



A Touchstone Energy Cooperative 

**CASE NO. 2016-00084**

**Inter-County Energy Loan Documents  
For CoBank Refinance of RUS Debt**

**May 27, 2016**

**INTER-COUNTY ENERGY COOPERATIVE**

P. O. Box 87 • Danville, KY 40423-0087

**Case No. 2016-00084**

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CoBANK, ACB

APPLICATION FOR CREDIT  
(Utility Borrowers)

Date: March 9, 2016

- 1. NAME of Applicant: INTER-COUNTY ENERGY COOPERATIVE CORPORATION
- 2. MAILING ADDRESS P.O. Box 87, Danville, Kentucky 40423
- STREET ADDRESS (if different): 100 Hustonville Rd., Danville, Kentucky 40423
- 3. Federal TAX ID Number: [REDACTED]
- 4. TYPE AND AMOUNT of credit applied for (if renewal of existing lines without change in amount or change in utilization or purpose, check here [ ] and skip to item 6):

<input type="checkbox"/>	Line of credit in the amount of	\$ _____
<input checked="" type="checkbox"/>	New term loan in the amount of	\$ <u>17,952,268.97</u>
<input type="checkbox"/>	Other (specify type and amount) Type _____	\$ _____

- 5. PURPOSE of credit applied for: To refinance the unpaid principal balance of the loan(s) made to the Company by the Rural Utilities Service.

6. To induce CoBank to extend the credit applied for, the applicant represents and warrants that:

- (A). To its knowledge and EXCEPT AS DISCLOSED BELOW, the applicant is in compliance with the terms and conditions of its agreements with CoBank, including the obligation to notify CoBank of the commencement of material litigation, of the receipt of environmental and regulatory notices and pleadings, and of other matters as required by the agreements between the parties. DISCLOSE ANY EXCEPTIONS HERE, IF NONE, SO STATE: \_\_\_\_\_

If more space is needed, check here [ ] and attach an additional page.

- (B) AMENDMENTS TO BYLAWS OR OPERATING AGREEMENT. There have been no amendments to the applicant's Bylaws or Operating Agreement since last submitted to CoBank, except as shown on the copy, certified true and correct by the applicant's corporate secretary or manager, attached hereto. PLEASE CHECK HERE IF ANY BYLAWS OR OPERATING AGREEMENT AMENDMENTS ARE ATTACHED [ ].

AMENDMENTS TO ARTICLES OF INCORPORATION OR FORMATION. Please be advised that CoBank will order on behalf of the Applicant a certified copy of any amendments made to the Applicant's articles of incorporation or articles of organization since last submitted to CoBank and a certificate of good standing or similar type of certification from the Secretary of State for the state of incorporation or formation.

This application is subject to 18 U.S.C. 1014, which imposes criminal penalties for knowingly making a false statement to the bank.

INTER-COUNTY ENERGY COOPERATIVE CORPORATION

(Name of Applicant)

By:

Joseph H. Spalding  
(Authorized Signature)

Its:

Inter-County Energy Board Chairman  
(Title)

**PROMISSORY NOTE AND  
SINGLE ADVANCE TERM LOAN SUPPLEMENT  
(RUS REFINANCE)**

**THIS PROMISSORY NOTE AND SUPPLEMENT** (this "Promissory Note and Supplement") to the Master Loan Agreement dated as of July 19, 2010 (the "MLA"), is entered into as of March 9, 2016 between INTER-COUNTY ENERGY COOPERATIVE CORPORATION, Danville, Kentucky, a Kentucky corporation (the "Company") and CoBank, ACB, a federally chartered instrumentality of the United States ("CoBank").

**SECTION 1. The Term Loan.** On the terms and conditions set forth in the MLA and this Promissory Note and Supplement, CoBank agrees to make a loan to the Company in an amount not to exceed \$17,952,268.97 (the "Commitment"). The Commitment shall expire at 12:00 noon (Company's local time) on May 31, 2016, or on such later date as CoBank may, in its sole discretion, authorize in writing.

**SECTION 2. Purpose.** The purpose of the Commitment is to refinance the unpaid principal balance of the loan(s) made to the Company by the Rural Utilities Service ("RUS") and identified on Exhibit A hereto (individually or collectively, the "Existing RUS Loan(s)").

**SECTION 3. Availability.** Notwithstanding Section 2 of the MLA and provided that each of the conditions precedent set forth herein and in the MLA have been satisfied, the loan will be made available to the Company on a date to be agreed upon by the parties (the "Closing Date"). The loan will be made available in a single advance by CoBank wire transferring the proceeds of the loan to RUS.

**SECTION 4. Interest.** The Company agrees to pay interest on the unpaid balance of the loan(s) in accordance with one or more of the following interest rate options, as selected by the Company:

(A) **Weekly Quoted Variable Rate.** At a rate per annum equal at all times to the rate of interest established by CoBank on the first Business Day of each week. The rate established by CoBank shall be effective until the first Business Day of the next week. Each change in the rate shall be applicable to all balances subject to this option and information about the then current rate shall be made available upon telephonic request.

(B) **Quoted Rate Option.** At a fixed rate per annum to be quoted by CoBank in its sole discretion in each instance. Under this option, rates may be fixed on such balances and for such periods, as may be agreeable to CoBank in its sole discretion in each instance, provided that: (1) the minimum fixed period shall be 180 days; (2) amounts may be fixed in increments of \$100,000.00 or multiples thereof; and (3) the maximum number of fixes in place at any one time shall be five. The Company has selected a fixed rate of 3.80% per annum through the maturity date of January 20, 2038.

The Company shall select the applicable rate option at the time it requests a loan hereunder and may, subject to the limitations set forth above, elect to convert balances bearing interest at the variable rate option to one of the fixed rate options. Upon the expiration of any fixed rate period, interest shall

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automatically accrue at the variable rate option unless the amount fixed is repaid or fixed for an additional period in accordance with the terms hereof. Notwithstanding the foregoing, rates may not be fixed for periods expiring after the maturity date of the loans and rates may not be fixed in such a manner as to cause the Company to have to break any fixed rate balance in order to pay any installment of principal. All elections provided for herein shall be made telephonically or in writing and must be received by 12:00 Noon Company's local time. Interest shall be calculated on the actual number of days each loan is outstanding on the basis of a year consisting of 360 days and shall be payable monthly in arrears by the 20th day of the following month or on such other day in such month as CoBank shall require in a written notice to the Company.

**SECTION 5. Fees. INTENTIONALLY OMITTED.**

**SECTION 6. Promissory Note.** The Company promises to repay the unpaid principal balance of the loan in accordance with the schedule(s) attached hereto as Exhibit B. If any installment due date is not a Business Day, then such installment shall be due and payable on the next Business Day. In addition to the above, the Company promises to pay interest on the unpaid principal balance of the loan at the times and in accordance with the provisions set forth above.

**SECTION 7. Prepayment.** Subject to the broken funding surcharge provision of the MLA, the Company may prepay all or any portion of the loan(s). Unless otherwise agreed, all prepayments will be applied to principal installments in the inverse order of their maturity and to such balances, fixed or variable, as CoBank shall specify.

**SECTION 8. Security.** The Company's obligations hereunder and, to the extent related hereto, the MLA, shall be secured as provided in the Security, Guarantee(s) and Title Insurance Section of the MLA.

**SECTION 9. Non-Patronage.** Notwithstanding any provisions in the MLA or CoBank's Bylaws and Capital Plan to the contrary, the loan(s) evidenced by this Promissory Note and Supplement shall be made on a non-patronage basis. Therefore, any amounts advanced hereunder shall not be included in the annual average accruing loan volume calculation for purposes of determining Company's patronage refund, if any.

**SECTION 10. Additional Conditions Precedent.** In addition to the conditions precedent set forth in the MLA, CoBank's obligation to make the loan is subject to the conditions precedent that CoBank shall have received each of the following (which, in the case of instruments and documents, must be in form and content acceptable to CoBank): (A) a copy of the Company's current, recorded mortgage with RUS, as amended and supplemented to the date hereof (the "RUS Mortgage"); (B) a copy of a payoff letter or spreadsheet from RUS setting forth, as of the Closing Date, the unpaid principal balance of the Existing RUS Loan(s), the interest accrued thereon, and any prepayment premiums, surcharges and other amounts owing to RUS for or on account of the Existing RUS Loan(s); (C) a duly completed and executed copy of the Request for Loan; (D) such evidence as may be satisfactory to CoBank that the Company has provided to RUS and to any other mortgagee under the RUS Mortgage,

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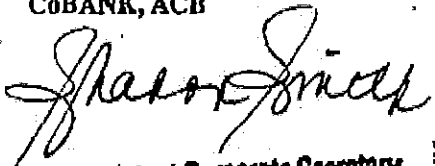
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the Notification of Refinancing (as required by Section 2.02 of the RUS Mortgage); and (E) immediately available funds in an amount sufficient to pay all interest accrued on the Existing RUS Loan(s) through the Closing Date, together with all prepayment premiums, surcharges, and other amounts necessary to discharge all of the Company's obligations to RUS for or on account of the Existing RUS Loan(s).

**SECTION 11. Additional Affirmative Covenants.** In addition to the Affirmative Covenants set forth in the MLA, the Company agrees that: (A) if for any reason the funds remitted to RUS are insufficient to discharge all of the Company's obligations to RUS for or on account of the Existing RUS Loan(s), the Company will promptly make such additional payments to RUS as may be required to discharge such obligations in full; and (B) on or before the date that is 120 days after the Closing Date, the Company will: (1) obtain all required signatures on a Supplemental or Restated Mortgage (the "Supplemental or Restated Mortgage") adding this Promissory Note and Supplement as a secured note under the RUS Mortgage; (2) perfect the first priority lien on and security interest in the property described in the RUS Mortgage as supplemented or restated by the Supplemental or Restated Mortgage and provide to CoBank satisfactory evidence that the Supplemental or Restated Mortgage has been duly recorded as a mortgage on all real property, and duly filed, recorded, or indexed as a security interest in all personal property wherever CoBank shall have requested, all in accordance with applicable law; (3) furnish to CoBank recorded file stamped copies of the Supplemental or Restated Mortgage along with proof that all required taxes and fees have been paid in connection with the Supplemental or Restated Mortgage; and (4) furnish to CoBank an updated opinion of counsel (which opinion of counsel must be acceptable to CoBank).

**IN WITNESS WHEREOF**, the parties have caused this Promissory Note and Supplement to the MLA to be executed by their duly authorized officers as of the date shown above.

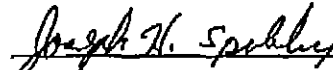
CoBANK, ACB

  
Assistant Corporate Secretary

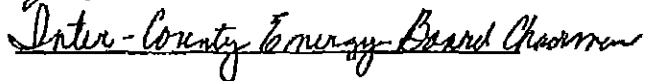
FOR BANK  
USE ONLY

INTER-COUNTY ENERGY  
COOPERATIVE CORPORATION

By:



Title:



Promissory Note and  
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**EXHIBIT A**  
To Supplement No. RI0902T4

**DESCRIPTION OF EXISTING RUS LOAN(S) TO BE REFINANCED**

The Existing RUS Loan(s) is/are as follows:

<b>LENDER</b>	<b>LOAN DESIGNATION</b>
RUS	RET 8-1
RUS	RET 8-2
RUS	RET 8-4
RUS	RET 8-5
RUS	RET 8-6
RUS	RET 8-7

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**EXHIBIT B**  
**To Supplement No. RI0902T4**

**REPAYMENT SCHEDULE**

Aggregate Amortization			
Payment Date	Beginning Balance	Principal Payment	Ending Balance
<b>Initial Balance</b>	<b>\$17,952,268.97</b>		
06/20/2016	\$17,952,268.97	\$45,123.04	\$17,907,145.93
07/20/2016	\$17,907,145.93	\$43,375.73	\$17,863,770.20
08/20/2016	\$17,863,770.20	\$43,517.66	\$17,820,252.54
09/20/2016	\$17,820,252.54	\$45,541.09	\$17,774,711.45
10/20/2016	\$17,774,711.45	\$43,809.08	\$17,730,902.37
11/20/2016	\$17,730,902.37	\$45,824.03	\$17,685,078.34
12/20/2016	\$17,685,078.34	\$44,102.38	\$17,640,975.96
01/20/2017	\$17,640,975.96	\$44,246.70	\$17,596,729.26
02/20/2017	\$17,596,729.26	\$49,963.78	\$17,546,765.48
03/20/2017	\$17,546,765.48	\$44,554.97	\$17,502,210.51
04/20/2017	\$17,502,210.51	\$46,548.22	\$17,455,662.29
05/20/2017	\$17,455,662.29	\$44,853.08	\$17,410,809.21
06/20/2017	\$17,410,809.21	\$46,837.66	\$17,363,971.55
07/20/2017	\$17,363,971.55	\$45,153.12	\$17,318,818.43
08/20/2017	\$17,318,818.43	\$45,300.87	\$17,273,517.56
09/20/2017	\$17,273,517.56	\$47,272.42	\$17,226,245.14
10/20/2017	\$17,226,245.14	\$45,603.79	\$17,180,641.35
11/20/2017	\$17,180,641.35	\$47,566.53	\$17,133,074.82
12/20/2017	\$17,133,074.82	\$45,908.66	\$17,087,166.16
01/20/2018	\$17,087,166.16	\$46,058.88	\$17,041,107.28
02/20/2018	\$17,041,107.28	\$51,605.95	\$16,989,501.33
03/20/2018	\$16,989,501.33	\$46,378.47	\$16,943,122.86
04/20/2018	\$16,943,122.86	\$48,318.67	\$16,894,804.19
05/20/2018	\$16,894,804.19	\$46,688.34	\$16,848,115.85
06/20/2018	\$16,848,115.85	\$48,619.52	\$16,799,496.33
07/20/2018	\$16,799,496.33	\$47,000.20	\$16,752,496.13
08/20/2018	\$16,752,496.13	\$47,154.00	\$16,705,342.13
09/20/2018	\$16,705,342.13	\$49,071.64	\$16,656,270.49
10/20/2018	\$16,656,270.49	\$47,468.87	\$16,608,801.62
11/20/2018	\$16,608,801.62	\$49,377.35	\$16,559,424.27
12/20/2018	\$16,559,424.27	\$47,785.77	\$16,511,638.50
01/20/2019	\$16,511,638.50	\$47,942.14	\$16,463,696.36
02/20/2019	\$16,463,696.36	\$53,312.52	\$16,410,383.84



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Aggregate Amortization			
Payment Date	Beginning Balance	Principal Payment	Ending Balance
03/20/2019	\$16,410,383.84	\$48,273.47	\$16,362,110.37
04/20/2019	\$16,362,110.37	\$50,158.54	\$16,311,951.83
05/20/2019	\$16,311,951.83	\$48,595.56	\$16,263,356.27
06/20/2019	\$16,263,356.27	\$50,471.26	\$16,212,885.01
07/20/2019	\$16,212,885.01	\$48,919.73	\$16,163,965.28
08/20/2019	\$16,163,965.28	\$49,079.80	\$16,114,885.48
09/20/2019	\$16,114,885.48	\$50,941.42	\$16,063,944.06
10/20/2019	\$16,063,944.06	\$49,407.10	\$16,014,536.96
11/20/2019	\$16,014,536.96	\$51,259.19	\$15,963,277.77
12/20/2019	\$15,963,277.77	\$49,736.50	\$15,913,541.27
01/20/2020	\$15,913,541.27	\$49,899.25	\$15,863,642.02
02/20/2020	\$15,863,642.02	\$53,411.52	\$15,810,230.50
03/20/2020	\$15,810,230.50	\$50,237.30	\$15,759,993.20
04/20/2020	\$15,759,993.20	\$52,065.24	\$15,707,927.96
05/20/2020	\$15,707,927.96	\$50,572.06	\$15,657,355.90
06/20/2020	\$15,657,355.90	\$52,390.26	\$15,604,965.64
07/20/2020	\$15,604,965.64	\$50,908.97	\$15,554,056.67
08/20/2020	\$15,554,056.67	\$51,075.56	\$15,502,981.11
09/20/2020	\$15,502,981.11	\$52,879.12	\$15,450,101.99
10/20/2020	\$15,450,101.99	\$51,415.72	\$15,398,686.27
11/20/2020	\$15,398,686.27	\$53,209.38	\$15,345,476.89
12/20/2020	\$15,345,476.89	\$51,758.08	\$15,293,718.81
01/20/2021	\$15,293,718.81	\$51,927.44	\$15,241,791.37
02/20/2021	\$15,241,791.37	\$56,923.93	\$15,184,867.44
03/20/2021	\$15,184,867.44	\$52,283.63	\$15,132,583.81
04/20/2021	\$15,132,583.81	\$54,052.04	\$15,078,531.77
05/20/2021	\$15,078,531.77	\$52,631.58	\$15,025,900.19
06/20/2021	\$15,025,900.19	\$54,389.87	\$14,971,510.32
07/20/2021	\$14,971,510.32	\$52,981.78	\$14,918,528.54
08/20/2021	\$14,918,528.54	\$53,155.15	\$14,865,373.39
09/20/2021	\$14,865,373.39	\$54,898.21	\$14,810,475.18
10/20/2021	\$14,810,475.18	\$53,508.72	\$14,756,966.46
11/20/2021	\$14,756,966.46	\$55,241.50	\$14,701,724.96
12/20/2021	\$14,701,724.96	\$53,864.58	\$14,647,860.38
01/20/2022	\$14,647,860.38	\$54,040.84	\$14,593,819.54
02/20/2022	\$14,593,819.54	\$58,839.05	\$14,534,980.49
03/20/2022	\$14,534,980.49	\$54,410.20	\$14,480,570.29
04/20/2022	\$14,480,570.29	\$56,116.75	\$14,424,453.54
05/20/2022	\$14,424,453.54	\$54,771.87	\$14,369,681.67

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Aggregate Amortization			
Payment Date	Beginning Balance	Principal Payment	Ending Balance
06/20/2022	\$14,369,681.67	\$56,467.90	\$14,313,213.77
07/20/2022	\$14,313,213.77	\$55,135.87	\$14,258,077.90
08/20/2022	\$14,258,077.90	\$55,316.29	\$14,202,761.61
09/20/2022	\$14,202,761.61	\$56,996.48	\$14,145,765.13
10/20/2022	\$14,145,765.13	\$55,683.80	\$14,090,081.33
11/20/2022	\$14,090,081.33	\$57,353.30	\$14,032,728.03
12/20/2022	\$14,032,728.03	\$56,053.69	\$13,976,674.34
01/20/2023	\$13,976,674.34	\$56,237.11	\$13,920,437.23
02/20/2023	\$13,920,437.23	\$60,829.26	\$13,859,607.97
03/20/2023	\$13,859,607.97	\$56,620.17	\$13,802,987.80
04/20/2023	\$13,802,987.80	\$58,262.43	\$13,744,725.37
05/20/2023	\$13,744,725.37	\$56,996.09	\$13,687,729.28
06/20/2023	\$13,687,729.28	\$58,627.41	\$13,629,101.87
07/20/2023	\$13,629,101.87	\$57,374.44	\$13,571,727.43
08/20/2023	\$13,571,727.43	\$57,562.18	\$13,514,165.25
09/20/2023	\$13,514,165.25	\$59,177.03	\$13,454,988.22
10/20/2023	\$13,454,988.22	\$57,944.18	\$13,397,044.04
11/20/2023	\$13,397,044.04	\$59,547.92	\$13,337,496.12
12/20/2023	\$13,337,496.12	\$58,328.64	\$13,279,167.48
01/20/2024	\$13,279,167.48	\$58,519.50	\$13,220,647.98
02/20/2024	\$13,220,647.98	\$61,502.02	\$13,159,145.96
03/20/2024	\$13,159,145.96	\$58,912.24	\$13,100,233.72
04/20/2024	\$13,100,233.72	\$60,487.82	\$13,039,745.90
05/20/2024	\$13,039,745.90	\$59,302.94	\$12,980,442.96
06/20/2024	\$12,980,442.96	\$60,867.15	\$12,919,575.81
07/20/2024	\$12,919,575.81	\$59,696.17	\$12,859,879.64
08/20/2024	\$12,859,879.64	\$59,891.51	\$12,799,988.13
09/20/2024	\$12,799,988.13	\$61,438.59	\$12,738,549.54
10/20/2024	\$12,738,549.54	\$60,288.52	\$12,678,261.02
11/20/2024	\$12,678,261.02	\$61,824.06	\$12,616,436.96
12/20/2024	\$12,616,436.96	\$60,688.10	\$12,555,748.86
01/20/2025	\$12,555,748.86	\$60,886.69	\$12,494,862.17
02/20/2025	\$12,494,862.17	\$65,042.63	\$12,429,819.54
03/20/2025	\$12,429,819.54	\$61,298.76	\$12,368,520.78
04/20/2025	\$12,368,520.78	\$62,804.91	\$12,305,715.87
05/20/2025	\$12,305,715.87	\$61,704.85	\$12,244,011.02
06/20/2025	\$12,244,011.02	\$63,199.19	\$12,180,811.83
07/20/2025	\$12,180,811.83	\$62,113.57	\$12,118,698.26
08/20/2025	\$12,118,698.26	\$62,316.82	\$12,056,381.44

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Aggregate Amortization			
Payment Date	Beginning Balance	Principal Payment	Ending Balance
09/20/2025	\$12,056,381.44	\$63,793.35	\$11,992,588.09
10/20/2025	\$11,992,588.09	\$62,729.48	\$11,929,858.61
11/20/2025	\$11,929,858.61	\$64,194.00	\$11,865,664.61
12/20/2025	\$11,865,664.61	\$63,144.80	\$11,802,519.81
01/20/2026	\$11,802,519.81	\$63,351.42	\$11,739,168.39
02/20/2026	\$11,739,168.39	\$67,276.13	\$11,671,892.26
03/20/2026	\$11,671,892.26	\$63,778.86	\$11,608,113.40
04/20/2026	\$11,608,113.40	\$65,212.86	\$11,542,900.54
05/20/2026	\$11,542,900.54	\$64,200.95	\$11,478,699.59
06/20/2026	\$11,478,699.59	\$65,622.67	\$11,413,076.92
07/20/2026	\$11,413,076.92	\$64,625.77	\$11,348,451.15
08/20/2026	\$11,348,451.15	\$64,837.24	\$11,283,613.91
09/20/2026	\$11,283,613.91	\$66,240.45	\$11,217,373.46
10/20/2026	\$11,217,373.46	\$65,266.15	\$11,152,107.31
11/20/2026	\$11,152,107.31	\$66,656.88	\$11,085,450.43
12/20/2026	\$11,085,450.43	\$65,697.83	\$11,019,752.60
01/20/2027	\$11,019,752.60	\$65,912.81	\$10,953,839.79
02/20/2027	\$10,953,839.79	\$69,597.21	\$10,884,242.58
03/20/2027	\$10,884,242.58	\$66,356.23	\$10,817,886.35
04/20/2027	\$10,817,886.35	\$67,715.25	\$10,750,171.10
05/20/2027	\$10,750,171.10	\$66,794.94	\$10,683,376.16
06/20/2027	\$10,683,376.16	\$68,141.20	\$10,615,234.96
07/20/2027	\$10,615,234.96	\$67,236.48	\$10,547,998.48
08/20/2027	\$10,547,998.48	\$67,456.49	\$10,480,541.99
09/20/2027	\$10,480,541.99	\$68,783.51	\$10,411,758.48
10/20/2027	\$10,411,758.48	\$67,902.30	\$10,343,856.18
11/20/2027	\$10,343,856.18	\$69,216.35	\$10,274,639.83
12/20/2027	\$10,274,639.83	\$68,350.99	\$10,206,288.84
01/20/2028	\$10,206,288.84	\$68,574.64	\$10,137,714.20
02/20/2028	\$10,137,714.20	\$70,939.22	\$10,066,774.98
03/20/2028	\$10,066,774.98	\$69,031.17	\$9,997,743.81
04/20/2028	\$9,997,743.81	\$70,312.37	\$9,927,431.44
05/20/2028	\$9,927,431.44	\$69,487.13	\$9,857,944.31
06/20/2028	\$9,857,944.31	\$70,755.07	\$9,787,189.24
07/20/2028	\$9,787,189.24	\$69,946.03	\$9,717,243.21
08/20/2028	\$9,717,243.21	\$70,174.91	\$9,647,068.30
09/20/2028	\$9,647,068.30	\$71,422.84	\$9,575,645.46
10/20/2028	\$9,575,645.46	\$70,638.25	\$9,505,007.21
11/20/2028	\$9,505,007.21	\$71,872.70	\$9,433,134.51

Promissory Note and  
 Single Advance Term Loan Supplement (RUS Refinance) RI0902T4  
 INTER-COUNTY ENERGY COOPERATIVE CORPORATION  
 Danville, Kentucky

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Aggregate Amortization			
Payment Date	Beginning Balance	Principal Payment	Ending Balance
12/20/2028	\$9,433,134.51	\$71,104.58	\$9,362,029.93
01/20/2029	\$9,362,029.93	\$71,337.25	\$9,290,692.68
02/20/2029	\$9,290,692.68	\$74,512.73	\$9,216,179.95
03/20/2029	\$9,216,179.95	\$71,814.50	\$9,144,365.45
04/20/2029	\$9,144,365.45	\$73,014.73	\$9,071,350.72
05/20/2029	\$9,071,350.72	\$72,288.41	\$8,999,062.31
06/20/2029	\$8,999,062.31	\$73,474.86	\$8,925,587.45
07/20/2029	\$8,925,587.45	\$72,765.38	\$8,852,822.07
08/20/2029	\$8,852,822.07	\$73,003.49	\$8,779,818.58
09/20/2029	\$8,779,818.58	\$74,169.13	\$8,705,649.45
10/20/2029	\$8,705,649.45	\$73,485.07	\$8,632,164.38
11/20/2029	\$8,632,164.38	\$74,636.70	\$8,557,527.68
12/20/2029	\$8,557,527.68	\$73,969.76	\$8,483,557.92
01/20/2030	\$8,483,557.92	\$74,211.80	\$8,409,346.12
02/20/2030	\$8,409,346.12	\$77,117.60	\$8,332,228.52
03/20/2030	\$8,332,228.52	\$74,706.99	\$8,257,521.53
04/20/2030	\$8,257,521.53	\$75,823.07	\$8,181,698.46
05/20/2030	\$8,181,698.46	\$75,199.55	\$8,106,498.91
06/20/2030	\$8,106,498.91	\$76,301.31	\$8,030,197.60
07/20/2030	\$8,030,197.60	\$75,695.30	\$7,954,502.30
08/20/2030	\$7,954,502.30	\$75,942.99	\$7,878,559.31
09/20/2030	\$7,878,559.31	\$77,023.12	\$7,801,536.19
10/20/2030	\$7,801,536.19	\$76,443.53	\$7,725,092.66
11/20/2030	\$7,725,092.66	\$77,509.10	\$7,647,583.56
12/20/2030	\$7,647,583.56	\$76,947.30	\$7,570,636.26
01/20/2031	\$7,570,636.26	\$77,199.09	\$7,493,437.17
02/20/2031	\$7,493,437.17	\$79,824.62	\$7,413,612.55
03/20/2031	\$7,413,612.55	\$77,712.90	\$7,335,899.65
04/20/2031	\$7,335,899.65	\$78,741.54	\$7,257,158.11
05/20/2031	\$7,257,158.11	\$78,224.86	\$7,178,933.25
06/20/2031	\$7,178,933.25	\$79,238.60	\$7,099,694.65
07/20/2031	\$7,099,694.65	\$78,740.11	\$7,020,954.54
08/20/2031	\$7,020,954.54	\$78,997.77	\$6,941,956.77
09/20/2031	\$6,941,956.77	\$79,989.03	\$6,861,967.74
10/20/2031	\$6,861,967.74	\$79,518.01	\$6,782,449.73
11/20/2031	\$6,782,449.73	\$80,494.13	\$6,701,955.60
12/20/2031	\$6,701,955.60	\$80,041.60	\$6,621,914.00
01/20/2032	\$6,621,914.00	\$80,303.52	\$6,541,610.48
02/20/2032	\$6,541,610.48	\$81,947.29	\$6,459,663.19

Promissory Note and  
 Single Advance Term Loan Supplement (RUS Refinance) RI0902T4  
 INTER-COUNTY ENERGY COOPERATIVE CORPORATION  
 Danville, Kentucky

Aggregate Amortization			
Payment Date	Beginning Balance	Principal Payment	Ending Balance
03/20/2032	\$6,459,663.19	\$80,834.44	\$6,378,828.75
04/20/2032	\$6,378,828.75	\$81,772.27	\$6,297,056.48
05/20/2032	\$6,297,056.48	\$81,366.52	\$6,215,689.96
06/20/2032	\$6,215,689.96	\$82,288.87	\$6,133,401.09
07/20/2032	\$6,133,401.09	\$81,902.04	\$6,051,499.05
08/20/2032	\$6,051,499.05	\$82,170.04	\$5,969,329.01
09/20/2032	\$5,969,329.01	\$83,069.01	\$5,886,260.00
10/20/2032	\$5,886,260.00	\$82,710.74	\$5,803,549.26
11/20/2032	\$5,803,549.26	\$83,593.98	\$5,719,955.28
12/20/2032	\$5,719,955.28	\$83,254.93	\$5,636,700.35
01/20/2033	\$5,636,700.35	\$83,527.35	\$5,553,173.00
02/20/2033	\$5,553,173.00	\$85,559.18	\$5,467,613.82
03/20/2033	\$5,467,613.82	\$84,080.64	\$5,383,533.18
04/20/2033	\$5,383,533.18	\$84,924.03	\$5,298,609.15
05/20/2033	\$5,298,609.15	\$84,633.66	\$5,213,975.49
06/20/2033	\$5,213,975.49	\$85,460.97	\$5,128,514.52
07/20/2033	\$5,128,514.52	\$85,190.25	\$5,043,324.27
08/20/2033	\$5,043,324.27	\$85,469.01	\$4,957,855.26
09/20/2033	\$4,957,855.26	\$86,272.01	\$4,871,583.25
10/20/2033	\$4,871,583.25	\$86,030.99	\$4,785,552.26
11/20/2033	\$4,785,552.26	\$86,817.64	\$4,698,734.62
12/20/2033	\$4,698,734.62	\$86,596.59	\$4,612,138.03
01/20/2034	\$4,612,138.03	\$86,879.95	\$4,525,258.08
02/20/2034	\$4,525,258.08	\$88,597.24	\$4,436,660.84
03/20/2034	\$4,436,660.84	\$87,454.15	\$4,349,206.69
04/20/2034	\$4,349,206.69	\$88,199.40	\$4,261,007.29
05/20/2034	\$4,261,007.29	\$88,028.93	\$4,172,978.36
06/20/2034	\$4,172,978.36	\$88,757.46	\$4,084,220.90
07/20/2034	\$4,084,220.90	\$88,607.41	\$3,995,613.49
08/20/2034	\$3,995,613.49	\$88,897.35	\$3,906,716.14
09/20/2034	\$3,906,716.14	\$89,600.62	\$3,817,115.52
10/20/2034	\$3,817,115.52	\$89,481.44	\$3,727,634.08
11/20/2034	\$3,727,634.08	\$90,167.72	\$3,637,466.36
12/20/2034	\$3,637,466.36	\$90,069.29	\$3,547,397.07
01/20/2035	\$3,547,397.07	\$90,364.02	\$3,457,033.05
02/20/2035	\$3,457,033.05	\$91,754.44	\$3,365,278.61
03/20/2035	\$3,365,278.61	\$90,959.95	\$3,274,318.66
04/20/2035	\$3,274,318.66	\$91,603.21	\$3,182,715.45
05/20/2035	\$3,182,715.45	\$91,557.34	\$3,091,158.11

Promissory Note and  
 Single Advance Term Loan Supplement (RUS Refinance) RI0902T4  
 INTER-COUNTY ENERGY COOPERATIVE CORPORATION  
 Danville, Kentucky

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Aggregate Amortization			
Payment Date	Beginning Balance	Principal Payment	Ending Balance
06/20/2035	\$3,091,158.11	\$92,183.22	\$2,998,974.89
07/20/2035	\$2,998,974.89	\$92,158.58	\$2,906,816.31
08/20/2035	\$2,906,816.31	\$92,460.14	\$2,814,356.17
09/20/2035	\$2,814,356.17	\$93,059.76	\$2,721,296.41
10/20/2035	\$2,721,296.41	\$93,067.20	\$2,628,229.21
11/20/2035	\$2,628,229.21	\$93,649.16	\$2,534,580.05
12/20/2035	\$2,534,580.05	\$93,678.18	\$2,440,901.87
01/20/2036	\$2,440,901.87	\$93,984.72	\$2,346,917.15
02/20/2036	\$2,346,917.15	\$94,787.72	\$2,252,129.43
03/20/2036	\$2,252,129.43	\$94,602.42	\$2,157,527.01
04/20/2036	\$2,157,527.01	\$95,139.72	\$2,062,387.29
05/20/2036	\$2,062,387.29	\$95,223.30	\$1,967,163.99
06/20/2036	\$1,967,163.99	\$95,742.54	\$1,871,421.45
07/20/2036	\$1,871,421.45	\$95,848.18	\$1,775,573.27
08/20/2036	\$1,775,573.27	\$96,161.82	\$1,679,411.45
09/20/2036	\$1,679,411.45	\$96,653.75	\$1,582,757.70
10/20/2036	\$1,582,757.70	\$96,792.76	\$1,485,964.94
11/20/2036	\$1,485,964.94	\$97,266.33	\$1,388,698.61
12/20/2036	\$1,388,698.61	\$97,427.76	\$1,291,270.85
01/20/2037	\$1,291,270.85	\$97,746.56	\$1,193,524.29
02/20/2037	\$1,193,524.29	\$98,444.36	\$1,095,079.93
03/20/2037	\$1,095,079.93	\$98,388.55	\$996,691.38
04/20/2037	\$996,691.38	\$98,815.70	\$897,875.68
05/20/2037	\$897,875.68	\$99,033.84	\$798,841.84
06/20/2037	\$798,841.84	\$99,442.22	\$699,399.62
07/20/2037	\$699,399.62	\$99,683.30	\$599,716.32
08/20/2037	\$599,716.32	\$100,009.48	\$499,706.84
09/20/2037	\$499,706.84	\$100,389.48	\$399,317.36
10/20/2037	\$399,317.36	\$100,665.23	\$298,652.13
11/20/2037	\$298,652.13	\$101,026.16	\$197,625.97
12/20/2037	\$197,625.97	\$101,325.21	\$96,300.76
01/20/2038	\$96,300.76	\$96,300.76	\$0.00

**NOTIFICATION OF REFINANCING  
UNDER SECTION 2.02 OF THE MORTGAGE**

*May 26, 2016*  
Closing Date

VIA FACSIMILE TO (202) 720-0498  
Rural Utilities Service  
United States Department of Agriculture  
Washington, DC 20250-1500  
Attention: Cheryl Munnely, Chief, PLSFOB

VIA FACSIMILE TO (703) 467-5651  
National Rural Utilities Cooperative Finance Corporation  
20701 Cooperative Way  
Dulles, Virginia 20166-6691  
Attention: Beverly Elgin

Pursuant to Section 2.02 of your RUS Restated Mortgage and Security Agreement (the "Mortgage"), please take notice that Inter-County Energy Cooperative Corporation (the "Company") intends to refinance the loan or loans identified on Exhibit A hereto. Such loan or loans (hereinafter, the "loan(s)") were made by the Rural Utilities Service ("RUS") and are secured by the Mortgage. The refinancing loan(s) are being provided by CoBank, ACB ("CoBank") and will be secured under the Mortgage as Additional Notes.

On behalf of the Company and pursuant to the RUS loan contract, I hereby certify that: (1) no "Event of Default" (as defined in the Mortgage) or event which with the giving of notice or lapse of time or both would become an Event of Default, has occurred and is continuing; (2) the amount of the refinancing loan(s), together with any additional payments to RUS from the Company, will not exceed 105% of the unpaid principal balance of the loan(s) being refinanced; and (3) the weighted average life of the refinancing loan(s) is not greater than the weighted average life of the loan(s) being refinanced. An analysis of the weighted average lives is provided on Exhibit B.

CoBank will prepare and circulate for execution a Supplemental Mortgage required to add the refinancing loan(s) as secured loans under the Mortgage. We will contact you to obtain and verify your note information for the exhibit to the Supplemental Mortgage.

Thank you in advance for your cooperation.

Sincerely,

Inter-County Energy Cooperative Corporation

By: *Joseph H. Spalding*  
Its: *Inter-County Energy Board Chairman*

**EXHIBIT A**

**DESCRIPTION OF EXISTING RUS LOAN(S) TO BE REFINANCED**

<b>LOAN DESIGNATION</b>
RET 8-1
RET 8-2
RET 8-4
RET 8-5
RET 8-6
RET 8-7



**EXHIBIT B**

**WEIGHTED AVERAGE LIFE OF THE  
LOAN(S) BEING REFINANCED AND REFINANCING LOAN(S)**

<b>Weighted Average Life Calculations</b>	
<b>Existing RUS Loan(s) RET 8-1, RET 8-2, RET 8-4, RET 8-5, RET 8-6, and RET 8-7</b>	<b>New CoBank Loan(s) RI0902T4</b>
<b>Weighted Average Life 14.04</b>	<b>Weighted Average Life 12.33</b>

**REQUEST FOR LOAN**

**TO:** CoBANK, ACB  
Attention: Closing

**FROM:** Inter-County Energy Cooperative Corporation

**DATE:** May 26, 2016 "Closing Date"

**SUBJECT:** REQUEST FOR LOAN

Reference is hereby made to the Promissory Note and Single Advance Term Loan Supplement(s) (RUS Refinance) dated as of March 9, 2016, and numbered RI0902T4 (individually or collectively, the "Note and Supplement(s)") between Inter-County Energy Cooperative Corporation (the "Company") and CoBANK, ACB ("CoBank"). All capitalized terms used herein and not defined herein shall have the meanings given to them in the Note and Supplement(s).

Pursuant to Section 9 of the Note and Supplement(s), the undersigned, a duly authorized officer of the Company, on behalf of the Company, hereby requests that CoBank make the following loan or loans (individually or collectively, the "Loan(s)") to the Company on or before the Closing Date:

CoBank Loan Number(s)	Amount
RI0902T4	\$17,952,268.97

The undersigned hereby certifies that the Company has remitted \$ 90,061.41 to CoBank, by wire transfer of immediately available funds to CoBank's account identified in the MLA to pay all interest accrued on the Existing RUS Loan(s) through the Closing Date, together with all prepayment premiums, surcharges, and other amounts necessary to discharge all of the Company's obligations to RUS for or on account of the Existing RUS Loan(s) (collectively, the "Additional RUS Payment").

Please wire transfer the proceeds of the Loan(s), together with the Additional RUS Payment, directly to RUS. The authorization provided for herein shall be deemed to be a Special Wire and Electronic Transfer Authorization Form within the meaning of the Company's Delegation and Wire and Electronic Transfer Authorization form.

To induce CoBank to make the Loan(s), I hereby certify as follows: (1) upon receipt by RUS of the amount shown above, all of the Company's obligations to RUS for and on account of the Existing RUS Loan(s) will be paid in full; (2) no "Event of Default" (as defined in the MLA or the RUS Mortgage) has occurred and is continuing, and no event which with the giving of notice or lapse of time or both would become an Event of Default (as defined in the MLA or the RUS Mortgage) has occurred and is continuing; (3) each of the representations and warranties set forth in the MLA and the Note and Supplement(s) are true and correct as of the date hereof; and (4) the

Company has satisfied all conditions precedent set forth in the Note and Supplement(s) and the MLA to CoBank's obligation to make the Loan(s).

**Inter-County Energy Cooperative Corporation**

By: Joseph H. Spalding

Name: Joseph H. Spalding

Title: Inter-County Energy Board Chairman

(Must be signed by an authorized officer  
designated in the Company's borrowing resolutions)

RESOLUTION ADOPTED BY THE  
BOARD OF DIRECTORS OF  
INTER-COUNTY ENERGY COOPERATIVE CORPORATION  
AT THE BOARD OF DIRECTORS MEETING ON  
January 25, 2016

1. "RESOLVED, that Inter-County Energy Cooperative Corporation (hereinafter called "Inter-County Energy" may prepay, in full, to the Rural Utilities Service (hereinafter called "RUS") all outstanding RUS Qualified Notes pursuant to the regulations set forth at 7 CFR Part 1786."
2. "RESOLVED, that the Board Chairman of Inter-County Energy be and hereby is authorized on behalf of Inter-County Energy to execute and deliver under the corporate seal of Inter-County Energy which the Secretary is hereby directed to affix and attest, as counterparts as may be deemed desirable of an agreement with RUS setting forth the terms and conditions of such prepayment."
3. "RESOLVED, that the Board Chairman of Inter-County Energy be and hereby is authorized to execute and deliver on behalf of Inter-County Energy under the corporate seal of Inter-County Energy, which the Secretary is hereby directed to affix and attest, any other document or documents, agreement or agreements or certificates, that may be necessary in order to carry out the prepayment authorized at this meeting."

CERTIFICATE OF SECRETARY

I, James Kevin Preston, hereby certify that I am the duly elected, qualified, and acting Secretary of Inter-County Energy; that the above and foregoing resolutions were adopted by the Board of Directors of said Cooperative at the meeting of said Board held on the 25th day of January, 2016, all as shown by the minutes of said meeting at which meeting a quorum was present.

Date: 1-25-16

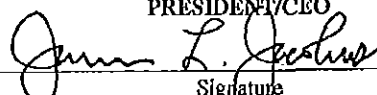
SECRETARY: James Kevin Preston

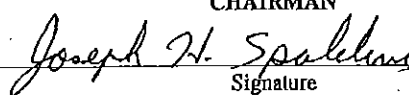
CoBANK, ACB  
INCUMBENCY CERTIFICATE

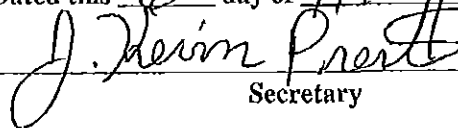
The undersigned, as Secretary of the Company named below, hereby certifies that the following persons are the current, duly elected or appointed Officers enumerated in applicable Resolutions of the Company's Board of Directors and that the following are the specimen signatures of those Officers:

OFFICERS

NOTE: INSERT THE NAMES AND OBTAIN THE SIGNATURES OF ONLY THOSE OFFICERS AUTHORIZED BY THE RESOLUTION REFERRED TO ABOVE.

PRESIDENT/CEO

Signature
JAMES L. JACOBUS
TYPE or PRINT name

CHAIRMAN

Signature
Joseph H. Spalding
TYPE or PRINT name

Dated this 6<sup>th</sup> day of May, 2016.  
  
Secretary

Change of address?  Yes  No

INTER-COUNTY ENERGY COOPERATIVE CORPORATION  
P.O. Box 87  
Danville, Kentucky 40423

Annual Meeting Month: May

Phone: (859) 236-4561  
Fax No: (859) 236-3627

SHEEHAN, BARNETT, DEAN,  
PENNINGTON, LITTLE & DEXTER, P.S.C.  
ATTORNEYS AT LAW  
116 NORTH THIRD STREET  
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DANVILLE, KENTUCKY 40423-1517

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JAMES HADDIN DEAN  
HENRY VINCENT PENNINGTON, III  
RAMONA CASTELL LITTLE  
STEPHEN ABELL DEXTER  
CHRISTOPHER JAMES TUCKER  
MELANIE CLARK THORNBERY

DELOACH  
ELIZABETH NICKELS LEHN

REIDER  
JAMES WILLIAM BARNETT

May 26, 2016

**CLOSING OPINION**

CoBank, ACB  
Attn: Electric Distribution Banking Group  
6340 South Fiddlers Green Circle  
Greenwood Village, CO 80111

Re: \$17,952,268.97 Loan(s) to Inter-County Energy Cooperative Corporation  
(the "Borrower")

Ladies and Gentlemen:

I. Introduction

I have served as general counsel for the Borrower, namely Inter-County Energy Cooperative, a corporation in connection with the documentation of the loan(s) described above. In connection with the loan(s), the Borrower has executed and delivered the following documents (collectively, the "Loan Documents"):

- A. Promissory Note and Single Advance Term Loan Supplement (RUS Refinance) No. R10902T4, dated as of March 9, 2016, in the original principal amount of \$17,952,268.97 (the "Term Loan");
- B. Notification of Refinancing, dated as of May 26, 2016;
- C. Request for Loan, dated as of May 26, 2016;
- D. Resolution of the Board of Directors dated August 17, 2012 authorizing the Loan Documents; and

E. Incumbency Certificate dated May 6, 2016.

II. Scope of Opinion/Examination of Documents

I am delivering this opinion to you pursuant to requirements set forth in the Loan Documents.

For purposes of this opinion, I have examined the following:

- A. Originals or copies identified to my satisfaction of each of the Loan Documents as executed and delivered;
- B. The Articles of Incorporation and Bylaws of the Borrower, in each case as amended and in effect at the time of the authorization of, and the execution and delivery by the Borrower of, the Loan Documents;
- C. Certified resolutions of the Board of Directors of the Borrower evidencing the corporate proceedings taken to authorize the execution and delivery of, and the performance by the Borrower of its obligations under, the Loan Documents;
- D. Written information provided by governmental authorities of the State of Kentucky, and only Kentucky as to the incorporation and existence of the Borrower in the State of Kentucky, and the borrower is qualified and authorized to transact business in the State of Kentucky;
- E. A certificate of the Borrower, dated as of even date herewith and a copy of which is available upon request (the "Loans & Other Material Agreements Certificate"), certifying that the documents identified in the Loans & Other Material Agreements Certificate are: (i) all of the loan agreements and related instruments and security documents to which the Borrower is a party (and all amendments thereto); and (ii) all other agreements (and all amendments thereto) under which a default by the Borrower could have a material adverse effect on the business, operations or financial condition of the Borrower or the Borrower's ability to perform its obligations under the Loan Documents;
- F. Originals or copies identified to my satisfaction, of the agreements and instruments identified in the Loans & Other Material Agreements Certificate;
- G. A certificate of the Borrower, dated as of even date herewith and a copy of which is available upon request (the "Litigation Certificate"), certifying that there is no litigation, arbitration or other legal proceeding, pending or threatened, verbally or in writing, against or affecting the Borrower or its property that, (i) if adversely determined, in the opinion of the Borrower, would have a material adverse effect upon the business, operations or financial condition of the Borrower, or the Borrower's ability to perform its obligations under the Loan Documents or (ii) seeks to rescind, terminate, modify or suspend any authorization of any

governmental entity required in connection with the execution and delivery of the Borrower of, and the performance of the Borrower of its obligations, under the Loan Documents those which are identified in the Litigation Certificate, a copy of which has previously been provided to you, except for the following:

Potentially in Case No. 2010-00449, in the Matter of: Application of East Kentucky Power Cooperative, Inc., for an Order Approving the Establishment of a Regulatory Asset for the Amount Expended on its Smith 1 Generating Unit, the Kentucky Public Service Commission ("KPSC" or "Commission") entered an order on February 28, 2011, approving East Kentucky Power Cooperative's ("EKPC") request for the establishment of a regulatory asset in the total amount of \$157,338,715 representing amounts EKPC had expended on Smith 1. However, as is usually the case where regulatory assets are established, the Commission held that the actual recovery of the regulatory asset amount was not a part of the case. Rather recovery of the asset and the terms of that recovery will be the subject of a subsequent proceeding, either inside this case or in a new case. There is some very slight possibility that the Commission could rule unfavorably when EKPC seeks recovery of the asset and if such a ruling was made, it could have a material adverse effect upon EKPC's financial condition. Such an adverse ruling is unlikely. It is much more likely that the Commission will order a full recovery of this asset either by surcharge or inclusion in EKPC's base rates within a reasonable period of years. The recovery amount will depend on regulatory approval, as discussed above, and the sale of any and all of the Smith assets as an offset to this amount.

- H. Intentionally Omitted.
- I. Intentionally Omitted.
- J. Such other certificates, documents and papers as I have deemed advisable in connection with this opinion.

During the course of such examination, I have assumed that all signatures, other than those of officers of the Borrower, are genuine, that all documents submitted to me as copies conform to the originals and that all documents submitted to me as originals are authentic.

As to matters of fact involved in this opinion, I have relied on statements of fact made in the Loan Documents, the Loan & Other Material Agreements Certificate and the Litigation Certificate, and on certificates, affidavits and statements of fact of officials, officers or authorized representatives of the particular governmental authority or other person or entity concerned, including the Borrower, and on discussions with representatives of the Borrower, without any independent investigation or inquiry. I am not aware of any fact that would make any such reliance unreasonable. I have undertaken such investigation of the law and such consideration of the facts (which I



have ascertained as described herein) as I, in my professional judgment, have determined appropriate for purposes of rendering this opinion.

For purposes of this opinion, I have further assumed that each party to the Loan Documents, other than the Borrower, has all requisite power and authority to enter into such agreements, has taken all necessary action to execute and deliver such agreements and can affect the transactions contemplated therein without contravening any law or regulation, that each of the Loan Documents constitutes the legal, valid and binding obligation of each of such other parties enforceable against such other parties in accordance with its respective terms, and that each of such parties will duly perform its obligations under each such agreement.

### III. Opinions & Qualifications

Based on the foregoing, I am of the opinion, subject to the qualifications set forth in this letter, that:

- A. The Borrower is a corporation duly organized, validly existing, and in good standing under the laws of the State of Kentucky, and is duly qualified to do business and is in good standing in each jurisdiction in which the transaction of its business makes such qualification necessary.
- B. The Borrower has all requisite corporate and legal power and authority to own and operate its assets and to carry on its business as it is now being conducted and to enter into and perform its obligations under the Loan Documents.
- C. All corporate proceedings of the Borrower necessary to be taken in connection with the authorization, execution and delivery by the Borrower of, and the performance by the Borrower of its obligations under, the Loan Documents have been duly taken and all such authorizations are presently in effect.
- D. 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 and 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 entities required to be obtained on or prior to the date of this opinion.
- E. Each Loan Document has been duly executed and delivered by the Borrower and constitutes the valid and binding obligation of the Borrower enforceable against the Borrower in accordance with its terms.

The opinion set forth in this paragraph is subject to the following qualifications:

- a. The enforceability of the Loan Documents may be limited by (i) bankruptcy, insolvency, reorganization, receivership, fraudulent conveyance and other laws of general applicability relating to or affecting the rights and remedies of creditors and (ii) general principles of equity.
  - b. Certain provisions of the Loan Documents may not be enforceable under laws with respect to or affecting the remedies provided for in the Loan Documents; nevertheless, such unenforceability will not render any Loan Document invalid as a whole or preclude (i) the judicial enforcement of the obligation of the Borrower to repay the principal, together with interest thereon, as provided in the Term Loan, (ii) the acceleration of the obligation of the Borrower to repay such principal and interest upon a material default by the Borrower under the Loan Documents.
- F. Intentionally Omitted.
- G. Intentionally Omitted.
- H. Intentionally Omitted.
- I. The execution and delivery by the Borrower of, and the performance by the Borrower of its obligations under, the Loan Documents do not and will not: (a) violate the Borrower's Articles of Incorporation or Bylaws; (b) violate any applicable law, rule or regulation to which the Borrower is subject; (c) conflict with, result in a breach of, or constitute with notice or lapse of time or both a default under, any agreement or instrument identified to me in the Loan & Other Material Agreements Certificate; or (d) violate any judicial or administrative decree, writ, judgment or order to which, to my knowledge, the Borrower is subject.
- J. **All authorizations from governmental entities required in connection with the execution and delivery by the Borrower of, and the performance by the Borrower of its obligations under, the Loan Documents have been obtained and are in full force and effect.**
- K. To my knowledge, there is no litigation, arbitration or other legal proceeding pending or threatened, verbally or in writing, against or affecting the Borrower or its property that, (i) in the opinion of the Borrower as evidenced by the **Litigation Certificate**, if adversely determined would have a material adverse effect upon the business, operations or financial condition of the Borrower or the Borrower's ability to perform its obligations under the Loan Documents or (ii) seeks to rescind, terminate, modify or suspend any authorization of any governmental entity referred to in paragraph III. J. above except for the following:

**Potentially In Case No. 2010-00449, in the Matter of: Application of East Kentucky Power Cooperative, Inc., for an Order Approving the Establishment of a Regulatory Asset for the Amount Expended on Its Smith**

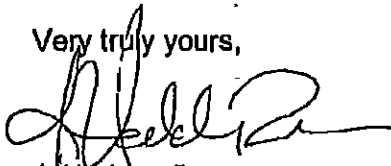
1 Generating Unit, the Kentucky Public Service Commission ("KPSC" or "Commission") entered an order on February 28, 2011, approving East Kentucky Power Cooperative's ("EKPC") request for the establishment of a regulatory asset in the total amount of \$157,338,715 representing amounts EKPC had expended on Smith 1. However, as is usually the case where regulatory assets are established, the Commission held that the actual recovery of the regulatory asset amount was not a part of the case. Rather recovery of the asset and the terms of that recovery will be the subject of a subsequent proceeding, either inside this case or in a new case. There is some very slight possibility that the Commission could rule unfavorably when EKPC seeks recovery of the asset and if such a ruling was made, it could have a material adverse effect upon EKPC's financial condition. Such an adverse ruling is unlikely. It is much more likely that the Commission will order a full recovery of this asset either by surcharge or inclusion in EKPC's base rates within a reasonable period of years. The recovery amount will depend on regulatory approval, as discussed above, and the sale of any and all of the Smith assets as an offset to this amount.

IV. Limitation as to Particular Laws and Reliance on this Opinion

As to matters of law, I limit my opinion to the laws of the State of Kentucky where counsel is admitted to practice law and the laws of the United States of America, and my opinions are limited to the facts and laws in existence on the date of this opinion and at no subsequent time. I note that certain of the Loan Documents purport to be governed by Colorado law. I am not licensed to practice law in the State of Colorado and therefore, cannot assert that that law is the same as the laws of the State of Kentucky.

This opinion is delivered to you in connection with the loan referenced above, and may not be utilized or quoted by you for any other purpose or relied upon by any other person or entity other than your successors or assigns without my express written consent.

Very truly yours,



J. Hadden Dean  
JHD/ba  
Attachments



A Touchstone Energy Cooperative 

## LOAN & OTHER MATERIAL AGREEMENTS CERTIFICATE

This Certificate is given by James L. Jacobus, President of Inter-County Energy Cooperative Corporation (the "Borrower") for the purpose of inducing J. Hadden Dean, ESQ. to render legal opinions in connection with the execution and delivery of [list all loan documents as listed in the opinion] (the "Loan Documents").

I, James L. Jacobus, President of the Borrower, do hereby certify as of the date of this Certificate as follows:

1. I am the President of the Borrower, and as such possess the knowledge and authority to certify to the matters set forth in this Certificate.

2. Attached hereto as Exhibit A-1 is a list of all loan agreements related instruments and security documents to which the Borrower is a party (and all amendments thereto) and as Exhibit A-2 is a list of and all other agreements (and all amendments thereto) under which a default by the Borrower could have a material adverse effect on the business, operations or financial condition of the Borrower or the Borrower's ability to perform its obligations under the Loan Documents.

IN WITNESS WHEREOF, I have executed this Certificate in my capacity as President of the Borrower as of May 20, 2016.


  
\_\_\_\_\_  
James L. Jacobus, President  
Inter-County Energy Cooperative Corporation

Exhibit A-1

INTER-COUNTY ENERGY COOPERATIVE CORPORATION  
CASE NO. 2018-00084

**EXHIBIT 3-FINANCIAL**

**Attachment A**

**Mortgages of Inter-County Energy Cooperative**

NOTES EXECUTED AS OF DECEMBER 31, 2015

RUS	Note	Interest Rate	Date	Original Balance	Principle Payment	Balance
	RET-7-1	5.125	3/2/1998	2,637,500	746,273	1,891,227
	RET-7-2	0.125	3/2/1998	2,637,500	1,105,724	1,531,776
	RET-8-1	4.70%	3/21/2006	3,000,000	403,343	2,596,657
	RET-8-2	4.77%	1/2/2007	3,000,000	397,631	2,602,369
	RET-8-4	4.84%	9/28/2007	3,000,000	384,537	2,615,463
	RET-8-5	4.49%	4/30/2008	3,000,000	383,715	2,616,285
	RET-8-6	3.50%	3/9/2009	4,200,000	567,800	3,632,200
	RET-8-7	4.75%	3/29/2010	4,509,000	446,018	4,062,982
	Totals			25,884,000	4,435,040	21,548,960
	Less Advance Payments Unapplied					-18,128
						21,530,832
CFC	9021	6.05%	1/10/1984	730,000	667,644	50,256
	9022	6.20%	5/5/1986	590,722	416,612	165,850
	9023	6.35%	2/2/1988	696,907	534,951	352,443
	9024	6.45%	9/24/1991	1,210,309	552,942	648,653
	9025	6.45%	11/12/1993	1,420,000	497,651	910,886
	9026	6.50%	3/2/1998	2,261,000	628,124	1,718,414
	Totals			7,108,938	3,198,924	3,844,303
FFB	H0010	2.673%	9/1/1999	1,500,000	560,036	930,057
	H0016	2.873%	9/1/1999	2,000,000	746,715	1,240,075
	H0020	2.873%	9/1/1999	2,607,000	973,343	1,616,438
	H0025	2.873%	9/1/1999	221,000	81,947	137,588
	H0030	0.135%	8/8/2002	4,000,000	1,262,059	2,715,546
	H0035	0.135%	12/2/2002	2,000,000	626,030	1,357,823
	H0040	0.135%	10/15/2003	2,000,000	625,943	1,357,909
	H0045	0.135%	6/15/2004	3,500,000	1,062,203	2,408,147
	H0050	0.135%	1/24/2005	3,175,000	928,777	2,221,801
	H0055	0.135%	10/13/2005	3,611,000	1,018,635	2,581,899
	H0060	0.135%	3/21/2006	3,194,000	882,133	2,284,698
	H0065	0.135%	9/20/2011	4,000,000	456,352	3,543,648
	H0070	0.135%	12/18/2011	4,000,000	397,904	3,602,096
	F0076	0.135%	5/13/2014	4,000,000	209,772	3,790,228
	F0080	0.135%	12/29/2014	3,000,000	106,705	2,893,295
	*F0085	0.212%	12/24/2015	5,000,000	0	5,000,000
	*1st Quarterly Payment Due 3/31/2016					
	Totals			47,808,000	9,926,555	37,682,349
COBANK	RX0902T1	4.550%	7/20/2010	5,002,175	2,427,419	2,574,756
	RI0902T2	4.480%	12/30/2011	2,354,391	392,147	1,962,243
	RI0902T3	2.250%	4/22/2013	2,163,206	923,923	1,239,283
	Totals			9,519,772	3,743,490	5,776,282
	<b>Grand Totals</b>			<b>90,420,710</b>	<b>21,304,098</b>	<b>68,813,766</b>

**EXHIBIT A-2**  
**to**  
**LOAN & OTHER MATERIAL AGREEMENTS CERTIFICATE**

**None except as those previously identified on Exhibit A-1 of the Litigation Certificate.**

  
**INTER COUNTY**  
**ENERGY COOPERATIVE**

A Touchstone Energy Cooperative 

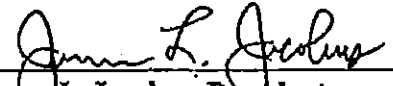
**LITIGATION CERTIFICATE**

This Certificate is given by James L. Jacobus, President of Inter-County Energy Cooperative Corporation (the "Borrower") for the purpose of inducing J. Hadden Dean, ESQ. to render legal opinions in connection with the execution and delivery of [list all loan documents as listed in the opinion] (the "Loan Documents").

I, James L. Jacobus, President of the Borrower, do hereby certify as of the date of this Certificate as follows:

1. I am the President of the Borrower, and as such possess the knowledge and authority to certify to the matters set forth in this Certificate.
2. I have discussed the subject matter of this Certificate with all officers of and legal counsel to the Borrower who reasonably would be expected to have knowledge of its subject matter.
3. [Other than the proceeding(s) identified in Exhibit A], there is no litigation, arbitration or other legal proceeding, pending or threatened, verbally or in writing, against or affecting the Borrower or its property that, (i) if adversely determined, in my opinion would have a material adverse effect upon the business, operations or financial condition of the Borrower or the Borrower's ability to perform its obligations under the Loan Documents, or (ii) seeks to rescind, terminate, modify or suspend any authorization of any governmental entity required in connection with the execution and delivery by the Borrower of, and the performance by the Borrower of its obligations under, the Loan Documents.

IN WITNESS WHEREOF, I have executed this Certificate in my capacity as President of the Borrower as of May 20, 2016.

  
James L. Jacobus, President  
Inter-County Energy Cooperative Corporation

**EXHIBIT A**  
**to**  
**Litigation Certificate**

Potentially In Case No. 2010-00449, In the Matter of: Application of East Kentucky Power Cooperative, Inc., for an Order Approving the Establishment of a Regulatory Asset for the Amount Expended on its Smith 1 Generating Unit, the Kentucky Public Service Commission ("KPSC" or "Commission") entered an order on February 28, 2011, approving East Kentucky Power Cooperative's ("EKPC") request for the establishment of a regulatory asset in the total amount of \$157,338,715 representing amounts EKPC had expended on Smith 1. However, as is usually the case where regulatory assets are established, the Commission held that the actual recovery of the regulatory asset amount was not a part of the case. Rather recovery of the asset and the terms of that recovery will be the subject of a subsequent proceeding, either inside this case or in a new case. There is some very slight possibility that the Commission could rule unfavorably when EKPC seeks recovery of the asset and if such a ruling was made, it could have a material adverse effect upon EKPC's financial condition. Such an adverse ruling is unlikely. It is much more likely that the Commission will order a full recovery of this asset either by surcharge or inclusion in EKPC's base rates within a reasonable period of years. The recovery amount will depend on regulatory approval, as discussed above, and the sale of any and all of the Smith assets as an offset to this amount.



**Inter-County Energy  
Annual Summary  
Scenario - Matching RUS DS**

Run Date	12/21/15
Loan Amount	\$17,952,269
CoBank Loan Interest Rate	3.80%
Lifetime Cash Flow Savings	\$2,802,067
Lifetime CoBank Patronage	\$0
Lifetime Interest Savings	\$2,802,067
Lifetime NPV Benefit *	\$1,011,347
Net Effective Interest Rate	0.00%

\* NPV Discount Rate = 4.48%

	Combined RUS Loans				Annual Cash Flow Differential	Annual Interest Expense Differential	CoBank Loan				
	Principal Balance	Annual Principal Payment	Annual Interest Payment	Total Ann Cash Flow			Total Ann Cash Flow	Annual Interest Payment	Annual Principal Payment	Principal Balance	Patronage Refund
2016	\$17,706,321	\$245,948	\$467,855	\$713,803	\$944	\$66,289	\$712,859	\$401,566	\$311,293	\$17,640,976	\$0
2017	\$17,265,382	\$440,939	\$782,724	\$1,223,663	\$0	\$112,871	\$1,223,663	\$669,853	\$553,810	\$17,087,166	\$0
2018	\$16,804,463	\$460,919	\$762,744	\$1,223,663	\$0	\$114,609	\$1,223,663	\$648,135	\$575,528	\$16,511,639	\$0
2019	\$16,322,645	\$481,817	\$741,846	\$1,223,663	\$0	\$116,280	\$1,223,663	\$625,565	\$598,097	\$15,913,541	\$0
2020	\$15,821,043	\$501,603	\$722,060	\$1,223,663	\$1,650	\$119,869	\$1,222,013	\$602,190	\$619,822	\$15,293,719	\$0
2021	\$15,294,598	\$526,444	\$697,219	\$1,223,663	\$0	\$119,414	\$1,223,663	\$577,804	\$645,858	\$14,647,860	\$0
2022	\$14,744,242	\$550,356	\$673,307	\$1,223,663	\$0	\$120,830	\$1,223,663	\$552,477	\$671,186	\$13,976,674	\$0
2023	\$14,168,874	\$575,369	\$648,294	\$1,223,663	\$0	\$122,138	\$1,223,663	\$526,156	\$697,507	\$13,279,168	\$0
2024	\$13,569,140	\$599,734	\$623,928	\$1,223,663	\$1,367	\$125,051	\$1,222,296	\$498,877	\$723,419	\$12,555,749	\$0
2025	\$12,940,319	\$628,821	\$594,842	\$1,223,663	\$0	\$124,408	\$1,223,663	\$470,434	\$753,229	\$11,802,520	\$0
2026	\$12,282,869	\$657,450	\$566,213	\$1,223,663	\$0	\$125,318	\$1,223,663	\$440,895	\$782,767	\$11,019,753	\$0
2027	\$11,595,470	\$687,399	\$536,264	\$1,223,663	\$0	\$126,065	\$1,223,663	\$410,199	\$813,464	\$10,206,289	\$0
2028	\$10,878,211	\$717,259	\$506,403	\$1,223,663	\$1,037	\$128,036	\$1,222,626	\$378,367	\$844,259	\$9,362,030	\$0
2029	\$10,126,770	\$751,441	\$472,222	\$1,223,663	\$0	\$127,031	\$1,223,663	\$345,191	\$878,472	\$8,483,558	\$0
2030	\$9,341,040	\$785,730	\$437,933	\$1,223,663	\$0	\$127,192	\$1,223,663	\$310,741	\$912,922	\$7,570,636	\$0
2031	\$8,519,436	\$821,604	\$402,059	\$1,223,663	\$0	\$127,118	\$1,223,663	\$274,940	\$948,722	\$6,621,914	\$0
2032	\$7,661,378	\$858,058	\$365,604	\$1,223,663	\$652	\$127,807	\$1,223,011	\$237,798	\$985,214	\$5,636,700	\$0
2033	\$6,763,022	\$898,356	\$325,307	\$1,223,663	\$0	\$126,207	\$1,223,663	\$199,100	\$1,024,562	\$4,612,138	\$0
2034	\$5,823,582	\$939,440	\$284,223	\$1,223,663	\$0	\$125,301	\$1,223,663	\$158,922	\$1,064,741	\$3,547,397	\$0
2035	\$4,841,156	\$982,426	\$241,237	\$1,223,663	\$0	\$124,069	\$1,223,663	\$117,167	\$1,106,495	\$2,440,902	\$0
2036	\$3,814,360	\$1,026,796	\$196,867	\$1,223,663	\$202	\$123,038	\$1,223,460	\$73,829	\$1,149,631	\$1,291,271	\$0
2037	\$2,739,924	\$1,074,437	\$149,226	\$1,223,663	\$0	\$120,533	\$1,223,663	\$28,693	\$1,194,970	\$96,301	\$0
2038	\$1,616,244	\$1,123,679	\$99,984	\$1,223,663	\$1,127,047	\$99,668	\$96,616	\$315	\$96,301	\$0	\$0
2039	\$441,039	\$1,175,205	\$48,457	\$1,223,663	\$1,223,663	\$48,457	\$0	\$0	\$0	\$0	\$0
2040	\$0	\$441,039	\$4,467	\$445,506	\$445,506	\$4,467	\$0	\$0	\$0	\$0	\$0
2041	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2042	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2043	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2044	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2045	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2046	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2047	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2048	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2049	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2050	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2051	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2052	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2053	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2054	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2055	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2056	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2057	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2058	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2059	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2060	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2061	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2062	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Sum</b>	<b>\$17,952,269</b>	<b>\$11,351,282</b>	<b>\$29,303,551</b>		<b>\$2,802,067</b>	<b>\$2,802,067</b>	<b>\$26,501,484</b>	<b>\$8,549,215</b>	<b>\$17,952,269</b>	<b>\$219,597,901</b>	<b>\$0</b>