Archived: Thursday, May 31, 2012 3:40:42 PM

From: Burns Mercer

Sent: Wednesday, November 30, 2011 8:49:29 AM

**To:** Mark Bailey; Paula Mitchell **Cc:** Mark Hite; Bill Blackburn

Subject: RE: Regarding the recent 2011 EKPC \$450 million revolver, and CFC and

CoBank's participation in the syndication

**Importance:** Normal

I can do it anytime Friday.

From: Mark Bailey [mailto:Mark.Bailey@bigrivers.com]
Sent: Wednesday, November 30, 2011 9:48 AM

To: Paula Mitchell

Cc: Mark Hite; Bill Blackburn; Burns Mercer

Subject: FW: Regarding the recent 2011 EKPC \$450 million revolver, and CFC and

CoBank's participation in the syndication

Paula, Would you please check with Burns, Mark & Bill and see if a call can be set up mid to late Friday morning? Thanks, Mark

From: Burns Mercer [mailto:bmercer@mcrecc.com]
Sent: Wednesday, November 30, 2011 8:20 AM

To: Mark Bailey

Subject: RE: Regarding the recent 2011 EKPC \$450 million revolver, and CFC and

CoBank's participation in the syndication

Do you want to set up a conference call Friday concerning the loan?

From: Mark Bailey [mailto:Mark.Bailey@bigrivers.com]

Sent: Wednesday, November 30, 2011 8:59 AM

To: Burns Mercer

Cc: Bill Blackburn; Mark Hite

Subject: FW: Regarding the recent 2011 EKPC \$450 million revolver, and CFC and

CoBank's participation in the syndication

Burns, FYI. As you requested, I called Tony Campbell to discuss EKPC's experience with CFC. He was very supportive. I passed this on to both Bill and Mark

Sent from my Windows Phone

From: Bill Blackburn

Sent: Wednesday, November 30, 2011 7:50 AM

To: Mark Hite; Mark Bailey

Subject: RE: Regarding the recent 2011 EKPC \$450 million revolver, and CFC and

CoBank's participation in the syndication

Guys,

As a follow up to the rumor that we heard concerning CoBank, I contact Mike McNalley CFO for EKPC to see if he would be willing to share EKPC actual experience. I started the conversation by telling Mike that Big Rivers was in the market to refinance a portion of it debt as well as fund a couple of new construction projects to meet the CSAPR regulations. I shared with Mike that CoBank was one of the potential players in our financing strategy and I wanted to know about EKPC experience. I relayed the comments concerning CoBank as they had been shared with us. Mike was totally surprised and alarmed that we had heard this. He took exception to anything negative that we had been told concerning CoBank. According to Mike, CoBank was extremely supportive of EKPC. CoBank did not reduce their participation at any time, but actually increased the amount that they were will to participate in the EKPC's revolver up to \$75M. Mike stated that CoBank had been very supportive of EKPC during the period of time when the Management Audit by the PSC was released, he could not have asked for a lender to be more sympathetic and reassuring than CoBank has been.

Mike asked where I had heard this information, and I responded that it had been shared confidentially and I would not reveal the source. Mike said that if the source of our information would like to discuss this directly with him, he would welcome the opportunity. I told Mike how much I appreciated his candor and willingness to share EKPC actual experience.

Bill

From: Mark Hite

Sent: Thursday, November 03, 2011 4:34 PM

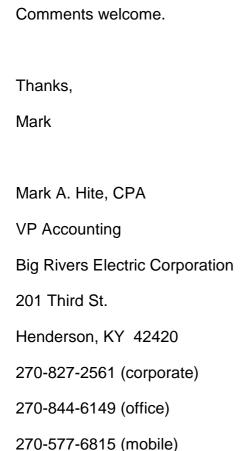
To: Bill Blackburn; Mark Bailey

Subject: Regarding the recent 2011 EKPC \$450 million revolver, and CFC and

CoBank's participation in the syndication

Here's the scoop as I understand it...

In 2005 when EKPC pursued an original \$650 million unsecured revolver, 16 participating institutions were agreed too. CFC was 1 of the lead arrangers, and CFC's participation was \$72.5 million. CoBank was 1 of the 16 party syndication and had participation of \$15 million. Due to EKPC financial/management issues, pursuing the revolver was postponed. Pursuit of the revolver resumed in 2010, but 10 of the original 16 participants backed out. 2 new participants were added to the syndication. The revolver was downsized to \$450 million, with CFC being 1 of 3 lead arrangers. CFC's participation was increased to \$82 million, and CoBank's participation was reduced to \$10 million. So now there were 8 parties. In 2011, prior to the \$450 revolver being closed, another 1 of the original 16 participants backed out (JPMorgan Chase, who was participating at \$75 million). CoBank and Bank of America stepped up their participation to get the deal done, CoBank increasing their participation from \$10 million to \$42 million and Bank of America theirs from \$25 million to \$75 million. CFC's participation went down to \$75 million from \$82 million.



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