binding legal instrument for the security of such notes and obligations under the terms of the Mortgage, have been in all respects duly authorized;

Now, Therefore, This Supplemental Mortgage Witnesseth: That to secure the payment of the principal of (and premium, if any) and interest on all Notes and all Notes issued hereunder according to their tenor and effect, and the performance of all provisions therein and herein contained, and in consideration of the covenants herein contained and the purchase or guarantee of Notes by the guarantors or holders thereof, the Mortgagor has mortgaged, pledged and granted a continuing security interest in, and by these presents does hereby grant, bargain, sell, alienate, remise, release, convey, assign, transfer, hypothecate, pledge, set over and confirm, pledge, and grant a continuing security interest in for the purposes hereinafter expressed, unto the Mortgagees all property, rights, privileges and franchises of the Mortgagor of every kind and description, real, personal or mixed, tangible and intangible, of the kind or nature specifically mentioned herein or any other kind or nature, except any Excepted Property, set forth in the Existing Mortgage, owned or hereafter acquired by the Mortgagor (by purchase, consolidation, merger, donation,

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construction, erection or in any other way) wherever located, including (without limitation) all and singular the following:

- A. all of those fee and leasehold interests in real property set forth in Schedule "B" hereto, subject in each case to those matters set forth in such Schedule; and
- B. all of those fee and leasehold interests in real property set forth in Schedule "B" of the Existing Mortgage or in any restatement, amendment or supplement thereto, subject in each case to those matters set forth in such Schedule; and
- C. all of the kinds, types or items of property, now owned or hereafter acquired, described as Mortgaged Property in the Existing Mortgage or in any restatement, amendment or supplement thereto as Mortgaged Property.

It is further Agreed and Covenanted That the Original Mortgage, as previously restated, amended or supplemented, and this Supplement shall constitute one agreement and the parties hereto shall be bound by all of the terms thereof and, without limiting the foregoing.

- 1. All capitalized terms not defined herein shall have the meaning given in Article I of the Existing Mortgage.
- 2. This Supplemental Mortgage is one of the Supplemental Mortgages contemplated by Article II of the Original Mortgage.
- 3. The Maximum Debt Limit for the Mortgage shall be as set forth in Schedule "A" hereto.

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IN WITNESS WHEREOF, KENERGY CORP., as Mortgagor, has caused this Supplemental Mortgage to be signed in its name and its corporate seal to be hereunto affixed and attested by its officers thereunto duly authorized. UNITED STATES OF AMERICA, as Mortgagee and COBANK, ACB, as Mortgagee, have each caused this Supplemental Mortgage to be signed in their respective names by duly authorized persons, all as of this day and year first above written.

KENERGY CORP.

by Christopher Mitchell Chairman

(Seal)

Attest: Sandra Hood  
Secretary

Executed by the Mortgagor  
in the presence of

Diana Hayden  
[Signature]  
Witnesses

UNITED STATES OF AMERICA

by James M. [Signature]

Administrator  
of the  
Rural Utilities Service

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

Kathleen L. Van Vranken Kathleen L. Van Vranken  
[Signature] IVET FIGUEROA  
Witnesses

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COBANK, ACB

by *Penny Probasco*

Assistant Corporate Secretary

(SEAL)

Attest: *Robert Price*  
Assistant Corporate Secretary

Executed by CoBank, ACB, Mortgagee, in the  
presence of:

*Karen Watson*  
*Angie Johnson*  
Witnesses

COMMONWEALTH OF KENTUCKY )  
COUNTY OF *Crittenden* ) SS

I, *Charla D. Smithhart*, a Notary Public in and for the County and Commonwealth aforesaid, do hereby certify that *Christopher Mitchell* personally known to me to be the Chairman of Kenergy Corp., a corporation of the Commonwealth of Kentucky, and to me known to be the identical person whose name is as Chairman of said corporation, subscribed to the foregoing instrument, appeared before me this day in person and produced the foregoing instrument to me in the County aforesaid and acknowledged that as such Chairman he signed the foregoing instrument pursuant to authority given by the board of directors of said corporation as his free and voluntary act and deed and as the free and voluntary act and deed of said corporation for the uses and purposes therein set forth and that the seal affixed to the foregoing instrument is the corporate seal of said corporation.

Given under my hand this *13th* day of *January*, 2009.

*Charla D. Smithhart*  
Notary Public *State of Kentucky at Large*  
in and for *County, Kentucky*

(Notarial Seal)

My Commission expires: *9/29/09*

DISTRICT OF COLUMBIA

SS

On this 17<sup>th</sup> day of DECEMBER, 2008, personally appeared before me  
James F. Mothershed, who, being duly sworn, did say that he is the Administrator of  
the Rural Utilities Service, an agency of the United States of America, and acknowledged to me that, acting under a  
delegation of authority duly given and evidenced by law and presently in effect, he executed said instrument as the  
act and deed of the United States of America for the uses and purposes therein mentioned.

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

James F. Mothershed

Notary Public

JAMES F. MOTHERSHED

(Notarial Seal)

My commission expires: March 14, 2010



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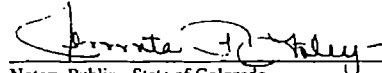
STATE OF COLORADO )  
 ) ss.  
COUNTY OF ARAPAHOE )

This instrument was acknowledged before me on DECEMBER 19, 2008, by  
PENNY PRUBASCO and ROBERT F. ..., each an  
Assistant Corporate Secretary of CoBank, ACB, a federally chartered instrumentality of the United States, on behalf  
of said entity.

Witness my hand and official seal.

My commission expires:

4-01-2010

  
Notary Public - State of Colorado

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## Supplemental Mortgage Schedule A - Part One

### Maximum Debt Limit and Other Information

1. The Maximum Debt Limit is \$250,000,000.00.
2. The Original Mortgage as referred to in the first WHEREAS clause above is more particularly described as follows:

| <u>Instrument Title</u>                  | <u>Instrument Date</u> |
|------------------------------------------|------------------------|
| Restated Mortgage and Security Agreement | July 1, 2003           |
| Supplemental Mortgage                    | September 19, 2003     |
| Supplemental Mortgage                    | April 5, 2004          |
| Supplemental Mortgage                    | August 18, 2004        |
| Supplemental Mortgage                    | September 1, 2005      |

3. The Outstanding Notes referred to in the fourth WHEREAS clause above that are Government Notes are more particularly described as follows:

| <u>Loan Designation</u> | <u>Face Amount</u> | <u>Date</u> | <u>Final Maturity</u> | <u>% Rate<sup>1</sup></u> |
|-------------------------|--------------------|-------------|-----------------------|---------------------------|
| AP6                     | \$2,117,000.00     | 26 Nov 1986 | 26 Nov 2021           | 5.00                      |
| AS7                     | \$3,402,000.00     | 5 Dec 1986  | 5 Dec 2021            | 5.00                      |
| AT7                     | \$3,369,000.00     | 5 Oct 1988  | 5 Oct 2023            | 5.00                      |
| AR6                     | \$2,784,000.00     | 22 Sep 1989 | 22 Sep 2024           | 5.00                      |
| AU7                     | \$3,672,000.00     | 5 Sep 1990  | 5 Sep 2025            | 5.00                      |
| AV7                     | \$3,741,000.00     | 28 Jan 1993 | 28 Jan 2028           | 5.00                      |
| AS6                     | \$2,544,000.00     | 27 May 1994 | 27 May 2029           | 5.00                      |
| AW70                    | \$3,403,000.00     | 14 Dec 1994 | 14 Dec 2029           | V                         |
| AX70                    | \$3,962,000.00     | 1 Jul 1997  | 1 Jul 2032            | V                         |
| AT60                    | \$5,226,000.00     | 1 Apr 1998  | 1 Apr 2033            | V                         |
| A40                     | \$56,451,000.00    | 1 Feb 2001  | 1 Feb 2036            | V                         |
| B8 <sup>2</sup>         | \$21,355,000.00    | 1 Jul 2003  | 31 Dec 2037           | V                         |
| C44                     | \$27,325,000.00    | 1 Sep 2005  | 1 Sep 2040            | V                         |

<sup>1</sup>V=variable interest rate calculated by RUS pursuant to title 7 of the Code of Federal Regulations or by the Secretary of Treasury. CFC=an interest rate which may be fixed or variable from time to time as provided in the CFC Loan Agreement pertaining to a loan which has been made by CFC and guaranteed by RUS. CoBank=an interest rate which may be fixed or variable from time to time as provided in the CoBank Loan Agreement pertaining to a loan which has been made by CoBank and guaranteed by RUS.

<sup>2</sup>In addition to this note which the Mortgagor has issued to FFB, the Mortgagor has also issued a corresponding promissory note to RUS designated as the certain "Reimbursement Note" bearing even date therewith. Such Reimbursement Note is payable to the Government on demand and evidences the Mortgagor's obligation immediately to repay RUS, any payment which RUS may make pursuant to the RUS guarantee of such FFB note, together with interest, expenses and penalties (all as described in such Reimbursement Note). Such Reimbursement Note is an "Additional Note issued to the Government" for purposes of this Part One of Schedule A of this Supplemental Mortgage and is entitled to all of the benefits and security of the Mortgage.

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4. The Additional Notes described in the sixth WHEREAS clause above are more particularly described as follows:

| <u>Loan<br/>Designation</u> | <u>Face Amount</u> | <u>Date</u> | <u>Final<br/>Maturity</u> | <u>% Rate<sup>3</sup></u> |
|-----------------------------|--------------------|-------------|---------------------------|---------------------------|
| D8 <sup>4</sup>             | \$31,622,000.00    | 3 Nov 2008  | 31 Dec 2042               | V                         |

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<sup>3</sup>See footnote 1 in this Schedule A.

<sup>4</sup>See footnote 2 in this Schedule A.

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## SCHEDULE A: PART TWO

The outstanding secured obligations of the Mortgagor referred to in the fourth WHEREAS clause above are evidenced by the Original Notes described below:

### ORIGINAL NOTES issued to CoBank, ACB

| <u>Note Designation</u> | <u>Face Amount</u> | <u>Date</u>        | <u>Final Maturity</u> |
|-------------------------|--------------------|--------------------|-----------------------|
| ML0501T1                | \$1,698,000.00     | July 1, 1999       | May 1, 2032           |
| ML0501T2                | \$1,458,000.00     | July 1, 1999       | March 20, 2020        |
| ML0501T4                | \$1,444,000.00     | July 1, 1999       | November 20, 2022     |
| ML0501T5                | \$1,287,000.00     | July 1, 1999       | October 20, 2017      |
| ML0501T6                | \$1,603,000.00     | July 1, 1999       | January 20, 2028      |
| ML0501T7                | \$1,458,000.00     | July 1, 1999       | December 20, 2029     |
| ML0501T8                | \$1,573,000.00     | July 1, 1999       | June 20, 2025         |
| ML0501T10               | \$3,827,000.00     | October 2, 2001    | October 20, 2026      |
| ML0501T11               | \$6,500,000.00     | September 19, 2003 | May 31, 2014          |
| ML0501T12               | \$1,491,370.00     | April 5, 2004      | April 20, 2015        |
| ML0501T13               | \$1,716,790.00     | April 5, 2004      | April 20, 2016        |
| ML0501T14               | \$1,118,748.00     | April 5, 2004      | April 20, 2017        |
| ML0501T15               | \$1,954,881.00     | April 5, 2004      | April 20, 2018        |
| RX0501T18               | \$78,364.53        | August 18, 2004    | June 20, 2009         |
| RX0501T19               | \$682,481.79       | August 18, 2004    | September 20, 2021    |
| RX0501T20               | \$984,496.79       | August 18, 2004    | March 20, 2029        |
| RX0501T21               | \$1,492,094.06     | August 18, 2004    | March 20, 2033        |

Debtor: Kenergy Corp.

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|                                                                |                                                                                                                                                                                                                                                                                                                                                    |
|----------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 - West Owensboro Substation<br>Davless County<br>1.033 Acres | A certain tract of land described in a certain deed, dated March 19, 1951, by R. L. Mitchell and Doris Mitchell, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on April 9, 1951, in the office of the County Clerk of Davless County, in the state of Kentucky, in Deed Book 209, on Page 263.               |
| 2 - Bada Substation<br>Ohio County<br>1 Acre                   | A certain tract of land described in a certain deed, dated April 26, 1951, by J. R. Shown and Antha Shown, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on April 30, 1951, in the office of the County Clerk of Ohio County, in the state of Kentucky, in Deed Book 113, on Page 133.                       |
| 3 - Hanson Substation<br>Hopkins County<br>.56 Acre            | A certain tract of land described in a certain deed, dated September 13, 1951, by B. W. L. McLaughlin, as grantor to Green River Electric Corporation, as grantee, and recorded on September 15, 1951, in the office of the County Court Clerk of Hopkins County, in the state of Kentucky, in Deed Book 209, on Page 186.                         |
| 4 - Guffie Substation<br>McLean County<br>1 Acre               | A certain tract of land described in a certain deed, dated June 13, 1953, by Howard Whitaker and Mittie Whitaker, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on July 31, 1953, in the office of the County Court clerk of McLean County, in the state of Kentucky, in Deed Book 45, on Page 379.          |
| 5 - Lewisport Substation<br>Hancock County<br>1.5 Acres        | A certain tract of land described in a certain deed, dated January 20, 1955, by R. T. Toler, Sr., and Mary Idele Toler, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on February 3, 1955, in the office of the County Court Clerk of Hancock County, in the state of Kentucky in Deed Book 83, on Page 266. |
| 6 - Ulice Substation<br>Davless County<br>1.72 Acres           | A certain tract of land described in a certain deed, dated March 28, 1958, by W. D. Ridgeway and Verda Ridgeway, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on March 29, 1958, in the office of the County Court Clerk of Davless County, in the state of Kentucky, in Deed Book 254, on Page 192.        |
| 7 - Whitesville Substation<br>Davless County<br>1.5 Acres      | A certain tract of land described in a certain deed, dated June 22, 1958, by Otis W. Greer and Martha A. Greer, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on June 22, 1958, in the office of the County Court Clerk of Davless County, in the state of Kentucky, in Deed Book 267, on Page 315.          |
| 8 - Weberstown Substation<br>Hancock County<br>1.08 Acres      | A certain tract of land described in a certain deed, dated June 27, 1958, by Walter A. Glover and Blanche Glover, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on July 21, 1958, in the office of the County Court Clerk of Hancock County, in the state of Kentucky, in Deed Book 64, on Page 238.         |
| 9 - Howesville Office<br>Hancock County<br>One-Half 1/2 Acre   | A certain tract of land described in a certain deed, dated March 31, 1960, by J. E. Harp and Salome Harp, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on March 31, 1960, in the office of the County Court Clerk of Hancock County, in the state of Kentucky, in Deed Book 68, on Page 36.                 |
| 10 - Howesville Substation<br>Hancock County<br>6.01 Acres     | A certain tract of land described in a certain deed, dated June 7, 1960, by Earl L. White and Opal White, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on June 8, 1960, in the office of the County Court Clerk of Hancock County, in the state of Kentucky, in Deed Book 68, on Page 127.                  |
| 11 - Stanley Substation<br>Davless County<br>2 Acres           | A certain tract of land described in a certain deed, dated May 29, 1961, by J. H. Jarboe and Hattie Jarboe, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on May 31, 1961, in the office of the County Court Clerk of Davless County, in the state of Kentucky, in Deed Book 301, on Page 28.                |
| 12 - Thruston Substation<br>Davless County<br>2 Acres          | A certain tract of land described in a certain deed, dated March 10, 1962, by William T. Abell and Carye B. Abell, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on March 13, 1962, in the office of the County Court Clerk of Davless County, in the state of Kentucky, in Deed Book 307, on Page 534.      |

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|                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 13 - Masonville Substation Davless County 2.02 Acres             | A certain tract of land described in a certain deed dated June 28, 1982, by J. C. Barnhill and Stella Barnhill, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on July 6, 1982, in the office of the County Court Clerk of Davless County, in the state of Kentucky, in Deed Book 310, on Page 612.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 14 - Owenaboro Office/Warehouse Davless County 33.90 Acres       | (a) A certain tract of land described in a certain deed, dated January 7, 1984, by Guy Wright and Bertha M. Wright, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on January 9, 1984, in the office of the County Court Clerk of Davless County, in the state of Kentucky, in Deed Book 325, on Page 293.<br>(b) A certain tract of land described in a certain deed, dated June 24, 1971, by Thomason Industries, Inc., as grantor to Green River Electric Corporation, as grantee, and recorded on July 2, 1971, in the office of the County Court Clerk of Davless County, in the state of Kentucky, in Deed Book 404, on Page 76.<br>(c) A certain tract of land described in a certain deed, dated September 28, 1982, by J. W. McCormick and Bonita McCormick, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on September 29, 1982, in the office of the County Court Clerk of Davless County, in the state of Kentucky, in Deed Book 497, on Page 666. |
| 15 - Onton Substation Webster County 2 Acres                     | A certain tract of land described in a certain deed, dated August 4, 1965, by Walter Lee Ritz and Marvene Ritz, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on August 4, 1965, in the office of the County Court Clerk of Webster County, in the state of Kentucky, in Deed Book 131, on Page 315.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 16 - St. Joseph Substation Davless County 2 Acres                | A certain tract of land described in a certain deed, dated August 7, 1985, by Joseph Daniel Mattingly and Ora B. Mattingly, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on August 11, 1985, in the office of the County Court Clerk of Davless County, in the state of Kentucky, in Deed Book 342, on Page 516.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 17 - Dermont Substation Davless County 2 Acres                   | A certain tract of land described in a certain deed, dated November 28, 1967, by Edward Leo Jones and Margaret T. Jones, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on December 7, 1967, in the office of the County Court Clerk of Davless County, in the state of Kentucky, in Deed Book 366, on Page 181.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 18 - So. Hanson Warehouse/ Substation Hopkins County 8.139 Acres | A certain tract of land described in a certain deed, dated April 11, 1974, by Arthur Adams and Ruth Adams, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on April 11, 1974, in the office of the County Court Clerk of Hopkins County, in the state of Kentucky, in Deed Book 382, on Page 672.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 19 - Hartford Office Ohio County .52 Acre                        | A certain tract of land described in a certain deed, dated August 6, 1978, by Herman Park, a single man, as grantor to Green River Electric Corporation, as grantee, and recorded on August 6, 1978, in the office of the County Court Clerk of Ohio County, in the state of Kentucky, in Deed Book 220, on Page 116-117.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 20 - So. Owensboro Substation Davless County 2.410 Acres         | A certain tract of land described in a certain deed, dated May 16, 1977, by and between Norbert Goetz and Mary Goetz, his wife, and Robert M. Moorman and Barbara Moorman, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on August 1, 1977, in the office of the County Court Clerk of Davless County, in the state of Kentucky, in Deed Book 489, on Page 37.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 21 - Cantertown Substation Ohio County 2 Acres                   | A certain tract of land described in a certain deed, dated August 8, 1977, by Homer Ford and Kathryn Ford, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on August 13, 1977, in the office of the County Court Clerk of Ohio County, in the state of Kentucky, in Deed Book 224, on Page 28 - 31.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 22 - South Dermont Substation Davless County 2.020 Acres         | A certain tract of land described in a certain deed, dated December 19, 1977, by and between William L. Reno Jr. and Barbara G. Reno, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on January 3, 1978, in the office of the County Court Clerk of Davless County, in the state of Kentucky, in Deed Book 473, on Page 794.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 23 - Panther Microwave Davless County 2.833 Acres                | A certain tract of land described in a certain deed, dated October 3, 1980, by and between E. D. Rafferty and Tina Rafferty, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on October 10, 1980, in the office of the County Court Clerk of Davless County, in the state of Kentucky, in Deed Book 501, Page 437-439.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 24 - East Owenaboro Substation Davless County 6.587 Acres        | A certain tract of land described in a certain deed, dated November 28, 1980, by and between B. Christer and Gertrude Christer, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on November 28, 1980, in the office of the County Court Clerk of Davless County, in the state of Kentucky, in Deed Book 222, in Page 488.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

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|                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|--------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 25 - Whitesville Microwave Site<br>Davless County<br>.0918 Acres         | A certain tract of land described in a certain deed, dated October 31, 1980, by and between Virginia C. Kelley, a widow, as grantor to Green River Electric Corporation, as grantee, and recorded on November 5, 1980, in the office of the County Court Clerk of Davless County, in the state of Kentucky, in Deed Book 602, on Page 211.                                                                                                                                   |
| 26 - Nuckols Substation<br>Davless County<br>1.947 Acres                 | A certain tract of land described in a certain deed, dated November 9, 1982, by and between Virginia Coke, a widow, Baxter Jean Coke Jr., and Ella C. Coke, his wife, James W. Coke, single and Ben H. Coke, single, as grantors to Green River Electric Corporation, as grantee, and recorded on November 10, 1982, in the office of the County Court Clerk of McLean County, in the state of Kentucky, in Deed Book 67, on Page 93.                                        |
| 27 - Sacramento Substation<br>Davless County<br>3.465 Acres              | A certain tract of land described in a certain deed, dated December 21, 1983, by and between Emma Sue Lancaster and Pat Lancaster, her husband, and Carolyn Jackson and J. O. Jackson, her husband, and Charlotte Jackson and Charles Jackson, her husband, as grantors to Green River Electric Corporation, as grantee, and recorded on January 10, 1984, in the office of the County Court Clerk of McLean County, in the state of Kentucky, in Deed Book 104, on Page 70. |
| 28 - Philpot Substation<br>Davless County<br>3.468 Acres                 | A certain tract of land described in a certain deed, dated December 10, 1987, by and between Anna Elizabeth Oberst, widow, by and through her Co-Attorneys-In-Fact, Gerald E. Oberst and Rosa O. Clark, as grantors to Green River Electric Corporation, as grantee, and recorded on December 11, 1987, in the office of the County Court Clerk of Davless County, in the state of Kentucky, in Deed Book 587, on Page 724.                                                  |
| 29 - Pleasant Ridge Substation<br>Davless County<br>3.308 Acres          | A certain tract of land described in a certain deed, dated July 8, 1991, by and between Donald Rock and Marie Nicely Rock, husband and wife, as grantors to Green River Electric Corporation, as grantee, and recorded on July 10, 1991, in the office of the County Court Clerk of Ohio County, in the state of Kentucky, in Deed Book 277, on Page 669.                                                                                                                    |
| 30 - Beech Grove Substation<br>McLean County<br>.74 Acres                | A certain tract of land described in a certain deed, dated November 18, 1997, by and between Ola Bell Edds, unmarried, as grantor to Green River Electric Corporation, as grantee, and recorded on November 18, 1997, in the office of the County Court Clerk of McLean County, in the state of Kentucky, in Deed Book 140, on Page 94.                                                                                                                                      |
| 31 - Beech Grove Substation<br>McLean County<br>.027 Acre                | A certain tract of land described in a certain deed, dated January 8, 1998, by and between Herman B. Ward Jr. and Kathleen C. Ward, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on January 8, 1998, in the office of the County Court Clerk of McLean County, in the state of Kentucky, in Deed Book 140, on Page 445.                                                                                                               |
| 32 - Lewisport Substation (Second Bay)<br>Hancock County<br>.888 Acres   | A certain tract of land described in a certain deed, dated September 10, 1998, by and between Samuel H. Pate and Michael Pate (aka Michele Pate), his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on October 29, 1998, in the office of the County Court Clerk of Hancock County, in the state of Kentucky, in Deed Book 118, on Page 644.                                                                                               |
| 33 - Horse Fork Substation<br>Davless County<br>6.49 Acres               | A certain tract of land described in a certain deed, dated January 22, 1999, by and between Rudolph D. Martin and Martha Louis Martin, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on January 28, 1999, in the office of the County Court Clerk of Davless County, in the state of Kentucky, in Deed Book 898, on Page 161.                                                                                                          |
| 34 - Hawesville Property (Powers Street)<br>Hancock County<br>.879 Acres | A certain tract of land described in a certain deed, dated February 25, 1999, by and between Joel White, unmarried, Lerry R. White and Jackie White, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on March 8, 1999, in the office of the County Court Clerk of Hancock County, in the state of Kentucky, in Deed Book 119, Pages 400 - 403.                                                                                           |
| 35 - Weaverton Sub.<br>Henderson County<br>.23 Acre                      | A certain tract of land described in a certain deed, dated July 16, 1937, by Straughn Suggs, et al., as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Henderson County, in the state of Kentucky, in Deed Book 91, Page 139.                                                                                                                                       |
| 36 - Weaverton Sub.<br>Henderson County<br>.03 Acre                      | A certain tract of land described in a certain deed, dated April 5, 1939, by Straughn Suggs et al., as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Henderson County, in the state of Kentucky, in Deed Book 93, Page 547.                                                                                                                                        |
| 37 - Marion Substation<br>Crittenden County<br>.36 Acre                  | A certain tract of land described in a certain deed, dated April 11, 1947, by the City of Marion, Kentucky, as grantor, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Crittenden County, in the state of Kentucky, in Deed Book 75, Page 199.                                                                                                                                |

|                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 37 - Mon Substation<br>Henderson County<br>.49 Acre         | A certain tract of land described in a certain deed, dated November 26, 1952, by Paul Bickett and his wife, Mary Ellen Bickett, as grantors, to the Mortgagor, as grantee, and recorded in the office of the Clerk of the County Court of Henderson County, in the state of Kentucky, in Deed Book 159, Page 409.                                                                                                                                                                                                                                                                                                                                                |
| 39 - Sebrae Substation<br>Webster County<br>.34 Acre        | A certain tract of land described in a certain deed, dated October 26, 1954, by E. C. Liles, and his wife, Vestrica Liles, as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Webster County, in the state of Kentucky, in Deed Book 112, Page 436.                                                                                                                                                                                                                                                                                                      |
| 40 - Niagra Substation<br>Henderson County<br>.34 Acre      | A certain tract of land described in a certain deed, dated November 4, 1968, by James C. Hicks et al., as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the County Court of Henderson County, in the state of Kentucky, in Deed Book 239, Page 34.                                                                                                                                                                                                                                                                                                                                      |
| 41 - Little Dixie Sub.<br>Henderson County<br>1 Acre        | A certain tract of land described in a certain deed, dated September 8, 1965, by Mae Dosssett et al., as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Henderson County, in the state of Kentucky, in Deed Book 221, Page 387.                                                                                                                                                                                                                                                                                                                         |
| 42 - Morganfield Sub.<br>Union County<br>.39 Acre           | A certain tract of land described in a certain deed, dated August 8, 1956, by Charles M. Meacham, Jr., and his wife, Annie Meacham, as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Union County, in the state of Kentucky, in Deed Book 158, Page 307.                                                                                                                                                                                                                                                                                               |
| 43 - Marion Office<br>Crittenden County<br>.39 Acre         | A certain tract of land described in a certain deed, dated November 2, 1953, by Robert L. Quella, and his wife, Nellie R. Quella, as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the Office of the Clerk of the County Court of Crittenden County, in the state of Kentucky, in Deed Book 83, Page 475.                                                                                                                                                                                                                                                                                             |
| 44 - Marion Office<br>Crittenden County<br>.39 Acre         | A certain tract of land described in a certain deed, dated October 31, 1953, by O. J. Rice and his wife, Lura Rice, as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Crittenden County, in the state of Kentucky in Deed Book 83, Page 471.                                                                                                                                                                                                                                                                                                            |
| 45 - Marion Office<br>Crittenden County<br>.31 Acre         | A certain tract of land described in a certain deed, dated October 6, 1953, by Gld Woods, a widower, as grantor, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Crittenden County, in the state of Kentucky, in Deed Book 83, Page 442.                                                                                                                                                                                                                                                                                                                           |
| 46 - Providence Sub.<br>Hopkins County<br>1.05 Acres        | A certain tract of land described in a certain deed, dated February 21, 1949, by T. G. Rice and his wife, Leota Rice, as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Hopkins County, in the state of Kentucky, in Deed Book 188, Page 249.                                                                                                                                                                                                                                                                                                           |
| 47 - Geneva Sub.<br>Henderson County<br>.91 Acre            | A certain tract of land described in a certain deed, dated June 30, 1980, by J. B. Eakins, unmarried, as Grantor, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Henderson County, in the state of Kentucky, in Deed Book 199, Page 280.                                                                                                                                                                                                                                                                                                                          |
| 48 - Henderson Sub.<br>Henderson County<br>.27 Acre         | A certain tract of land described in a certain deed, dated December 9, 1950, by Russell D. Brown and Mary M. Brown, his wife, as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Henderson County, in the state of Kentucky, in Deed Book 150, Page 44.                                                                                                                                                                                                                                                                                                  |
| 49 - Lyon County<br>Substation<br>Lyon County<br>1.52 Acres | (a) A certain tract of land described in a certain deed, dated February 25, 1980, by A. F. Thomas and his wife, as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Lyon County, in the state of Kentucky, in Deed Book 49, Page 292.<br>(b) A certain tract of land described in a certain deed, dated August 14, 2000, by Stanley Thomas and Leona Guess Thomas, his wife, as grantors, to Kenergy Corp., as grantee, and recorded in the office of the Clerk of the County Court of Lyon County, in the state of Kentucky, in Deed Book 123, Page 613. |
| 50 - Sullivan Sub.<br>Crittenden County<br>.38 Acre         | A certain tract of land described in a certain deed, dated May 12, 1972, by Big Rivers Rural Electric Cooperative Corporation, as grantor, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Crittenden County, in the state of Kentucky, in Deed Book 111, Page 532.                                                                                                                                                                                                                                                                                                |



|                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                           |
|------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 51 - Dixon Substation<br>Webster County<br>.92 Acres                   | A certain tract of land described in a certain deed, dated October 20, 1976, by Aubrey Dossett and Mary Dossett, his wife, as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Webster County, in the state of Kentucky, in Deed Book 169, Page 306.                                               |
| 52 - Dixon Substation<br>Webster County<br>.14 Acre                    | A certain tract of land described in a certain deed, dated May 10, 1977, by Aubrey Dossett and Mary Dossett, his wife, as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Webster County, in the state of Kentucky, in Deed Book 173, Page 428.                                                   |
| 63 - Race Creek Sub.<br>Henderson County<br>1.02 Acres                 | A certain tract of land described in a certain deed, dated April 5, 1978, by C. Cooksey Crafton, and Dorothy C. Crafton, his wife, as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Henderson County, in the state of Kentucky, in Deed Book 311, Page 714.                                     |
| 54 - Lot Adjacent<br>Marion Office<br>Crittenden County<br>.29 Acre    | A certain house and lot in the town of Marion, Crittenden County, Kentucky, in a certain deed dated January 28, 1981, by and between Farley Helra, party of the First Part, and Henderson Union Electric Cooperative Corp., or its predecessor, party of the Second Part, and recorded in the office of the County Court Clerk of Crittenden County in the state of Kentucky, in Deed Book 137, Page 197. |
| 55 - Wasverton Sub.<br>Henderson County<br>.033 Acres                  | A certain tract of land described in a certain deed, dated February 20, 1984, by Russell D. Brown, as grantor, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Henderson County, in the state of Kentucky, in Deed Book 344, Page 189.                                                                      |
| 58 - Persimmon<br>Ridge Microwave<br>Union County<br>.08 Acres         | A certain tract of land described in a certain deed, dated April 26, 1984, by Glenn Watson, and his wife, Peggy Watson, as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Union County, in the state of Kentucky, in Deed Book 244, Page 357.                                                    |
| 57 - Henderson<br>Headquarters<br>Henderson County<br>.20 Acres        | A certain tract of land described in a certain deed, dated January 20, 1989, by Tommy D. Tapp, and his wife, Theda Tapp, as parties of the First Part, grantors, and Henderson Union Electric Cooperative Corp., or its predecessor, party of the Second Part, as grantee, and recorded in the office of the Clerk of Henderson County, in the state of Kentucky, in Deed Book 393, Page 22.              |
| 58 - Riverport Sub.<br>Henderson County<br>.08 Acre                    | A certain tract of land described in a certain deed, dated October 28, 1988, by Valley Grain Products, Inc., as grantor, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Henderson County, in the state of Kentucky, in Deed Book 391, Page 434.                                                            |
| 59 - Tyson Substation<br>Henderson County<br>1.3774 Acres              | A certain tract of land and ingress and egress easement described in a certain deed dated November 8, 1995, by the County of Henderson, Kentucky, et al., as grantors, to Henderson Union Electric Cooperative Corp., as grantee, and recorded in the office of the Clerk of the County Court of Henderson County, in the state of Kentucky, in Deed Book 454, Page 506.                                  |
| 60 - Bon Harbor<br>Substation<br>Davless County<br>2 Acres             | A certain tract of land described in a certain deed, dated June 9, 1999, by Sara Jane McNulty, unmarried, as grantor to Green River Electric Corporation, as grantee, and recorded on June 22, 1999, in the office of the County Clerk of Davless County, in the state of Kentucky, in Deed Book 702, on Page 991.                                                                                        |
| 61 - Maceo Substation<br>Davless County<br>2.103 Acres                 | A certain tract of land described in a certain deed, dated March 16, 2000, by Walter Ford, and his wife, Carol Ford, as grantors, to Kenergy Corp., as grantee, and recorded on March 16, 2000, in the office of the County Clerk of Caldwell County, in the state of Kentucky, in Deed Book 716, on Page 338.                                                                                            |
| 62 - Caldwell Springs<br>Substation<br>Crittenden County<br>3.27 Acres | A certain tract of land described in a certain deed, dated July 12, 2000, by Vernon L. Travis, unmarried, as grantor to Kenergy Corp., as grantee, and recorded on July 15, 2000, in the office of the County Clerk of Crittenden County, in the state of Kentucky, in Deed Book 187, on Page 121.                                                                                                        |
| 63 - Crossroads<br>Substation<br>Caldwell County<br>3.30 Acres         | A certain tract of land described in a certain deed, dated September 29, 2000, by Gerald W. Sigler, and his wife, Sandra K. Sigler, as grantors, to Kenergy Corp., as grantee, and recorded on October 4, 2000, in the office of the County Clerk of Caldwell County, in the state of Kentucky, in Deed Book 225, on Page 498.                                                                            |
| 64 - Wolf Hills<br>Substation<br>Henderson Co.<br>2.387 Acres          | A certain tract of land described in a certain deed, dated January 2, 2001, by Cosmos Broadcasting Corp., a South Carolina corporation, successor by merger to WFIE, Inc., whose address is 1115 Mt. Auburn Road, Evansville, IN 47710, as grantor, to Kenergy Corp., as grantee, and recorded January 8, 2001, in the office of the County Clerk of Henderson                                            |

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|                                                                 |                                                                                                                                                                                                                                                                                                                                                      |
|-----------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 65 - Air Park<br>Substation<br>Davies County<br>2.843 Acres     | A certain tract of land described in a certain deed, dated January 23, 2001, by and between Economic Development Properties, Inc. and The City of Owensboro, as grantors, to Kenergy Corp., as grantee, and recorded on March 13, 2001, in the office of the County Clerk of Davies County, in the state of Kentucky, in Deed Book 731, on Page 873. |
| Providence<br>Substation<br>Hopkins County<br>1.612 Acres       | A certain tract of land described in a certain deed, dated June 12, 2002, by Big Rivers Electric Corporation, as grantor, to Kenergy Corp., as grantee, and recorded on June 13, 2002, in the office of the County Clerk of Hopkins County, in the state of Kentucky, in Deed Book 608, on Page 220.                                                 |
| 67 - Adams Lane<br>Substation<br>Henderson County<br>8.7 Acres  | A certain tract of land described in a certain deed, dated November 22, 2002, by Kendall Drilling Company, Inc., as grantor, to Kenergy Corp., as grantee, and recorded on November 22, 2002, in the office of the County Clerk of Henderson County, in the state of Kentucky, in Deed Book 518, on Page 851.                                        |
| 68 - Madisonville<br>Substation<br>Hopkins County<br>1.69 Acres | A certain tract of land described in a certain deed, dated November 17, 2005, by the City of Madisonville, Kentucky, as grantor, to Kenergy Corp., as grantee, and recorded on November 17, 2005, in the office of the County Clerk of Hopkins County, in the state of Kentucky, in Deed Book 645, on Page 557.                                      |

Del:  
Dorsey, King, Gray,  
Normant &  
Haggard  
1-16-09

STATE OF KENTUCKY  
COUNTY OF HENDERSON.....Sct.  
I, Renny T. Matthews, Clerk of Henderson County, certify that the  
foregoing *mortgage*  
was this day at 11:50 o'clock A. M. lodged in my said office  
for record and that I have recorded it, the foregoing and this  
certificate in my said office.  
Given under my hand this *15<sup>th</sup>* day January 20 *09*  
Renny T. Matthews  
By *James M. Carruth* D.C.

RUS PROJECT DESIGNATION:  
KENTUCKY 65-C44 HENDERSON

SUPPLEMENTAL MORTGAGE

made by and among

KENERGY CORP.  
6402 Old Corydon Road  
Henderson, Kentucky 42420,

Mortgagor, and

UNITED STATES OF AMERICA  
Rural Utilities Service  
Washington, D.C. 20250-1500,

Mortgagee, and

COBANK, ACB  
5500 South Quebec Street  
Greenwood Village, Colorado 80111-1914,

Mortgagee

Dated as of September 1, 2005

THIS INSTRUMENT GRANTS A SECURITY INTEREST IN A TRANSMITTING UTILITY.  
 THE DEBTOR AS MORTGAGOR IS A TRANSMITTING UTILITY.  
 THIS INSTRUMENT CONTAINS PROVISIONS THAT COVER REAL AND PERSONAL PROPERTY, FIXTURES, AFTER-ACQUIRED  
 PROPERTY, PROCEEDS, FUTURE ADVANCES AND FUTURE OBLIGATIONS.  
 NOTICE - THIS MORTGAGE SECURES CREDIT IN THE AMOUNT OF UP TO \$250,000,000.00.  
 INDEBTEDNESS SECURED HEREUNDER, INCLUDING FUTURE INDEBTEDNESS, TOGETHER WITH INTEREST, ARE SENIOR TO  
 INDEBTEDNESS TO OTHER CREDITORS UNDER MORTGAGES AND LIENS FILED OR RECORDED SUBSEQUENT HERETO.  
 THIS INSTRUMENT WAS PREPARED BY TERENCE M. BRADY, ASSISTANT GENERAL COUNSEL, AS ATTORNEY FOR UNITED  
 STATES DEPARTMENT OF AGRICULTURE, RURAL UTILITIES SERVICE, WASHINGTON, D.C. 20250-1500.

*[Signature]*

MORTGAGOR'S ORGANIZATIONAL IDENTIFICATION NUMBER IS 0471117.

No. 1

Generated: August 30, 2005

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SUPPLEMENTAL MORTGAGE, dated as of September 1, 2005 (hereinafter sometimes called this "Supplemental Mortgage"), is made by and among KENERGY CORP. (hereinafter called the "Mortgagor"), a corporation existing under the laws of the Commonwealth of Kentucky, and the UNITED STATES OF AMERICA acting by and through the Administrator of the Rural Utilities Service (hereinafter called the "Government") and COBANK, ACB (hereinafter called "CoBank"), a federally chartered instrumentality of the United States, and is intended to confer rights and benefits on both the Government and CoBank, in accordance with this Supplemental Mortgage and the Original Mortgage (hereinafter defined) (the Government and CoBank being hereinafter sometimes collectively referred to as the "Mortgagees").

RECITALS

WHEREAS, the Mortgagor, the Government and CoBank or its predecessor are parties to that certain Restated Mortgage and Security Agreement (the "Original Mortgage" as identified in Schedule "A" of this Supplemental Mortgage) originally entered into among the Mortgagor, the Government acting by and through the Administrator of the Rural Utilities Service (hereinafter called "RUS"), and CoBank; and

WHEREAS, the Original Mortgage as the same may have been previously supplemented, amended or restated is hereinafter referred to as the "Existing Mortgage"; and

WHEREAS, the Mortgagor deems it necessary to borrow money for its corporate purposes and to issue its promissory notes and other debt obligations therefor, and to mortgage and pledge its property hereinafter described or mentioned to secure the payment of the same, and to enter into this Supplemental Mortgage pursuant to which all secured debt of the Mortgagor hereunder shall be secured on parity, hereunder and under the Existing Mortgage (this Supplemental Mortgage and the Existing Mortgage, hereinafter sometimes collectively referred to as the "Mortgage"); and

WHEREAS, all of the Mortgagor's Outstanding Notes listed in Schedule "A" hereto are secured pari passu by the Existing Mortgage for the benefit of all of the Mortgagees under the Existing Mortgage; and

WHEREAS, the Existing Mortgage provides the terms by which additional pari passu obligations may be issued thereunder and further provides that the Existing Mortgage may be supplemented from time to time to evidence that such obligations are entitled to the security of the Existing Mortgage and to add additional Mortgagees; and

WHEREAS, by their execution and delivery of this Supplemental Mortgage the parties hereto do hereby secure the Additional Notes listed in Schedule "A" pari passu with the Outstanding Notes under the Existing Mortgage; and

WHEREAS, all acts necessary to make this Supplemental Mortgage a valid and binding legal instrument for the security of such notes and obligations under the terms of the Mortgage, have been in all respects duly authorized;

Now, Therefore, This Supplemental Mortgage Witnesseth: That to secure the payment of the principal of (and premium, if any) and interest on all Notes and all Notes issued hereunder according to their tenor and effect, and the performance of all provisions therein and herein contained, and in consideration of the covenants herein contained and the purchase or guarantee of Notes by the guarantors or holders thereof, the Mortgagor has mortgaged, pledged and granted a continuing security interest in, and by these presents does hereby grant, bargain, sell, alienate, remise, release, convey, assign, transfer, hypothecate, pledge, set over and confirm, pledge, and grant a continuing security interest in for the purposes hereinafter expressed, unto the Mortgagees all property, rights, privileges and franchises of the Mortgagor of every kind and description, real, personal or mixed, tangible and intangible, of the kind or nature specifically mentioned herein or any other kind or nature, except any Excepted Property, set forth on Schedule "C" hereof owned or hereafter acquired by the Mortgagor (by purchase, consolidation, merger, donation,

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construction, erection or in any other way) wherever located, including (without limitation) all and singular the following:

- A. all of those fee and leasehold interests in real property set forth in Schedule "B" hereto, subject in each case to those matters set forth in such Schedule; and
- B. all of those fee and leasehold interests in real property set forth in Schedule "B" of the Existing Mortgage or in any restatement, amendment or supplement thereto, subject in each case to those matters set forth in such Schedule; and
- C. all of the kinds, types or items of property, now owned or hereafter acquired, described as Mortgaged Property in the Existing Mortgage or in any restatement, amendment or supplement thereto as Mortgaged Property.

It is further Agreed and Covenanted That the Original Mortgage, as previously restated, amended or supplemented, and this Supplement shall constitute one agreement and the parties hereto shall be bound by all of the terms thereof and, without limiting the foregoing.

- 1. All capitalized terms not defined herein shall have the meaning given in Article I of the Existing Mortgage.
- 2. This Supplemental Mortgage is one of the Supplemental Mortgages contemplated by Article II of the Original Mortgage.
- 3. The Maximum Debt Limit for the Mortgage shall be as set forth in Schedule "A" hereto.

IN WITNESS WHEREOF, KENERGY CORP., as Mortgagor, has caused this Supplemental Mortgage to be signed in its name and its corporate seal to be hereunto affixed and attested by its officers thereunto duly authorized, UNITED STATES OF AMERICA, as Mortgagee and COBANK, ACB, as Mortgagee, have each caused this Supplemental Mortgage to be signed in their respective names by duly authorized persons, all as of this day and year first above written.

KENERGY CORP.

by [Signature], Chairperson

(Seal)

Attest: William H. Reed  
Secretary

Executed by the Mortgagor  
in the presence of:  
[Signature]  
[Signature]  
Witnesses

UNITED STATES OF AMERICA

by Curt M. Aden

Acting  
Administrator  
of the  
Rural Utilities Service

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

Jamie Davenport  
[Signature]  
Witnesses

Jamie Davenport

Douglas P. Jenkins

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COBANK, ACB

by 


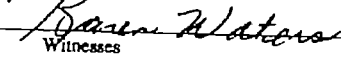
Assistant Corporate Secretary

(SEAL)

Attest:

  
Assistant Corporate Secretary

Executed by CoBank, ACB, Mortgagee, in the presence of:

  
  
Witnesses

COMMONWEALTH OF KENTUCKY )  
COUNTY OF HENDERSON ) SS

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I, CHARLA D. SMITHHART Notary Public in and for the County and Commonwealth aforesaid, do hereby certify that JAMES N. GRANT personally known to me to be the Chairperson of Kenergy Corp., a corporation of the Commonwealth of Kentucky, and to me known to be the identical person whose name is as Chairperson of said corporation, subscribed to the foregoing instrument, appeared before me this day in person and produced the foregoing instrument to me in the County aforesaid and acknowledged that as such Chairperson he signed the foregoing instrument pursuant to authority given by the board of directors of said corporation as his free and voluntary act and deed and as the free and voluntary act and deed of said corporation for the uses and purposes therein set forth and that the seal affixed to the foregoing instrument is the corporate seal of said corporation.

Given under my hand this 11th day of October, 2005.

*Charla D. Smithhart*  
Notary Public  
in and for Henderson County, Kentucky

(Notarial Seal)

My Commission expires: September 29, 2009

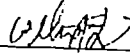


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DISTRICT OF COLUMBIA ) SS

On this 15 day of September, 2005, personally appeared before me **Acting**  
**CURTIS M. ANDERSON**, who, being duly sworn, did say that he is the Administrator of  
the Rural Utilities Service, an Agency of the United States of America, and acknowledged to me that, acting under a  
delegation of authority duly given and evidenced by law and presently in effect, he executed said instrument as the  
act and deed of the United States of America for the uses and purposes therein mentioned.

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



Notary Public

(Notarial Seal) William A. Frost  
Notary Public, District of Columbia  
My Commission Expires 04/14/2006

My commission expires: \_\_\_\_\_

STATE OF COLORADO

COUNTY OF ARAPAHOE

)  
) ss.  
)

This instrument was acknowledged before me on September 29, 2005, by Perry Prohaska and Robert Pace, each an Assistant Corporate Secretary of CoBank, ACB, a federally chartered instrumentality of the United States, on behalf of said entity.

Witness my hand and official seal.

My commission expires:

June 9, 2006

Amy P. Weisbrod  
Notary Public - State of Colorado  
**Amy P. Weisbrod**

Supplemental Mortgage Schedule A - Part One

Maximum Debt Limit and Other Information

1. The Maximum Debt Limit is \$250,000,000.00.
2. The Original Mortgage as referred to in the first WHEREAS clause above is more particularly described as follows:

| <u>Instrument Title</u>                      | <u>Instrument Date</u> |
|----------------------------------------------|------------------------|
| Restated Mortgage and Security Agreement     | July 1, 2003           |
| Supplemental Mortgage and Security Agreement | September 19, 2003     |
| Supplemental Mortgage and Security Agreement | April 5, 2004          |
| Supplemental Mortgage and Security Agreement | August 18, 2004        |

3. The Outstanding Notes referred to in the fourth WHEREAS clause above that are Government Notes are more particularly described as follows:

| <u>Loan Designation</u> | <u>Face Amount</u> | <u>Date</u> | <u>Final Maturity</u> | <u>% Rate<sup>1</sup></u> |
|-------------------------|--------------------|-------------|-----------------------|---------------------------|
| AD2                     | \$521,000.00       | 30 Jul 1971 | 30 Jul 2006           | 2.00                      |
| AD2                     | \$499,000.00       | 10 Jun 1972 | 10 Jun 2007           | 2.00                      |
| AE2                     | \$760,000.00       | 16 Jun 1972 | 16 Jun 2007           | 2.00                      |
| AP6                     | \$2,117,000.00     | 26 Nov 1986 | 26 Nov 2021           | 5.00                      |
| AS7                     | \$3,402,000.00     | 5 Dec 1986  | 5 Dec 2021            | 5.00                      |
| AT7                     | \$3,369,000.00     | 5 Oct 1988  | 5 Oct 2023            | 5.00                      |
| AR6                     | \$2,784,000.00     | 22 Sep 1989 | 22 Sep 2024           | 5.00                      |
| AU7                     | \$3,672,000.00     | 5 Sep 1990  | 5 Sep 2025            | 5.00                      |
| AV7                     | \$3,741,000.00     | 28 Jan 1993 | 28 Jan 2028           | 5.00                      |
| AS6                     | \$2,544,000.00     | 27 May 1994 | 27 May 2029           | 5.00                      |
| AW70                    | \$3,403,000.00     | 14 Dec 1994 | 14 Dec 2029           | V                         |
| AX70                    | \$3,962,000.00     | 1 Jul 1997  | 1 Jul 2032            | V                         |
| AT60                    | \$5,226,000.00     | 1 Apr 1998  | 1 Apr 2033            | V                         |
| A40                     | \$56,451,000.00    | 1 Feb 2001  | 1 Feb 2036            | V                         |
| B8 <sup>2</sup>         | \$21,355,000.00    | 1 Jul 2003  | 31 Dec 2037           | V                         |

<sup>1</sup>V=variable interest rate calculated by RUS pursuant to title 7 of the Code of Federal Regulations or by the Secretary of Treasury. CFC=an interest rate which may be fixed or variable from time to time as provided in the CFC Loan Agreement pertaining to a loan which has been made by CFC and guaranteed by RUS. CoBank=an interest rate which may be fixed or variable from time to time as provided in the CoBank Loan Agreement pertaining to a loan which has been made by CoBank and guaranteed by RUS.

<sup>2</sup>In addition to this note which the Mortgagor has issued to FFB, the Mortgagor has also issued a corresponding promissory note to RUS designated as the certain "Reimbursement Note" bearing even date therewith. Such Reimbursement Note is payable to the Government on demand and evidences the Mortgagor's obligation immediately to repay RUS, any payment which RUS may make pursuant to the RUS guarantee of such FFB note, together with interest, expenses and penalties (all as described in such Reimbursement Note). Such Reimbursement Note is an "Additional Note issued to the Government" for purposes of this Part One of Schedule A of this Supplemental Mortgage and is entitled to all of the benefits and security of the Mortgage.

4. The Additional Notes described in the sixth WHEREAS clause above are more particularly described as follows:

| <u>Loan<br/>Designation</u> | <u>Face Amount</u> | <u>Date</u> | <u>Final<br/>Maturity</u> | <u>% Rate<sup>3</sup></u> |
|-----------------------------|--------------------|-------------|---------------------------|---------------------------|
| C44                         | \$27,325,000.00    | 1 Sep 2005  | 1 Sep 2040                | V                         |

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<sup>3</sup>See footnote 1 in this Schedule A.

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## SCHEDULE A: Part Two

### CoBank

The outstanding secured obligations of the Mortgagor referred to in the fourth WHEREAS clause above are evidenced by the Original Notes described below:

### ORIGINAL NOTES issued to CoBank, ACB

Payor: Kenergy Corp

| <u>Note Designation</u> | <u>Face Amount</u> | <u>Date</u>        | <u>Final Maturity</u> |
|-------------------------|--------------------|--------------------|-----------------------|
| ML0501T1                | \$1,698,000.00     | July 1, 1999       | May 1, 2032           |
| ML0501T2                | \$1,458,000.00     | July 1, 1999       | March 20, 2020        |
| ML0501T4                | \$1,444,000.00     | July 1, 1999       | November 20, 2022     |
| ML0501T5                | \$1,287,000.00     | July 1, 1999       | October 20, 2017      |
| ML0501T6                | \$1,603,000.00     | July 1, 1999       | January 20, 2028      |
| ML0501T7                | \$1,458,000.00     | July 1, 1999       | December 20, 2029     |
| ML0501T8                | \$1,573,000.00     | July 1, 1999       | June 20, 2025         |
| ML0501T10               | \$3,827,000.00     | October 2, 2001    | October 20, 2026      |
| ML0501T11               | \$6,500,000.00     | September 19, 2003 | May 31, 2014          |
| ML0501T12               | \$1,491,370.00     | April 5, 2004      | April 20, 2015        |
| ML0501T13               | \$1,716,790.00     | April 5, 2004      | April 20, 2016        |
| ML0501T14               | \$1,118,748.00     | April 5, 2004      | April 20, 2017        |
| ML0501T15               | \$1,954,881.00     | April 5, 2004      | April 20, 2018        |
| RX0501T16               | \$ 27,026.74       | August 18, 2004    | September 20, 2007    |
| RX0501T17               | \$ 53,171.08       | August 18, 2004    | September 20, 2008    |
| RX0501T18               | \$ 78,364.53       | August 18, 2004    | June 20, 2009         |
| RX0501T19               | \$ 682,481.79      | August 18, 2004    | September 20, 2021    |
| RX0501T20               | \$ 984,496.79      | August 18, 2004    | March 20, 2029        |
| RX0501T21               | \$1,492,094.06     | August 18, 2004    | March 20, 2033        |

BOOK 919 PAGE 587

Supplemental Mortgage Schedule B

Property Schedule

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Supplemental Mortgage Schedule B

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**BOOK 919 PAGE 588**

**Supplemental Mortgage Schedule B**

**Property Schedule**

**See attached for fee and leasehold interests in real property set forth in Schedule B of Existing Mortgage, which are the same fee and leasehold interests in real property subject hereto.**

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KENERGY PROPERTY SCHEDULE

BOOK 919 PAGE 589

(a) The existing electric facilities are located in the following counties:  
 Breckinridge, Caldwell, Crittenden, Daviess, Hancock, Henderson, Hopkins, Livingston, Lyon,  
 McLean, Muhlenburg, Ohio, Union, and Webster in the state of Kentucky.

(b) The fee and leasehold interests in real property include the following:

|                                                                |                                                                                                                                                                                                                                                                                                                                                     |
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| 1 - West Owensboro Substation<br>Daviess County<br>1.033 Acres | A certain tract of land described in a certain deed, dated March 19, 1951, by R. L. Mitchell and Doris Mitchell, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on April 9, 1951, in the office of the County Clerk of Daviess County, in the state of Kentucky, in Deed Book 209, on Page 263.                |
| 2 - Bada Substation<br>Ohio County<br>1 Acre                   | A certain tract of land described in a certain deed, dated April 26, 1951, by J. R. Shown and Antha Shown, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on April 30, 1951, in the office of the County Clerk of Ohio County, in the state of Kentucky, in Deed Book 113, on Page 133.                        |
| 3 - Hanson Substation<br>Hopkins County<br>.88 Acre            | A certain tract of land described in a certain deed, dated September 13, 1951, by B. W. L. McLaughlin, as grantor to Green River Electric Corporation, as grantee, and recorded on September 18, 1951, in the office of the County Court Clerk of Hopkins County, in the state of Kentucky, in Deed Book 209, on Page 186.                          |
| 4 - Guffie Substation<br>McLean County<br>1 Acre               | A certain tract of land described in a certain deed, dated June 13, 1953, by Howard Whitaker and Mittie Whitaker, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on July 31, 1953, in the office of the County Court clerk of McLean County, in the state of Kentucky, in Deed Book 45, on Page 379.           |
| 5 - Lewisport Substation<br>Hancock County<br>1.5 Acres        | A certain tract of land described in a certain deed, dated January 20, 1955, by R. T. Toler, Sr., and Mary Idelle Toler, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on February 3, 1955, in the office of the County Court Clerk of Hancock County, in the state of Kentucky in Deed Book 63, on Page 256. |
| Utica Substation<br>Daviess County<br>1.72 Acres               | A certain tract of land described in a certain deed, dated March 28, 1956, by W. D. Ridgeway and Verda Ridgeway, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on March 29, 1956, in the office of the County Court Clerk of Daviess County, in the state of Kentucky, in Deed Book 254, on Page 192.         |
| 7 - Whitesville Substation<br>Daviess County<br>1.5 Acres      | A certain tract of land described in a certain deed, dated June 22, 1956, by Otis W. Greer and Martha A. Greer, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on June 22, 1956, in the office of the County Court Clerk of Daviess County, in the state of Kentucky, in Deed Book 257, on Page 315.           |
| 8 - Weberstown Substation<br>Hancock County<br>1.08 Acres      | A certain tract of land described in a certain deed, dated June 27, 1956, by Walter A. Glover and Blanche Glover, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on July 21, 1956, in the office of the County Court Clerk of Hancock County, in the state of Kentucky, in Deed Book 64, on Page 238.          |
| 9 - Hawesville Office<br>Hancock County<br>One-Half 1/2 Acre   | A certain tract of land described in a certain deed, dated March 31, 1960, by J. E. Harp and Salome Harp, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on March 31, 1960, in the office of the County Court Clerk of Hancock County, in the state of Kentucky, in Deed Book 66, on Page 35.                  |
| 10 - Hawesville Substation<br>Hancock County<br>8.01 Acres     | A certain tract of land described in a certain deed, dated June 7, 1960, by Earl L. White and Opal White, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on June 8, 1960, in the office of the County Court Clerk of Hancock County, in the state of Kentucky, in Deed Book 68, on Page 127.                   |
| 11 - Stanley Substation<br>Daviess County<br>2 Acres           | A certain tract of land described in a certain deed, dated May 29, 1961, by J. H. Jarboe and Hattie Jarboe, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on May 31, 1961, in the office of the County Court Clerk of Daviess County, in the state of Kentucky, in Deed Book 301, on Page 26.                 |
| Thruston Substation<br>Daviess County<br>2 Acres               | A certain tract of land described in a certain deed, dated March 10, 1962, by William T. Abell and Carye B. Abell, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on March 13, 1962, in the office of the County Court Clerk of Daviess County, in the state of Kentucky, in Deed Book 307, on Page 534.       |



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| <p>13 - Masonville Substation Daviess County 2.02 Acres</p>            | <p>A certain tract of land described in a certain deed dated June 28, 1962, by J. C. Barnhill and Stella Barnhill, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on July 6, 1962, in the office of the County Court Clerk of Daviess County, in the state of Kentucky, in Deed Book 310, on Page 612.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <p>14 - Owensboro Office/Warehouse Daviess County 33.80 Acres</p>      | <p>(a) A certain tract of land described in a certain deed, dated January 7, 1964, by Guy Wright and Bertha M. Wright, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on January 8, 1964, in the office of the County Court Clerk of Daviess County, in the state of Kentucky, in Deed Book 325, on Page 293.<br/>                 (b) A certain tract of land described in a certain deed, dated June 24, 1971, by Thomson Industries, Inc., as grantor to Green River Electric Corporation, as grantee, and recorded on July 2, 1971, in the office of the County Court Clerk of Daviess County, in the state of Kentucky, in Deed Book 404, on Page 76.<br/>                 (c) A certain tract of land described in a certain deed, dated September 28, 1982, by J. J. McCormick and Bonita McCormick, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on September 29, 1982, in the office of the County Court Clerk of Daviess County, in the state of Kentucky, in Deed Book 497, on Page 666.</p> |
| <p>15 - Onton Substation Webster County 2 Acres</p>                    | <p>A certain tract of land described in a certain deed, dated August 4, 1966, by Walter Lee Ritz and Marvane Ritz, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on August 4, 1966, in the office of the County Court Clerk of Webster County, in the state of Kentucky, in Deed Book 131, on Page 315.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <p>16 - St. Joseph Substation Daviess County 2 Acres</p>               | <p>A certain tract of land described in a certain deed, dated August 7, 1965, by Joseph Daniel Mattingly and Ora B. Mattingly, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on August 11, 1965, in the office of the County Court Clerk of Daviess County, in the state of Kentucky, in Deed Book 342, on Page 518.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <p>17 - Dermont Substation Daviess County 2 Acres</p>                  | <p>A certain tract of land described in a certain deed, dated November 28, 1967, by Edward Leo Jones and Margaret T. Jones, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on December 7, 1967, in the office of the County Court Clerk of Daviess County, in the state of Kentucky, in Deed Book 368, on Page 161.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <p>18 - So. Hanson Warehouse/Substation Hopkins County 8.138 Acres</p> | <p>A certain tract of land described in a certain deed, dated April 11, 1974, by Arthur Adams and Ruth Adams, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on April 11, 1974, in the office of the County Court Clerk of Hopkins County, in the state of Kentucky, in Deed Book 382, on Page 672.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <p>19 - Hartford Office Ohio County .62 Acre</p>                       | <p>A certain tract of land described in a certain deed, dated August 6, 1978, by Herman Park, a single man, as grantor to Green River Electric Corporation, as grantee, and recorded on August 6, 1978, in the office of the County Court Clerk of Ohio County, in the state of Kentucky, in Deed Book 220, on Page 116-117.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <p>20 - So. Owensboro Substation Daviess County 2.410 Acres</p>        | <p>A certain tract of land described in a certain deed, dated May 16, 1977, by and between Norbert Goetz and Mary Goetz, his wife, and Robert M. Moorman and Barbara Moorman, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on August 1, 1977, in the office of the County Court Clerk of Daviess County, in the state of Kentucky, in Deed Book 469, on Page 37.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <p>21 - Centertown Substation Ohio County 2 Acres</p>                  | <p>A certain tract of land described in a certain deed, dated August 8, 1977, by Homer Ford and Kathryn Ford, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on August 13, 1977, in the office of the County Court Clerk of Ohio County, in the state of Kentucky, in Deed Book 224, on Page 28 - 31.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <p>22 - South Dermont Substation Daviess County 2.020 Acres</p>        | <p>A certain tract of land described in a certain deed, dated December 19, 1977, by and between William L. Reno Jr. and Barbara G. Reno, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on January 3, 1978, in the office of the County Court Clerk of Daviess County, in the state of Kentucky, in Deed Book 473, on Page 794.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <p>23 - Panther Microwave Daviess County 2.833 Acres</p>               | <p>A certain tract of land described in a certain deed, dated October 3, 1980, by and between E. D. Rafferty and Tina Rafferty, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on October 10, 1980, in the office of the County Court Clerk of Daviess County, in the state of Kentucky, in Deed Book 501, Page 437-439.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <p>East Owensboro Substation Daviess County 8.687 Acres</p>            | <p>A certain tract of land described in a certain deed, dated November 28, 1980, by and between B. Christer and Gertrude Christer, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on November 28, 1980, in the office of the County Court Clerk of Daviess County, in the state of Kentucky, in Deed Book 222, in Page 486.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

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| 25 - Whitesville Microwave Site<br>Davless County<br>.0918 Acres        | A certain tract of land described in a certain deed, dated October 31, 1980, by and between Virginia C. Kelley, a widow, as grantor to Green River Electric Corporation, as grantee, and recorded on November 5, 1980, in the office of the County Court Clerk of Davless County, in the state of Kentucky, in Deed Book 602, on Page 211.                                                                                                                                   |
| 26 - Nuckols Substation<br>Davless County<br>1.947 Acres                | A certain tract of land described in a certain deed, dated November 9, 1982, by and between Virginia Coke, a widow, Baxter Jean Coke Jr., and Ella C. Coke, his wife, James W. Coke, single and Ben H. Coke, single, as grantors to Green River Electric Corporation, as grantee, and recorded on November 10, 1982, in the office of the County Court Clerk of McLean County, in the state of Kentucky, in Deed Book 67, on Page 93.                                        |
| 27 - Sacramento Substation<br>Davless County<br>3.485 Acres             | A certain tract of land described in a certain deed, dated December 21, 1983, by and between Emma Sue Lancaster and Pat Lancaster, her husband, and Carolyn Jackson and J. O. Jackson, her husband, and Charlotte Jackson and Charles Jackson, her husband, as grantors to Green River Electric Corporation, as grantee, and recorded on January 10, 1984, in the office of the County Court Clerk of McLean County, in the state of Kentucky, in Deed Book 104, on Page 70. |
| 28 - Philpot Substation<br>Davless County<br>3.488 Acres                | A certain tract of land described in a certain deed, dated December 10, 1987, by and between Anna Elizabeth Oberat, widow, by and through her Co-Attorneys-in-Fact, Gerald E. Oberat and Rose O. Clark, as grantors to Green River Electric Corporation, as grantee, and recorded on December 11, 1987, in the office of the County Court Clerk of Davless County, in the state of Kentucky, in Deed Book 667, on Page 724.                                                  |
| 29 - Pleasant Ridge Substation<br>Davless County<br>3.308 Acres         | A certain tract of land described in a certain deed, dated July 8, 1991, by and between Donald Rock and Marie Nicely Rock, husband and wife, as grantors to Green River Electric Corporation, as grantee, and recorded on July 10, 1991, in the office of the County Court Clerk of Ohio County, in the state of Kentucky, in Deed Book 277, on Page 689.                                                                                                                    |
| 30 - Beech Grove Substation<br>McLean County<br>.74 Acres               | A certain tract of land described in a certain deed, dated November 18, 1997, by and between Ola Bell Edds, unmarried, as grantor to Green River Electric Corporation, as grantee, and recorded on November 18, 1997, in the office of the County Court Clerk of McLean County, in the state of Kentucky, in Deed Book 140, on Page 84.                                                                                                                                      |
| 31 - Beech Grove Substation<br>McLean County<br>.027 Acre               | A certain tract of land described in a certain deed, dated January 8, 1998, by and between Herman B. Ward Jr. and Kathleen C. Ward, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on January 8, 1998, in the office of the County Court Clerk of McLean County, in the state of Kentucky, in Deed Book 140, on Page 446.                                                                                                               |
| 32 - Lewisport Substation (Second Bay)<br>Hancock County<br>.888 Acre   | A certain tract of land described in a certain deed, dated September 10, 1998, by and between Samuel H. Pate and Michael Pate (aka Michele Pate), his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on October 29, 1998, in the office of the County Court Clerk of Hancock County, in the state of Kentucky, in Deed Book 118, on Page 844.                                                                                               |
| 33 - Horse Fork Substation<br>Davless County<br>8.48 Acres              | A certain tract of land described in a certain deed, dated January 22, 1999, by and between Rudolph D. Martin and Martha Louis Martin, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on January 26, 1999, in the office of the County Court Clerk of Davless County, in the state of Kentucky, in Deed Book 896, on Page 161.                                                                                                          |
| 34 - Hawesville Property (Powers Street)<br>Hancock County<br>.879 Acre | A certain tract of land described in a certain deed, dated February 25, 1999, by and between Joel White, unmarried, Larry R. White and Jackie White, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on March 8, 1999, in the office of the County Court Clerk of Hancock County, in the state of Kentucky, in Deed Book 119, Pages 400 - 403.                                                                                           |
| 35 - Weaverton Sub.<br>Henderson County<br>.23 Acre                     | A certain tract of land described in a certain deed, dated July 16, 1937, by Straughn Suggs, et al., as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Henderson County, in the state of Kentucky, in Deed Book 91, Page 138.                                                                                                                                       |
| 36 - Weaverton Sub.<br>Henderson County<br>.03 Acre                     | A certain tract of land described in a certain deed, dated April 5, 1939, by Straughn Suggs et al., as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Henderson County, in the state of Kentucky, in Deed Book 93, Page 547.                                                                                                                                        |
| Marion Substation<br>Crittenden County<br>.38 Acre                      | A certain tract of land described in a certain deed, dated April 11, 1947, by the City of Marion, Kentucky, as grantor, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Crittenden County, in the state of Kentucky, in Deed Book 76, Page 199.                                                                                                                                |

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|-------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 38 - Zion Substation<br>Henderson County<br>.49 Acre        | A certain tract of land described in a certain deed, dated November 25, 1952, by Paul Bickett and his wife, Mary Ellen Bickett, as grantors, to the Mortgagee, as grantee, and recorded in the office of the Clerk of the County Court of Henderson County, in the state of Kentucky, in Deed Book 159, Page 409.                                                                                                                                                                                                                                                                                                                                               |
| 39 - Sabree Substation<br>Webster County<br>.34 Acre        | A certain tract of land described in a certain deed, dated October 28, 1954, by E. C. Liles, and his wife, Vestrice Liles, as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Webster County, in the state of Kentucky, in Deed Book 112, Page 438.                                                                                                                                                                                                                                                                                                     |
| 40 - Niagra Substation<br>Henderson County<br>.34 Acre      | A certain tract of land described in a certain deed, dated November 4, 1958, by James C. Hicks et al., as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Henderson County, in the state of Kentucky, in Deed Book 239, Page 34.                                                                                                                                                                                                                                                                                                                        |
| 41 - Little Dixie Sub.<br>Henderson County<br>1 Acre        | A certain tract of land described in a certain deed, dated September 8, 1955, by Mae Dossel et al., as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Henderson County, in the state of Kentucky, in Deed Book 221, Page 387.                                                                                                                                                                                                                                                                                                                          |
| 42 - Morganfield Sub.<br>Union County<br>.39 Acre           | A certain tract of land described in a certain deed, dated August 8, 1956, by Charles M. Meacham, Jr., and his wife, Annie Meacham, as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Union County, in the state of Kentucky, in Deed Book 158, Page 307.                                                                                                                                                                                                                                                                                              |
| 43 - Marion Office<br>Crittenden County<br>.39 Acre         | A certain tract of land described in a certain deed, dated November 2, 1953, by Robert L. Qualls, and his wife, Nellie R. Qualls, as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the Office of the Clerk of the County Court of Crittenden County, in the state of Kentucky, in Deed Book 83, Page 475.                                                                                                                                                                                                                                                                                            |
| 44 - Marion Office<br>Crittenden County<br>.39 Acre         | A certain tract of land described in a certain deed, dated October 31, 1953, by O. J. Rice and his wife, Lura Rice, as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Crittenden County, in the state of Kentucky in Deed Book 83, Page 471.                                                                                                                                                                                                                                                                                                           |
| 45 - Marion Office<br>Crittenden County<br>.31 Acre         | A certain tract of land described in a certain deed, dated October 6, 1953, by Gid Woods, a widower, as grantor, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Crittenden County, in the state of Kentucky, in Deed Book 83, Page 442.                                                                                                                                                                                                                                                                                                                          |
| 46 - Providence Sub.<br>Hopkins County<br>1.05 Acres        | A certain tract of land described in a certain deed, dated February 21, 1949, by T. G. Rice and his wife, Leota Rice, as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Hopkins County, in the state of Kentucky, in Deed Book 188, Page 249.                                                                                                                                                                                                                                                                                                          |
| 47 - Geneva Sub.<br>Henderson County<br>.91 Acre            | A certain tract of land described in a certain deed, dated June 30, 1960, by J. B. Eakins, unmarried, as Grantor, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Henderson County, in the state of Kentucky, in Deed Book 189, Page 280.                                                                                                                                                                                                                                                                                                                         |
| 48 - Henderson Sub.<br>Henderson County<br>.27 Acre         | A certain tract of land described in a certain deed, dated December 9, 1950, by Russell D. Brown and Mary M. Brown, his wife, as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Henderson County, in the state of Kentucky, in Deed Book 150, Page 44.                                                                                                                                                                                                                                                                                                 |
| 49 - Lyon County<br>Substation<br>Lyon County<br>1.52 Acres | (a) A certain tract of land described in a certain deed, dated February 25, 1960, by A. F. Thomas and his wife, as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Lyon County, in the state of Kentucky, in Deed Book 49, Page 292.<br>(b) A certain tract of land described in a certain deed, dated August 14, 2000, by Stanley Thomas and Leona Guess Thomas, his wife, as grantors, to Kenegy Corp., as grantee, and recorded in the office of the Clerk of the County Court of Lyon County, in the state of Kentucky, in Deed Book 123, Page 813. |
| 80 - Sullivan Sub.<br>Crittenden County<br>.38 Acre         | A certain tract of land described in a certain deed, dated May 12, 1972, by Big Rivers Rural Electric Cooperative Corporation, as grantor, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Crittenden County, in the state of Kentucky, in Deed Book 111, Page 532.                                                                                                                                                                                                                                                                                               |

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| 61 - Dixon Substation<br>Webster County<br>.92 Acre                    | A certain tract of land described in a certain deed, dated October 20, 1976, by Aubrey Dosssett and Mary Dosssett, his wife, as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Webster County, in the state of Kentucky, in Deed Book 169, Page 306.                                             |
| 62 - Dixon Substation<br>Webster County<br>.14 Acre                    | A certain tract of land described in a certain deed, dated May 10, 1977, by Aubrey Dosssett and Mary Dosssett, his wife, as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Webster County, in the state of Kentucky, in Deed Book 173, Page 429.                                                 |
| 63 - Race Creek Sub.<br>Henderson County<br>1.02 Acres                 | A certain tract of land described in a certain deed, dated April 6, 1979, by C. Cooksey Crafton, and Dorothy C. Crafton, his wife, as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Henderson County, in the state of Kentucky, in Deed Book 311, Page 714.                                     |
| 64 - Lot Adjacent<br>Marion Office<br>Crittenden County<br>.29 Acre    | A certain house and lot in the town of Marlon, Crittenden County, Kentucky, in a certain deed dated January 26, 1981, by and between Farley Helrs, party of the First Part, and Henderson Union Electric Cooperative Corp., or its predecessor, party of the Second Part, and recorded in the office of the County Court Clerk of Crittenden County in the state of Kentucky, in Deed Book 137, Page 187. |
| 65 - Weaverton Sub.<br>Henderson County<br>.033 Acre                   | A certain tract of land described in a certain deed, dated February 20, 1984, by Russell D. Brown, as grantor, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Henderson County, in the state of Kentucky, in Deed Book 344, Page 189.                                                                      |
| 66 - Peraimmon<br>Ridge Microwave<br>Union County<br>.08 Acre          | A certain tract of land described in a certain deed, dated April 25, 1984, by Glenn Watson, and his wife, Peggy Watson, as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Union County, in the state of Kentucky, in Deed Book 244, Page 357.                                                    |
| 67 - Henderson<br>Headquarters<br>Henderson County<br>20 Acres         | A certain tract of land described in a certain deed, dated January 20, 1989, by Tommy D. Tapp, and his wife, Thade Tapp, as parties of the First Part, grantors, and Henderson Union Electric Cooperative Corp., or its predecessor, party of the Second Part, as grantee, and recorded in the office of the Clerk of Henderson County, in the state of Kentucky, in Deed Book 393, Page 22.              |
| 68 - Riverport Sub.<br>Henderson County<br>0.80 Acre                   | A certain tract of land described in a certain deed, dated October 26, 1988, by Valley Grain Products, Inc., as grantor, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Henderson County, in the state of Kentucky, in Deed Book 391, Page 434.                                                            |
| 69 - Tyson Substation<br>Henderson County<br>1.3774 Acres              | A certain tract of land and ingress and egress easement described in a certain deed dated November 8, 1995, by the County of Henderson, Kentucky, et al., as grantors, to Henderson Union Electric Cooperative Corp., as grantee, and recorded in the office of the Clerk of the County Court of Henderson County, in the state of Kentucky, in Deed Book 454, Page 506.                                  |
| 80 - Bon Harbor<br>Substation<br>Davless County<br>2 Acres             | A certain tract of land described in a certain deed, dated June 9, 1999, by Sara Jane McNulty, unmarried, as grantor to Green River Electric Corporation, as grantee, and recorded on June 22, 1999, in the office of the County Clerk of Davless County, in the state of Kentucky, in Deed Book 702, on Page 891.                                                                                        |
| 81 - Maceo Substation<br>Davless County<br>2.103 Acres                 | A certain tract of land described in a certain deed, dated March 15, 2000, by Walter Ford, and his wife, Carol Ford, as grantors, to Kenergy Corp., as grantee, and recorded on March 16, 2000, in the office of the County Clerk of Caldwell County, in the state of Kentucky, in Deed Book 716, on Page 338.                                                                                            |
| 82 - Caldwell Springs<br>Substation<br>Crittenden County<br>3.27 Acres | A certain tract of land described in a certain deed, dated July 12, 2000, by Vernon L. Travis, unmarried, as grantor to Kenergy Corp., as grantee, and recorded on July 15, 2000, in the office of the County Clerk of Crittenden County, in the state of Kentucky, in Deed Book 187, on Page 121.                                                                                                        |
| 83 - Crossroads<br>Substation<br>Caldwell County<br>3.30 Acres         | A certain tract of land described in a certain deed, dated September 29, 2000, by Gerald W. Sigler, and his wife, Sandra K. Sigler, as grantors, to Kenergy Corp., as grantee, and recorded on October 4, 2000, in the office of the County Clerk of Caldwell County, in the state of Kentucky, in Deed Book 225, on Page 498.                                                                            |
| Wolf Hills<br>Substation<br>Henderson Co.<br>2.387 Acres               | A certain tract of land described in a certain deed, dated January 2, 2001, by Cosmos Broadcasting Corp., a South Carolina corporation, successor by merger to WFIE, Inc., whose address is 1115 Mt. Auburn Road, Evansville, IN 47710, as grantor, to Kenergy Corp., as grantee, and recorded January 8, 2001, in the office of the County Clerk of Henderson                                            |

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|                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                        |
|----------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 66 - Air Park<br>Substation<br>Daviess County<br>2.643 Acres   | County, in the state of Kentucky, in Deed Book 8, on Page 72.<br>A certain tract of land described in a certain deed, dated January 23, 2001, by and between Economic Development Properties, Inc. and The City of Owensboro, as grantors, to Kenergy Corp., as grantee, and recorded on March 13, 2001, in the office of the County Clerk of Daviess County, in the state of Kentucky, in Deed Book 731, on Page 973. |
| Providence<br>Substation<br>Hopkins County<br>1.612 Acres      | A certain tract of land described in a certain deed, dated June 12, 2002, by Big Rivers Electric Corporation, as grantor, to Kenergy Corp., as grantee, and recorded on June 13, 2002, in the office of the County Clerk of Hopkins County, in the state of Kentucky, in Deed Book 809, on Page 220.                                                                                                                   |
| 67 - Adams Lane<br>Substation<br>Henderson County<br>5.7 Acres | A certain tract of land described in a certain deed, dated November 22, 2002, by Kendall Drilling Company, Inc., as grantor, to Kenergy Corp., as grantee, and recorded on November 22, 2002, in the office of the County Clerk of Henderson County, in the state of Kentucky, in Deed Book 518, on Page 851.                                                                                                          |

Weld:  
 Dorsey, King, Gray.

Norment +

Haggard

10-19-05

STATE OF KENTUCKY  
 COUNTY OF HENDERSON, .....Scl.  
 I, Rensy T. Matthews, Clerk of Henderson County, certify that the foregoing mortgage was this day at 2:57 o'clock P. M. lodged in my said office for record and that I have recorded it, the foregoing and this certificate in my said office.  
 Given under my hand this 18<sup>th</sup> day October 20 05  
 Rensy T. Matthews  
 By: Renasa Abner D.C.

SUPPLEMENTAL MORTGAGE  
AND  
SECURITY AGREEMENT

Made by and among

KENERGY CORP.  
6402 Old Corydon Rd.  
P.O. Box 18  
Henderson, KY 42419-0018  
Mortgagor,

and

UNITED STATES OF AMERICA  
Rural Utilities Service  
Washington, D.C. 20250  
Mortgagee,

and

CoBANK, ACB  
5500 South Quebec Street  
Greenwood Village, Colorado 80111  
Mortgagee,

"THIS INSTRUMENT GRANTS A SECURITY INTEREST BY A TRANSMITTING  
UTILITY"

"THIS INSTRUMENT CONTAINS AFTER-ACQUIRED PROPERTY PROVISIONS"

THIS INSTRUMENT GRANTS A SECURITY INTEREST IN A TRANSMITTING UTILITY.  
THE DEBTOR AS MORTGAGOR IS A TRANSMITTING UTILITY.  
MORTGAGOR'S ORGANIZATIONAL IDENTIFICATION NUMBER IS 0471117  
THIS INSTRUMENT CONTAINS PROVISIONS THAT COVER REAL AND PERSONAL PROPERTY  
AND FIXTURES, AFTER-ACQUIRED PROPERTY, PROCEEDS, FUTURE ADVANCES AND FUTURE  
OBLIGATIONS.  
NOTICE-THIS MORTGAGE SECURES CREDIT IN THE AMOUNT OF UP TO \$250,000,000.00.  
INDEBTEDNESS SECURED HEREUNDER, INCLUDING FUTURE INDEBTEDNESS, TOGETHER  
WITH INTEREST, ARE SENIOR TO INDEBTEDNESS TO OTHER CREDITORS UNDER MORTGAGES  
AND LIENS FILED OR RECORDED SUBSEQUENT HERETO.

SDT99998479991.4

This instrument prepared by  
*Frank H. King*  
DORRIS, KING, GRAY, NORMENT & HOPKINS  
Attorneys at Law  
318 Second Street  
Henderson, Kentucky 42420

## SUPPLEMENTAL MORTGAGE

**SUPPLEMENTAL MORTGAGE AND SECURITY AGREEMENT**, dated as of the 18th day of August, 2004, (hereinafter sometimes called this "Supplemental Mortgage") is made by and among **KENERGY CORP.** (hereinafter called the "Mortgagor"), a Kentucky corporation, **CoBANK, ACB** (hereinafter called "CoBank"), a federally chartered instrumentality of the United States, and the **UNITED STATES OF AMERICA**, acting by and through the Administrator of the Rural Utilities Service (hereinafter called the "Government"), and is intended to confer rights and benefits on the Government and CoBank in accordance with this Supplemental Mortgage and the Original Mortgage (hereinafter defined) (the Government and CoBank being hereinafter sometimes collectively referred to as the "Mortgagees").

## Recitals

Whereas, the Mortgagor, the National Rural Utilities Cooperative Finance Corporation ("CFC"), CoBank and the Government are parties to that certain Restated Mortgage and Security Agreement, as supplemented, amended or restated (the "Original Mortgage" as identified in Schedule "A" of this Supplemental Mortgage) originally entered into between the Mortgagor, CFC and the Government; and

Whereas, the Mortgagor deems it necessary to borrow money for its corporate purposes and to issue its promissory notes and other debt obligations therefor, and to mortgage and pledge its property hereinafter described or mentioned to secure the payment of the same, and to enter into this Supplemental Mortgage pursuant to which all secured debt of the Mortgagor hereunder shall be secured on parity (the Supplemental Mortgage and the Original Mortgage, as it may have been previously amended or supplemented, hereinafter may be called collectively the "RUS Mortgage"); and

Whereas, the RUS Mortgage, as supplemented hereby, preserves the priority of the Original Mortgage for the pro rata benefit of all the Mortgagees and secures the payment of all of the Mortgagor's outstanding indebtedness as listed in Instruments Recital of Schedule "A" hereto (collectively, the "Outstanding Notes"); and

Whereas, the Original Mortgage provides the terms by which additional pari passu obligations may be issued thereunder and further provides that the Original Mortgage may be supplemented from time to time to evidence that such obligations are entitled to the security of the Original Mortgage, and

Whereas, by their execution and delivery of this Supplemental Mortgage the parties hereto do hereby secure the Additional Notes listed in Schedule "A" pari passu with the Outstanding Notes under the Original Mortgage; and

Whereas, all acts necessary to make this Supplemental Mortgage a valid and binding legal instrument for the security of such notes and related obligations, subject to the terms of the RUS Mortgage, have been in all respects duly authorized:

Now, Therefore, This Supplemental Mortgage Witnesseth: That to secure the payment of the principal of (and premium, if any) and interest on all Notes issued hereunder according to their tenor and effect, and the performance of all provisions therein and herein contained, and in consideration of the covenants herein contained and the purchase or guarantee of Notes by the guarantors or holders thereof, the Mortgagor has mortgaged, pledged and granted a continuing security interest in, and by these presents does hereby grant, bargain, sell, alienate, remise, release, convey, assign, transfer, hypothecate, pledge, set over and confirm pledge and grant a continuing security interest in and for the purposes hereinafter expressed, unto the Mortgagees all property, rights, privileges and franchises of the Mortgagor of every

**BOOK 876 PAGE 398**

kind and description, real, personal or mixed, tangible and intangible, of the kind or nature specifically mentioned herein or any other kind or nature, except any Excepted Property set forth on Schedule "C" hereof owned or hereafter acquired by the Mortgagor (by purchase, consolidation, merger, donation, construction, erection or in any other way) wherever located, including (without limitation) all and singular the following:

all of those fee and leasehold interests in real property set forth in Schedule "B" hereto, subject in each case to those matters set forth in such Schedule; and

all of those fee and leasehold interests in real property set forth in Schedule "B" of the Original Mortgage or in any restatement, amendment or supplement thereto, subject in each case to those matters set forth in such Schedule; and

all of the kinds, types or items of property, now owned or hereafter acquired, described as Mortgaged Property in the Original Mortgage or in any restatement, amendment to supplement thereto as Mortgaged Property.

It is Further Agreed and Covenanted That the Original Mortgage, as previously restated, amended or supplemented, and this Supplemental Mortgage shall constitute one agreement and the parties hereto shall be bound by all of the terms thereof and, without limiting the foregoing:

All capitalized terms not defined herein shall have the meaning given in Article I of the Original Mortgage.

This Supplemental Mortgage is one of the Supplemental Mortgages contemplated by Article II of the Original Mortgage.

The Maximum Debt Limit for the RUS Mortgage shall be as set forth in Schedule "A" hereto.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]







UNITED STATES OF AMERICA,  
Mortgagee

By: Curtis M. Anderson  
Acting Administrator of the Rural Utilities  
Service

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

Sara Wetklow Sara Wetklow

Kathleen L. Van Vranken Kathleen L. Van Vranken  
Witnesses

DISTRICT OF COLUMBIA ) SS

On this 29 day of September, 2004, personally appeared before me CURTIS M. ANDERSON  
Acting who, being duly sworn, did say that he is the Administrator of the Rural Utilities Service, an agency of  
the United States of America, and acknowledged to me that, acting under a delegation of authority duly  
given and evidenced by law and presently in effect, he executed said instrument as the act and deed of the  
United States of America for the uses and purposes therein mentioned.

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

William A. Frost  
Notary Public

(Notarial Seal) William A. Frost  
Notary Public, District of Columbia  
Commission Expires 04/14/2006

My commission expires: \_\_\_\_\_

SUPPLEMENTAL MORTGAGE

SCHEDULE A

MAXIMUM DEBT LIMIT AND OTHER INFORMATION

1. The Maximum Debt Limit is \$250,000,000.00.
2. The Original Mortgage as referred to in the first WHEREAS clause above is more particularly described as follows:

Restated Mortgage and Security Agreement dated as of September 1, 1999, among KENERGY CORP., as Mortgagor, and the UNITED STATES OF AMERICA acting by and through the Administrator of the Rural Utilities Service, the NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION, and CoBANK, ACB, as Mortgagees.

As amended and restated by that certain Restated Mortgage and Security Agreement dated as of July 1, 2003, among KENERGY CORP., as Mortgagor, and the UNITED STATES OF AMERICA acting by and through the Administrator of the Rural Utilities Service, the NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION, and CoBANK, ACB, as Mortgagees.

As amended by the Supplemental Mortgage and Security Agreement dated as of September 19, 2003, among KENERGY CORP., as Mortgagor, and the UNITED STATES OF AMERICA acting by and through the Administrator of the Rural Utilities Service, the NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION, and CoBANK, ACB, as Mortgagees.

As amended by the Supplemental Mortgage and Security Agreement dated as of April 5, 2004, among KENERGY CORP., as Mortgagor, and the UNITED STATES OF AMERICA acting by and through the Administrator of the Rural Utilities Service, the NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION, and CoBANK, ACB, as Mortgagees.

3. The outstanding secured indebtedness described in the third WHEREAS clause above is more particularly described as follows:

**OUTSTANDING NOTES issued to the Government<sup>1</sup>**

<sup>1</sup> "Government" as used in this listing refers to the United States of America acting through the Administrator of the Rural Utilities Service (RUS) or its predecessor agency, the Rural Electrification Administration (REA). Any Notes which are payable to a third party and which either RUS or REA has guaranteed as to payment are also described in this listing as being issued to the Government. Such guaranteed Notes are typically issued to the Federal Financing Bank (FFB), an instrumentality of the United States Department of Treasury, and held by RUS, but may also be issued to non-governmental entities.

| <u>Loan Designation</u> | <u>Face Amount</u> | <u>Date</u> | <u>Final Maturity</u> | <u>% Rate<sup>1</sup></u> |
|-------------------------|--------------------|-------------|-----------------------|---------------------------|
| AC                      | \$1,268,000.00     | 11 Mar 1970 | 11 Mar 2005           | 2.00                      |
| AC                      | \$530,000.00       | 21 Jul 1970 | 21 Jul 2005           | 2.00                      |
| AD2                     | \$521,000.00       | 30 Jul 1971 | 30 Jul 2006           | 2:00                      |
| AD2                     | \$499,000.00       | 10 Jun 1972 | 10 Jun 2007           | 2.00                      |
| AE2                     | \$760,000.00       | 16 Jun 1972 | 16 Jun 2007           | 2.00                      |
| AE6                     | \$452,000.00       | 12 Sep 1973 | 12 Sep 2008           | 5.00                      |
| AF6                     | \$354,000.00       | 15 Apr 1974 | 15 Apr 2009           | 5.00                      |
| AF6                     | \$580,000.00       | 31 May 1974 | 31 May 2009           | 5.00                      |
| AG7                     | \$352,000.00       | 1 Nov 1974  | 1 Nov 2009            | 5.00                      |
| AG6                     | \$580,000.00       | 2 Jun 1975  | 2 Jun 2010            | 5.00                      |
| AH7                     | \$866,000.00       | 19 Jul 1975 | 19 Jul 2010           | 5.00                      |
| AH6                     | \$556,000.00       | 22 May 1976 | 22 May 2011           | 5.00                      |
| AK7                     | \$866,000.00       | 17 Jul 1976 | 17 Jul 2011           | 5.00                      |
| AK6                     | \$556,000.00       | 26 Apr 1977 | 26 Apr 2012           | 5.00                      |
| AL7                     | \$1,470,000.00     | 5 Aug 1977  | 5 Aug 2012            | 5.00                      |
| AM7                     | \$1,470,000.00     | 25 Apr 1978 | 25 Apr 2013           | 5.00                      |
| AL6                     | \$3,045,000.00     | 8 Jun 1978  | 8 Jun 2013            | 5.00                      |
| AN7                     | \$3,415,000.00     | 16 May 1979 | 16 May 2014           | 5.00                      |
| AM6                     | \$2,771,000.00     | 31 May 1980 | 31 May 2015           | 5.00                      |
| AP7                     | \$3,049,000.00     | 6 May 1981  | 6 May 2016            | 5.00                      |
| AN6                     | \$1,834,000.00     | 24 Apr 1982 | 24 Apr 2017           | 5.00                      |
| AR7                     | \$3,003,000.00     | 3 Feb 1984  | 3 Feb 2019            | 5.00                      |
| AP6                     | \$2,117,000.00     | 26 Nov 1986 | 26 Nov 2021           | 5.00                      |
| AS7                     | \$3,402,000.00     | 5 Dec 1986  | 5 Dec 2021            | 5.00                      |
| AT7                     | \$3,369,000.00     | 5 Oct 1988  | 5 Oct 2023            | 5.00                      |
| AR6                     | \$2,784,000.00     | 22 Sep 1989 | 22 Sep 2024           | 5.00                      |
| AU7                     | \$3,672,000.00     | 5 Sep 1990  | 5 Sep 2025            | 5.00                      |
| AV7                     | \$3,741,000.00     | 28 Jan 1993 | 28 Jan 2028           | 5.00                      |
| AS6                     | \$2,544,000.00     | 27 May 1994 | 27 May 2029           | 5.00                      |
| AW70                    | \$3,403,000.00     | 14 Dec 1994 | 14 Dec 2029           | V                         |
| AX70                    | \$3,962,000.00     | 1 Jul 1997  | 1 Jul 2032            | V                         |
| AT60                    | \$5,226,000.00     | 1 Apr 1998  | 1 Apr 2033            | V                         |
| A40                     | \$56,451,000.00    | 1 Feb 2001  | 1 Feb 2036            | V                         |
| B8 <sup>2</sup>         | \$21,355,000.00    | 1 Jul 2003  | 31 Dec 2037           | V                         |

**OUTSTANDING NOTES Issued to CoBank<sup>3</sup>**

<sup>1</sup> V=variable interest rate calculated by RUS pursuant to title 7 of the Code of Federal Regulations or by the Secretary of Treasury. CFC=an interest rate which may be fixed or variable from time to time as provided in the CFC Loan Agreement pertaining to a loan which has been made by CFC and guaranteed by RUS. CoBank=an interest rate which may be fixed or variable from time to time as provided in the CoBank Loan Agreement pertaining to a loan which has been made by CoBank and guaranteed by RUS.

<sup>3</sup> In addition to this note which the Mortgagor has issued to FFB, the Mortgagor has also issued a corresponding promissory note to RUS designated as the certain "Reimbursement Note" bearing even date therewith. Such Reimbursement Note is payable to the Government on demand and evidences the Mortgagor's obligation immediately to repay RUS, any payment which RUS may make pursuant to the RUS guarantee of such FFB note, together with interest, expenses and penalties (all as described in such Reimbursement Note). Such Reimbursement Note is an "ORIGINAL NOTE issued to the Government" for purposes of this Part One of Schedule A and this Mortgage and is entitled to all of the benefits and security of this Mortgage.

| <u>Note Designation</u> | <u>Face Amount</u> | <u>Date</u> | <u>Final Maturity</u> |
|-------------------------|--------------------|-------------|-----------------------|
| ML0501T1                | \$1,698,000.00     | 07/01/1999  | 05/01/2032            |
| ML0501T2                | \$1,458,000.00     | 07/01/1999  | 11/20/2019            |
| ML0501T4                | \$1,444,000.00     | 07/01/1999  | 11/20/2022            |
| ML0501T5                | \$1,287,000.00     | 07/01/1999  | 10/20/2017            |
| ML0501T6                | \$1,603,000.00     | 07/01/1999  | 01/20/2028            |
| ML0501T7                | \$1,458,000.00     | 07/01/1999  | 12/20/2029            |
| ML0501T8                | \$1,573,000.00     | 07/01/1999  | 06/20/2025            |
| ML0501T10               | \$3,827,000.00     | 10/02/2001  | 10/20/2026            |
| ML0501T11               | \$6,500,000.00     | 09/19/2003  | 05/31/2014            |
| ML0501T12               | \$1,491,370.00     | 4/5/2004    | 4/20/2015             |
| ML0501T13               | \$1,716,790.00     | 4/5/2004    | 4/20/2016             |
| ML0501T14               | \$1,118,748.00     | 4/5/2004    | 4/20/2017             |
| ML0501T15               | \$1,954,881.00     | 4/5/2004    | 4/20/2018             |

4. The Additional Notes described in the fifth WHEREAS clause above are more particularly described as follows:

**ADDITIONAL NOTES issued to CoBank:**

| <u>CoBank Loan Designation</u> | <u>Face Amount of Note</u> | <u>Note Date</u> | <u>Final Maturity</u> |
|--------------------------------|----------------------------|------------------|-----------------------|
| RX 0501T16                     | \$27,026.74                | 08/18/04         | 9/20/2007             |
| RX 0501T17                     | \$53,171.08                | 08/18/04         | 9/20/2008             |
| RX 0501T18                     | \$78,364.53                | 08/18/04         | 6/20/2009             |
| RX 0501T19                     | \$682,481.79               | 08/18/04         | 9/20/2021             |
| RX 0501T20                     | \$984,496.79               | 08/18/04         | 3/20/2029             |
| RX 0501T21                     | \$1,492,094.06             | 08/18/04         | 3/20/2033             |

5. For purposes of Section 1.05 of the RUS Mortgage, the address of CoBank, ACB shall be:  
 CoBank, ACB  
 5500 South Quebec Street  
 Greenwood Village, Colorado 80111  
 Attention: Communications and Energy Banking Group

\* Promissory Notes ML0501T1 - ML0501T8 are Amended and Restated Promissory Notes that amended and restated the following original Notes from Green River Electric Corporation: ML0501T1 dated July 1, 1997, T-30566 dated September 2, 1986, T-24942 dated January 21, 1981, T-32845 dated June 23, 1988, T-27749 dated August 12, 1983, T-36243 dated January 28, 1993, T-36445 dated December 14, 1994, T-34818 dated June 22, 1990.

SUPPLEMENTAL MORTGAGE SCHEDULE B

PROPERTY SCHEDULE

The fee and leasehold interests in real property referred to in clause A of the Granting Clauses are more particularly described as follows:

SEE ATTACHED

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- (a) The existing electric facilities are located in the following counties:  
Breckinridge, Caldwell, Crittenden, Daviess, Hancock, Henderson, Hopkins, Livingston, Lyon,  
McLean, Muhlenburg, Ohio, Union, and Webster in the state of Kentucky.
- (b) The property referred to in the last line of Paragraph 1 of the Granting Clause includes the following:

|                                                                |                                                                                                                                                                                                                                                                                                                                                     |
|----------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 - West Owensboro Substation<br>Daviess County<br>1.033 Acres | A certain tract of land described in a certain deed, dated March 19, 1951, by R. L. Mitchell and Doris Mitchell, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on April 9, 1951, in the office of the County Clerk of Daviess County, in the state of Kentucky, in Deed Book 209, on Page 263.                |
| 2 - Beda Substation<br>Ohio County<br>1 Acre                   | A certain tract of land described in a certain deed, dated April 26, 1951, by J. R. Shown and Antha Shown, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on April 30, 1951, in the office of the County Clerk of Ohio County, in the state of Kentucky, in Deed Book 113, on Page 133.                        |
| 3 - Hanson Substation<br>Hopkins County<br>.56 Acre            | A certain tract of land described in a certain deed, dated September 13, 1951, by B. W. L. McLaughlin, as grantor to Green River Electric Corporation, as grantee, and recorded on September 15, 1951, in the office of the County Court Clerk of Hopkins County, in the state of Kentucky, in Deed Book 209, on Page 186.                          |
| 4 - Guffie Substation<br>McLean County<br>1 Acre               | A certain tract of land described in a certain deed, dated June 13, 1953, by Howard Whitaker and Mittie Whitaker, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on July 31, 1953, in the office of the County Court clerk of McLean County, in the state of Kentucky, in Deed Book 45, on Page 379.           |
| 5 - Lewisport Substation<br>Hancock County<br>1.5 Acres        | A certain tract of land described in a certain deed, dated January 20, 1955, by R. T. Toler, Sr., and Mary Idelle Toler, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on February 3, 1955, in the office of the County Court Clerk of Hancock County, in the state of Kentucky in Deed Book 63, on Page 266. |
| 6 - Utica Substation<br>Daviess County<br>1.72 Acres           | A certain tract of land described in a certain deed, dated March 26, 1956, by W. D. Ridgeway and Verda Ridgeway, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on March 29, 1956, in the office of the County Court Clerk of Daviess County, in the state of Kentucky, in Deed Book 254, on Page 192.         |
| 7 - Whitesville Substation<br>Daviess County<br>1.5 Acres      | A certain tract of land described in a certain deed, dated June 22, 1956, by Otis W. Greer and Martha A. Greer, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on June 22, 1956, in the office of the County Court Clerk of Daviess County, in the state of Kentucky, in Deed Book 257, on Page 315.           |
| 8 - Weberstown Substation<br>Hancock County<br>1.08 Acres      | A certain tract of land described in a certain deed, dated June 27, 1956, by Walter A. Glover and Blanche Glover, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on July 21, 1956, in the office of the County Court Clerk of Hancock County, in the state of Kentucky, in Deed Book 64, on Page 238.          |
| 9 - Hawesville Office<br>Hancock County<br>One-Half 1/2 Acre   | A certain tract of land described in a certain deed, dated March 31, 1960, by J. E. Harp and Salome Harp, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on March 31, 1960, in the office of the County Court Clerk of Hancock County, in the state of Kentucky, in Deed Book 66, on Page 35.                  |
| 10 - Hawesville Substation<br>Hancock County<br>6.01 Acres     | A certain tract of land described in a certain deed, dated June 7, 1960, by Earl L. White and Opal White, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on June 8, 1960, in the office of the County Court Clerk of Hancock County, in the state of Kentucky, in Deed Book 66, on Page 127.                   |
| 11 - Stanley Substation<br>Daviess County<br>2 Acres           | A certain tract of land described in a certain deed, dated May 29, 1961, by J. H. Jarboe and Hattie Jarboe, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on May 31, 1961, in the office of the County Court Clerk of Daviess County, in the state of Kentucky, in Deed Book 301, on Page 26.                 |
| 12 - Thruston Substation<br>Daviess County<br>2 Acres          | A certain tract of land described in a certain deed, dated March 10, 1962, by William T. Abell and Caryo B. Abell, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on March 13, 1962, in the office of the County Court Clerk of Daviess County, in the state of Kentucky, in Deed Book 307, on Page 534.       |



|                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|---------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>13 - Masonville Substation<br/>Davless County<br/>2.02 Acres</p>             | <p>A certain tract of land described in a certain deed dated June 28, 1962, by J. C. Barnhill and Stella Barnhill, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on July 6, 1962, in the office of the County Court Clerk of Davless County, in the state of Kentucky, in Deed Book 310, on Page 612.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <p>14 - Owensboro Office/Warehouse<br/>Davless County<br/>33.90 Acres</p>       | <p>(a) A certain tract of land described in a certain deed, dated January 7, 1964, by Guy Wright and Bertha M. Wright, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on January 9, 1964, in the office of the County Court Clerk of Davless County, in the state of Kentucky, in Deed Book 325, on Page 293.<br/>(b) A certain tract of land described in a certain deed, dated June 24, 1971, by Thomason Industries, Inc., as grantor to Green River Electric Corporation, as grantee, and recorded on July 2, 1971, in the office of the County Court Clerk of Davless County, in the state of Kentucky, in Deed Book 404, on Page 76.<br/>(c) A certain tract of land described in a certain deed, dated September 28, 1982, by J. W. McCormick and Bonita McCormick, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on September 29, 1982, in the office of the County Court Clerk of Davless County, in the state of Kentucky, in Deed Book 497, on Page 665.</p> |
| <p>15 - Onton Substation<br/>Webster County<br/>2 Acres</p>                     | <p>A certain tract of land described in a certain deed, dated August 4, 1965, by Walter Lee Ritz and Marvene Ritz, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on August 4, 1965, in the office of the County Court Clerk of Webster County, in the state of Kentucky, in Deed Book 131, on Page 316.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <p>16 - St. Joseph Substation<br/>Davless County<br/>2 Acres</p>                | <p>A certain tract of land described in a certain deed, dated August 7, 1965, by Joseph Daniel Mattingly and Ora B. Mattingly, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on August 11, 1965, in the office of the County Court Clerk of Davless County, in the state of Kentucky, in Deed Book 342, on Page 516.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <p>17 - Dermont Substation<br/>Davless County<br/>2 Acres</p>                   | <p>A certain tract of land described in a certain deed, dated November 28, 1967, by Edward Leo Jones and Margaret T. Jones, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on December 7, 1967, in the office of the County Court Clerk of Davless County, in the state of Kentucky, in Deed Book 366, on Page 161.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <p>18 - So. Hanson Warehouse/ Substation<br/>Hopkins County<br/>5.139 Acres</p> | <p>A certain tract of land described in a certain deed, dated April 11, 1974, by Arthur Adams and Ruth Adams, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on April 11, 1974, in the office of the County Court Clerk of Hopkins County, in the state of Kentucky, in Deed Book 362, on Page 672.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <p>19 - Hartford Office<br/>Ohio County<br/>.52 Acre</p>                        | <p>A certain tract of land described in a certain deed, dated August 6, 1976, by Herman Park, a single man, as grantor to Green River Electric Corporation, as grantee, and recorded on August 6, 1976, in the office of the County Court Clerk of Ohio County, in the state of Kentucky, in Deed Book 220, on Page 116-117.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <p>20 - So. Owensboro Substation<br/>Davless County<br/>2.410 Acres</p>         | <p>A certain tract of land described in a certain deed, dated May 16, 1977, by and between Norbert Goetz and Mary Goetz, his wife, and Robert M. Moorman and Barbara Moorman, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on August 1, 1977, in the office of the County Court Clerk of Davless County, in the state of Kentucky, in Deed Book 469, on Page 37.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <p>21 - Centertown Substation<br/>Ohio County<br/>2 Acres</p>                   | <p>A certain tract of land described in a certain deed, dated August 8, 1977, by Homer Ford and Kathryn Ford, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on August 13, 1977, in the office of the County Court Clerk of Ohio County, in the state of Kentucky, in Deed Book 224, on Page 28 - 31.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <p>22 - South Dermont Substation<br/>Davless County<br/>2.020 Acres</p>         | <p>A certain tract of land described in a certain deed, dated December 19, 1977, by and between William L. Reno Jr. and Barbara G. Reno, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on January 3, 1978, in the office of the County Court Clerk of Davless County, in the state of Kentucky, in Deed Book 473, on Page 784.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <p>23 - Panther Microwave<br/>Davless County<br/>2.833 Acres</p>                | <p>A certain tract of land described in a certain deed, dated October 3, 1980, by and between E. D. Rafferty and Tina Rafferty, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on October 10, 1980, in the office of the County Court Clerk of Davless County, in the state of Kentucky, in Deed Book 601, Page 437-439.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <p>24 - East Owensboro Substation<br/>Davless County<br/>6.587 Acres</p>        | <p>A certain tract of land described in a certain deed, dated November 28, 1980, by and between B. Chrisler and Gertrude Chrisler, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on November 28, 1980, in the office of the County Court Clerk of Davless County, in the state of Kentucky, in Deed Book 222, in Page 486.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

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| 26 - Whitesville Microwave Site Daviess County .0918 Acres         | A certain tract of land described in a certain deed, dated October 31, 1980, by and between Virginia C. Kelley, a widow, as grantor to Green River Electric Corporation, as grantee, and recorded on November 6, 1980, in the office of the County Court Clerk of Daviess County, in the state of Kentucky, in Deed Book 502, on Page 211.                                                                                                                                   |
| 28 - Nuckols Substation Daviess County 1.947 Acres                 | A certain tract of land described in a certain deed, dated November 9, 1982, by and between Virginia Coke, a widow, Baxter Jean Coke Jr., and Ella C. Coke, his wife, James W. Coke, single and Ben H. Coke, single, as grantors to Green River Electric Corporation, as grantee, and recorded on November 10, 1982, in the office of the County Court Clerk of McLean County, in the state of Kentucky, in Deed Book 67, on Page 93.                                        |
| 27 - Sacramento Substation Daviess County 3.465 Acres              | A certain tract of land described in a certain deed, dated December 21, 1983, by and between Emma Sue Lancaster and Pat Lancaster, her husband, and Carolyn Jackson and J. O. Jackson, her husband, and Charlotte Jackson and Charles Jackson, her husband, as grantors to Green River Electric Corporation, as grantee, and recorded on January 10, 1984, in the office of the County Court Clerk of McLean County, in the state of Kentucky, in Deed Book 104, on Page 70. |
| 28 - Phillpot Substation Daviess County 3.468 Acres                | A certain tract of land described in a certain deed, dated December 10, 1987, by and between Anna Elizabeth Oberst, widow, by and through her Co-Attorneys-In-Fact, Gerald E. Oberst and Rose O. Clark, as grantors to Green River Electric Corporation, as grantee, and recorded on December 11, 1987, in the office of the County Court Clerk of Daviess County, in the state of Kentucky, in Deed Book 567, on Page 724.                                                  |
| 29 - Pleasant Rldge Substation Daviess County 3.305 Acres          | A certain tract of land described in a certain deed, dated July 8, 1991, by and between Donald Rock and Marie Nicely Rock, husband and wife, as grantors to Green River Electric Corporation, as grantee, and recorded on July 10, 1991, in the office of the County Court Clerk of Ohio County, in the state of Kentucky, in Deed Book 277, on Page 669.                                                                                                                    |
| 30 - Beech Grove Substation McLean County .74 Acre                 | A certain tract of land described in a certain deed, dated November 18, 1997, by and between Ola Bell Edds, unmarried, as grantor to Green River Electric Corporation, as grantee, and recorded on November 18, 1997, in the office of the County Court Clerk of McLean County, in the state of Kentucky, in Deed Book 140, on Page 94.                                                                                                                                      |
| 31 - Beech Grove Substation McLean County .027 Acre                | A certain tract of land described in a certain deed, dated January 8, 1998, by and between Herman B. Ward Jr. and Kathleen C. Ward, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on January 8, 1998, in the office of the County Court Clerk of McLean County, in the state of Kentucky, in Deed Book 140, on Page 445.                                                                                                               |
| 32 - Lewisport Substation (Second Bay) Hancock County .888 Acre    | A certain tract of land described in a certain deed, dated September 10, 1998, by and between Samuel H. Pate and Michael Pate (aka Michele Pate), his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on October 29, 1998, in the office of the County Court Clerk of Hancock County, in the state of Kentucky, in Deed Book 118, on Page 644.                                                                                               |
| 33 - Horse Fork Substation Daviess County 6.49 Acres               | A certain tract of land described in a certain deed, dated January 22, 1999, by and between Rudolph D. Martin and Martha Louis Martin, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on January 26, 1999, in the office of the County Court Clerk of Daviess County, in the state of Kentucky, in Deed Book 696, on Page 161.                                                                                                          |
| 34 - Hawesville Property (Powers Street) Hancock County .579 Acres | A certain tract of land described in a certain deed, dated February 25, 1999, by and between Joel White, unmarried, Larry R. White and Jackie White, his wife, as grantors to Green River Electric Corporation, as grantee, and recorded on March 8, 1999, in the office of the County Court Clerk of Hancock County, in the state of Kentucky, in Deed Book 119, Pages 400 - 403.                                                                                           |
| 35 - Weaverton Sub. Henderson County .23 Acre                      | A certain tract of land described in a certain deed, dated July 16, 1937, by Straughn Suggs, et al., as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Henderson County, in the state of Kentucky, in Deed Book 91, Page 139.                                                                                                                                       |
| 36 - Weaverton Sub. Henderson County .03 Acre                      | A certain tract of land described in a certain deed, dated April 5, 1939, by Straughn Suggs et al., as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Henderson County, in the state of Kentucky, in Deed Book 93, Page 547.                                                                                                                                        |
| 37 - Marlon Substation Crittenden County .38 Acre                  | A certain tract of land described in a certain deed, dated April 11, 1947, by the City of Marlon, Kentucky, as grantor, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Crittenden County, in the state of Kentucky, in Deed Book 75, Page 199.                                                                                                                                |

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| 38 - Zion Substation<br>Henderson County<br>.49 Acre        | A certain tract of land described in a certain deed, dated November 25, 1962, by Paul Blckett and his wife, Mary Ellen Blckett, as grantors, to the Mortgagee, as grantee, and recorded in the office of the Clerk of the County Court of Henderson County, in the state of Kentucky, in Deed Book 159, Page 409.                                                                                                                                                                                                                                                                                                                                                |
| 39 - Sabree Substation<br>Webster County<br>.34 Acre        | A certain tract of land described in a certain deed, dated October 26, 1964, by E. C. Liles, and his wife, Veatrice Liles, as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Webster County, in the state of Kentucky, in Deed Book 112, Page 436.                                                                                                                                                                                                                                                                                                      |
| 40 - Nlagra Substation<br>Henderson County<br>.34 Acre      | A certain tract of land described in a certain deed, dated November 4, 1968, by James C. Hicks et al., as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Henderson County, in the state of Kentucky, in Deed Book 239, Page 34.                                                                                                                                                                                                                                                                                                                         |
| 41 - Little Dixie Sub.<br>Henderson County<br>1 Acre        | A certain tract of land described in a certain deed, dated September 8, 1965, by Mae Dossett et al., as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Henderson County, in the state of Kentucky, in Deed Book 221, Page 387.                                                                                                                                                                                                                                                                                                                          |
| 42 - Morganfield Sub.<br>Union County<br>.39 Acre           | A certain tract of land described in a certain deed, dated August 8, 1966, by Charles M. Meacham, Jr., and his wife, Annie Meacham, as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Union County, in the state of Kentucky, in Deed Book 158, Page 307.                                                                                                                                                                                                                                                                                               |
| 43 - Marlon Office<br>Crittenden County<br>.39 Acre         | A certain tract of land described in a certain deed, dated November 2, 1963, by Robert L. Qualls, and his wife, Nellie R. Qualls, as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the Office of the Clerk of the County Court of Crittenden County, in the state of Kentucky, in Deed Book 83, Page 475.                                                                                                                                                                                                                                                                                             |
| 44 - Marlon Office<br>Crittenden County<br>.39 Acre         | A certain tract of land described in a certain deed, dated October 31, 1963, by O. J. Rice and his wife, Lura Rice, as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Crittenden County, in the state of Kentucky in Deed Book 83, Page 471.                                                                                                                                                                                                                                                                                                            |
| 45 - Marlon Office<br>Crittenden County<br>.31 Acre         | A certain tract of land described in a certain deed, dated October 6, 1963, by Gid Woods, a widower, as grantor, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Crittenden County, in the state of Kentucky, in Deed Book 83, Page 442.                                                                                                                                                                                                                                                                                                                           |
| 46 - Providence Sub.<br>Hopkins County<br>1.05 Acres        | A certain tract of land described in a certain deed, dated February 21, 1949, by T. G. Rice and his wife, Leota Rice, as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Hopkins County, in the state of Kentucky, in Deed Book 188, Page 249.                                                                                                                                                                                                                                                                                                           |
| 47 - Geneva Sub.<br>Henderson County<br>.91 Acre            | A certain tract of land described in a certain deed, dated June 30, 1960, by J. B. Eakins, unmarried, as Grantor, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Henderson County, in the state of Kentucky, in Deed Book 199, Page 280.                                                                                                                                                                                                                                                                                                                          |
| 48 - Henderson Sub.<br>Henderson County<br>.27 Acre         | A certain tract of land described in a certain deed, dated December 9, 1960, by Russell D. Brown and Mary M. Brown, his wife, as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Henderson County, in the state of Kentucky, in Deed Book 150, Page 44.                                                                                                                                                                                                                                                                                                  |
| 49 - Lyon County<br>Substation<br>Lyon County<br>1.62 Acres | (a) A certain tract of land described in a certain deed, dated February 25, 1960, by A. F. Thomas and his wife, as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Lyon County, in the state of Kentucky, in Deed Book 49, Page 292.<br>(b) A certain tract of land described in a certain deed, dated August 14, 2000, by Stanley Thomas and Leona Guess Thomas, his wife, as grantors, to Kenergy Corp., as grantee, and recorded in the office of the Clerk of the County Court of Lyon County, in the state of Kentucky, in Deed Book 123, Page 613. |
| 50 - Sullivan Sub.<br>Crittenden County<br>.38 Acre         | A certain tract of land described in a certain deed, dated May 12, 1972, by Big Rivers Rural Electric Cooperative Corporation, as grantor, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Crittenden County, in the state of Kentucky, in Deed Book 111, Page 632.                                                                                                                                                                                                                                                                                                |

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| 51 - Dixon Substation<br>Webster County<br>.92 Acre                    | A certain tract of land described in a certain deed, dated October 20, 1976, by Aubrey Dossett and Mary Dossett, his wife, as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Webster County, in the state of Kentucky, in Deed Book 169, Page 306.                                               |
| 52 - Dixon Substation<br>Webster County<br>.14 Acre                    | A certain tract of land described in a certain deed, dated May 10, 1977, by Aubrey Dossett and Mary Dossett, his wife, as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Webster County, in the state of Kentucky, in Deed Book 173, Page 429.                                                   |
| 53 - Race Creek Sub.<br>Henderson County<br>1.02 Acres                 | A certain tract of land described in a certain deed, dated April 5, 1979, by C. Cooksey Crafton, and Dorothy C. Crafton, his wife, as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Henderson County, in the state of Kentucky, in Deed Book 311, Page 714.                                     |
| 54 - Lot Adjacent<br>Marlon Office<br>Crittenden County<br>.29 Acre    | A certain house and lot in the town of Marion, Crittenden County, Kentucky, in a certain deed dated January 26, 1981, by and between Farley Helrs, party of the First Part, and Henderson Union Electric Cooperative Corp., or its predecessor, party of the Second Part, and recorded in the office of the County Court Clerk of Crittenden County in the state of Kentucky, in Deed Book 137, Page 197. |
| 55 - Weaverton Sub.<br>Henderson County<br>.033 Acre                   | A certain tract of land described in a certain deed, dated February 20, 1984, by Russell D. Brown, as grantor, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Henderson County, in the state of Kentucky, in Deed Book 344, Page 189.                                                                      |
| 56 - Perelimon<br>Ridge Microwave<br>Union County<br>.06 Acre          | A certain tract of land described in a certain deed, dated April 25, 1984, by Glenn Watson, and his wife, Peggy Watson, as grantors, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Union County, in the state of Kentucky, in Deed Book 244, Page 367.                                                    |
| 57 - Henderson<br>Headquarters<br>Henderson County<br>20 Acres         | A certain tract of land described in a certain deed, dated January 20, 1989, by Tommy D. Tapp, and his wife, Theda Tapp, as parties of the First Part, grantors, and Henderson Union Electric Cooperative Corp., or its predecessor, party of the Second Part, as grantee, and recorded in the office of the Clerk of Henderson County, in the state of Kentucky, in Deed Book 393, Page 22.              |
| 58 - Riverport Sub.<br>Henderson County<br>0.80 Acre                   | A certain tract of land described in a certain deed, dated October 26, 1988, by Valley Grain Products, Inc., as grantor, to Henderson Union Electric Cooperative Corp., or its predecessor, as grantee, and recorded in the office of the Clerk of the County Court of Henderson County, in the state of Kentucky, in Deed Book 391, Page 434.                                                            |
| 59 - Tyson Substation<br>Henderson County<br>1.3774 Acres              | A certain tract of land and ingress and egress easement described in a certain deed dated November 8, 1995, by the County of Henderson, Kentucky, et al., as grantors, to Henderson Union Electric Cooperative Corp., as grantee, and recorded in the office of the Clerk of the County Court of Henderson County, in the state of Kentucky, in Deed Book 454, Page 506.                                  |
| 60 - Bon Harbor<br>Substation<br>Davless County<br>2 Acres             | A certain tract of land described in a certain deed, dated June 9, 1999, by Sara Jane McNulty, unmarried, as grantor to Green River Electric Corporation, as grantee, and recorded on June 22, 1999, in the office of the County Clerk of Davless County, in the state of Kentucky, in Deed Book 702, on Page 991.                                                                                        |
| 61 - Maceo Substation<br>Davless County<br>2.103 Acres                 | A certain tract of land described in a certain deed, dated March 15, 2000, by Walter Ford, and his wife, Carol Ford, as grantors, to Kenergy Corp., as grantee, and recorded on March 16, 2000, in the office of the County Clerk of Caldwell County, in the state of Kentucky, in Deed Book 716, on Page 338.                                                                                            |
| 62 - Caldwell Springs<br>Substation<br>Crittenden County<br>3.27 Acres | A certain tract of land described in a certain deed, dated July 12, 2000, by Vernon L. Travis, unmarried, as grantor to Kenergy Corp., as grantee, and recorded on July 15, 2000, in the office of the County Clerk of Crittenden County, in the state of Kentucky, in Deed Book 187, on Page 121.                                                                                                        |
| 63 - Crossroads<br>Substation<br>Caldwell County<br>3.30 Acres         | A certain tract of land described in a certain deed, dated September 29, 2000, by Gerald W. Sigler, and his wife, Sandra K. Sigler, as grantors, to Kenergy Corp., as grantee, and recorded on October 4, 2000, in the office of the County Clerk of Caldwell County, in the state of Kentucky, in Deed Book 225, on Page 498.                                                                            |
| 64 - Wolf Hills<br>Substation<br>Henderson Co.<br>2.387 Acres          | A certain tract of land described in a certain deed, dated January 2, 2001, by Cosmos Broadcasting Corp., a South Carolina corporation, successor by merger to WFIE, Inc., whose address is 1115 Mt. Auburn Road, Evansville, IN 47710, as grantor, to Kenergy Corp., as grantee, and recorded January 8, 2001, in the office of the County Clerk of Henderson                                            |

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|                                                                | County, in the state of Kentucky, in Deed Book 8, on Page 72.                                                                                                                                                                                                                                                                                        |
| 65 - Air Park<br>Substation<br>Davies County<br>2.643 Acres    | A certain tract of land described in a certain deed, dated January 23, 2001, by and between Economic Development Properties, Inc. and The City of Owensboro, as grantors, to Kenergy Corp., as grantee, and recorded on March 13, 2001, in the office of the County Clerk of Davies County, in the state of Kentucky, in Deed Book 731, on Page 973. |
| 66 - Providence<br>Substation<br>Hopkins County<br>1.612 Acres | A certain tract of land described in a certain deed, dated June 12, 2002, by Big Rivers Electric Corporation, as grantor, to Kenergy Corp., as grantee, and recorded on June 13, 2002, in the office of the County Clerk of Hopkins County, in the state of Kentucky, in Deed Book 609, on Page 220.                                                 |
| 67 - Adams Lane<br>Substation<br>Henderson County<br>5.7 Acres | A certain tract of land described in a certain deed, dated November 22, 2002, by Kendall Drilling Company, Inc., as grantor, to Kenergy Corp., as grantee, and recorded on November 22, 2002, in the office of the County Clerk of Henderson County, in the state of Kentucky, in Deed Book 518, on Page 851.                                        |

SUPPLEMENTAL MORTGAGE

SCHEDULE C

EXCEPTED PROPERTY

NONE

Del:  
Dorsey, King, Gray,  
Narment + Appgood  
10-6-04

STATE OF KENTUCKY  
COUNTY OF HENDERSON, ..... Sec.  
I, Renny T. Matthews, Clerk of Henderson County, certify that the  
foregoing Mortgage  
was this day at 3:00 o'clock P. M. lodged in my said office  
for record and that I have recorded it, the foregoing and this  
certificate in my said office.  
Given under my hand this 5th day October 20 04  
Renny T. Matthews  
By: Jennifer McCann D.C.