



Your Touchstone Energy® Cooperative 

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

**ELECTRONIC APPLICATION OF BIG RIVERS)
ELECTRIC CORPORATION FOR APPROVAL TO)
ISSUE EVIDENCES OF INDEBTEDNESS)**

**Case No.
2020-00291**

APPLICATION

and

APPLICATION EXHIBITS

FILED: September 22, 2020

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

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BIG RIVERS ELECTRIC CORPORATION)	Case No.
FOR APPROVAL TO ISSUE EVIDENCES)	2020-00291
OF INDEBTEDNESS)	

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APPLICATION

7 1. Big Rivers Electric Corporation (“*Big Rivers*”) submits this
8 application (the “*Application*”) to the Public Service Commission (“*Commission*”
9 or “*P.S.C.*”), seeking approval to refinance \$83,300,000 that Big Rivers borrowed
10 under its revolving credit facility (the “*2020 Revolving Credit Agreement*”) with
11 National Rural Utilities Cooperative Finance Corporation (“*CFC*”) and related
12 evidences of indebtedness, with a \$83,300,000 term loan from CFC (the “*2020*
13 *Term Loan*”) and related evidences of indebtedness, including a Loan
14 Agreement, a First Mortgage Note, and a Tenth Supplemental Indenture¹ that
15 secures the First Mortgage Note.

¹ The Note is secured under Big Rivers’ existing Indenture dated as of July 1, 2009, between Big Rivers and U.S. Bank National Association, as trustee (the “*Indenture*”). A copy of the Indenture is attached as Exhibit 7 to the Application of Big Rivers Electric Corporation for Approval to Issue Evidences of Indebtedness, P.S.C. Case No. 2009-00441

1 2. As the Commission is aware, the Commission recently authorized
2 Big Rivers to enter into the 2020 Revolving Credit Agreement² and to borrow
3 \$83,300,000 under that agreement as a temporary bridge loan to refund by
4 redemption Pollution Control Refunding Revenue Bonds, Series 2010A issued by
5 the County of Ohio, Kentucky, until new pollution control bonds could be issued.³

6 3. Prior to seeking the Commission’s authority in Case No. 2020-
7 00153 to issue the evidences of indebtedness related to the new bonds, Big
8 Rivers had evaluated alternatives to the new bonds, including a term loan from
9 CFC. However, indicative interest rates from CFC at the time were higher
10 than the interest rate anticipated under the new bonds. Market conditions have
11 since changed, and Big Rivers, in consultation with its finance advisor and
12 investment bank, recently determined that the proposed 2020 Term Loan will
13 result in additional interest savings over the savings that would have been
14 achieved by issuing the new pollution control bonds. If the Commission
15 authorizes the proposed evidences of indebtedness related to the 2020 Term
16 Loan, Big Rivers will not issue the evidences of indebtedness approved in Case
17 No. 2020-00153 relating to the new pollution control bonds. In support of its
18 Application, Big Rivers states as follows:

² See *In the Matter of: Electronic Application of Big Rivers Electric Corporation for Approval to Issue Evidences of Indebtedness*, P.S.C. Case No. 2020-00129, Order (May 8, 2020) (approving the 2020 Revolving Credit Agreement).

³ See *In the Matter of: The Electronic Application of Big Rivers Electric Corporation for Approval to Issue Evidences of Indebtedness*, P.S.C. Case No. 2020-00153, Order (August 13, 2020).

1 **Refinancing of the \$83.3 Million Borrowed under the 2020**
2 **Revolving Credit Agreement**

3 4. The interest rate on the Series 2010A Pollution Control Bonds was
4 six percent (6%). Big Rivers redeemed those bonds on July 15, 2020, in whole
5 prior to their final maturity utilizing funds available under the 2020 Revolving
6 Credit Agreement.⁴ The interest rate Big Rivers is paying on the \$83.3 million
7 borrowed under the 2020 Revolving Credit Agreement is 1.88%.

8 5. Big Rivers delayed the issuance of the new pollution control bonds
9 with the temporary bridge loan under the 2020 Revolving Credit Agreement,
10 which allowed Big Rivers to evaluate current market conditions to maximize the
11 potential interest savings. Current indicative interest rates from CFC are now
12 below those available under new pollution control bonds.

13 6. In June of 2020, BofA estimated that the coupon rate on new
14 pollution control bonds would be 5% with a yield to investors in the range of
15 3.75% to 4.25% per annum. This would have resulted in annual interest expense
16 savings of approximately \$1.5 to \$1.9 million.⁵

17 7. Big Rivers now proposes to borrow \$83.3 million at an indicative
18 interest rate of 2.6%, which will result in additional annual interest savings of
19 approximately \$0.8 million. These savings will benefit not only Big Rivers, but
20 also its Members and their retail member-customers. These savings will build

⁴ See *In the Matter of: The Electronic Application of Big Rivers Electric Corporation for Approval to Issue Evidences of Indebtedness*, P.S.C. Case No. 2020-00129, Application at ¶ 4.

⁵ See *In the Matter of: Electronic Application of Big Rivers Electric Corporation for Approval to Issue Evidences of Indebtedness*, Application, P.S.C. Case No. 2020-00153, at ¶ 10.

1 Member equity and reduce future needs to increase rates. Additionally, with the
2 recent Commission-approved changes to Big Rivers' MRSM tariff in Case No.
3 2020-00064, and to the extent Big Rivers achieves the 1.30 TIER threshold in its
4 MRSM tariff, 40% of the savings will be passed through to the Members and
5 their retail member-customers as a bill credit.⁶

6 **Proposed Evidences of Indebtedness**

7 8. Big Rivers seeks the Commission's authority to issue the following
8 evidences of indebtedness to refinance the temporary bridge loan borrowed
9 under the 2020 Revolving Credit Agreement, and related documents:

10 a. The Loan Agreement, a substantially complete copy of which
11 is attached hereto as Exhibit 1. The Loan Agreement has a ten-
12 year maturity (the maturity date is estimated to be December 31,
13 2030), with principal payment due at that time

14 b. The First Mortgage Note in substantially the form attached
15 hereto as Exhibit 2. The principal amount of the note will be no
16 more than \$83,300,000. The maturity date of the note will coincide
17 with the maturity date of the Loan Agreement. The note will be
18 issued pursuant to and secured under the Tenth Supplemental
19 Indenture.

⁶ Per the Commission's June 25, 2020, Order in Case No. 2020-00064, the remaining 60% of the savings would be deferred in a regulatory liability to be available to support Big Rivers' TIER or to further reduce, with Commission approval, the regulatory asset balances on Big Rivers' books.

1 proposed evidences of indebtedness as soon as reasonably practical, and
2 preferably within sixty (60) days of the date this Application is filed with the
3 Commission.

4 **Compliance with Filing Requirements**

5 13. Big Rivers is a rural electric generating and transmission
6 cooperative corporation that was incorporated in the Commonwealth of
7 Kentucky under KRS Chapter 279 on June 14, 1961, and attests that it is in
8 good standing. Its mailing address is P.O. Box 24, Henderson, Kentucky, 42419-
9 0024; its street address is 201 Third Street, Henderson, Kentucky 42420; and its
10 electronic mail address is regulatory@bigrivers.com.

11 14. Big Rivers owns electric generation and transmission facilities, and
12 purchases, transmits and sells electricity at wholesale. Big Rivers exists for the
13 principal purpose of providing the wholesale electricity requirements of its three
14 distribution cooperative members (the “*Members*”), which are: Jackson Purchase
15 Energy Corporation, Kenergy Corp., and Meade County Rural Electric
16 Cooperative Corporation. The Members in turn provide retail electric service to
17 approximately 118,000 consumer/members located in 22 Western Kentucky
18 counties: Ballard, Breckenridge, Caldwell, Carlisle, Crittenden, Daviess, Graves,
19 Grayson, Hancock, Hardin, Henderson, Hopkins, Livingston, Lyon, Marshall,
20 McCracken, McLean, Meade, Muhlenberg, Ohio, Union and Webster.

1 15. A table of each statutory and regulatory requirement for this filing,
2 cross-referenced to the location in this Application where that requirement is
3 satisfied, is attached hereto as Exhibit 4.

4 16. The relief sought by Big Rivers in this Application is authorized by
5 KRS 278.300 and related sections, and 807 KAR 5:001 Section 18 and related sections.

6 17. A general description of Big Rivers' property and the field of its
7 operation, together with a statement of the original cost of the same and the cost
8 to Big Rivers are attached hereto as Exhibit 5.

9 18. Big Rivers will issue no stock or bonds in connection with the
10 issuances of indebtedness described in this Application.

11 19. No property is to be acquired, constructed, improved, or extended in
12 connection with the issuance of the proposed evidences of indebtedness, nor has
13 Big Rivers entered into contracts for any of those purposes or for the disposition
14 of the proposed evidences of indebtedness. Accordingly, there are no projects for
15 which Big Rivers has developed maps or plans relating to the proposed evidences
16 of indebtedness.

17 20. A financial exhibit is attached hereto as Exhibit 6.

18 WHEREFORE, Big Rivers respectfully requests that the Commission
19 issue orders granting Big Rivers the following relief:

20 a. Authority to issue the evidences of indebtedness attached as
21 Exhibits 1, 2, and 3 to this Application;

BIG RIVERS ELECTRIC CORPORATION

**ELECTRONIC APPLICATION OF
BIG RIVERS ELECTRIC CORPORATION
FOR APPROVAL TO ISSUE EVIDENCES
OF INDEBTEDNESS**

VERIFICATION

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I, Paul G. Smith, Chief Financial Officer of Big Rivers Electric Corporation, hereby state that I have read the foregoing Application, including the exhibits thereto, and that the statements contained therein are true and correct to the best of my knowledge, information, and belief, on this the 22nd day of September, 2020.

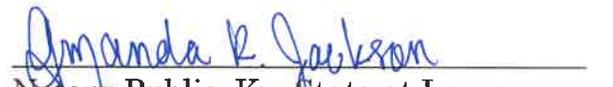


Paul G. Smith
Chief Financial Officer
Big Rivers Electric Corporation

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COMMONWEALTH OF KENTUCKY)
COUNTY OF HENDERSON)

SUBSCRIBED AND SWORN to before me by Paul G. Smith, as Chief Financial Officer of Big Rivers Electric Corporation, on this the 22nd day of September 2020.



Notary Public, Ky. State at Large
My commission expires: March 22, 2023
Notary ID: 619869

Amanda R. Jackson
NOTARY PUBLIC
STATE AT LARGE
KENTUCKY
ID. # 619869
MY COMMISSION EXPIRES March 22, 2023

LOAN AGREEMENT

LOAN AGREEMENT (this "**Agreement**") dated as of _____, 2020 between BIG RIVERS ELECTRIC CORPORATION (the "**Borrower**"), a cooperative corporation organized and existing under the laws of the Commonwealth of Kentucky, and NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION ("**CFC**"), a cooperative association organized and existing under the laws of the District of Columbia.

RECITALS

WHEREAS, the Borrower has applied to CFC for a loan for the purposes set forth in 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 a promissory note to evidence the loan hereunder in the aggregate principal amount of the Commitment (as hereinafter defined), and such promissory note will be authenticated and secured by the lien of the Indenture (as hereinafter defined).

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto agree and bind themselves as follows:

ARTICLE I

DEFINITIONS

Section 1.01 Definitions. Capitalized terms used herein shall have the meanings as set forth (i) below, or (ii) elsewhere herein as indicated by such terms shown in quotation marks within parentheses. All such definitions shall be equally applicable to the singular and the plural form thereof. Capitalized terms that are not defined herein shall have the meanings as set forth in the Indenture (as hereinafter defined). Unless otherwise indicated, all documents referred to herein shall be deemed to include all amendments, supplements, modifications, substitutions and restatements.

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

"**Advance Request**" shall mean a request from the Borrower to CFC, in the form of Exhibit A, or otherwise in form and substance satisfactory to CFC, to make the Advance.

"**Business Day**" shall mean any day that both CFC and the depository institution CFC utilizes for funds transfers hereunder are open for business.

"**CFC Fixed Rate**" shall mean (i) such fixed rate as is available on the Closing Date for loans having a term equal to the CFC Fixed Rate Term and otherwise 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 period from the Closing Date to the Maturity Date.

"CFC Obligations" shall mean any and all liabilities, obligations or indebtedness owing by the Borrower to CFC under the Loan Documents relating to the Note, of any kind or description, irrespective of whether for the payment of money, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising.

"CFC Variable Rate" shall mean 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.

"Capital Certificate" shall mean a certificate, or book entry form of account, evidencing the Borrower's purchase of subordinated debt instruments issued by CFC from time to time. Such instruments may be denoted by CFC as "Loan Capital Term Certificates," "Member Capital Securities," "Subordinated Term Certificates," or other like designations.

"Closing Date" shall mean the date specified on Schedule 1.

"Commitment" shall have the meaning as defined in Schedule 1.

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

"Direct Serve Contracts" shall mean wholesale electric service contracts (together with material amendments or supplements thereto and all successor or replacement contracts and agreements thereto and thereof) with a Member of Borrower to provide wholesale electric service directly from Borrower's transmission system to any customer for which the Member has an electric service contract with such customer.

"Environmental Laws" shall mean all applicable laws, rules and regulations promulgated by any Governmental Authority with which the Borrower is required to comply, regarding the use, treatment, discharge, storage, management, handling, manufacture, generation, processing, recycling, distribution, transport, release of or exposure to any Hazardous Material.

"Environmental Permits" shall mean permits or licenses issued by any Governmental Authority under applicable Environmental Laws.

"Governmental Authority" shall mean the government of the United States of America, any state or other political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Hazardous Material" shall mean any (a) petroleum or petroleum products, radioactive materials, asbestos-containing materials, polychlorinated biphenyls, lead and radon gas, and (b) any other substance that is defined and regulated as hazardous or toxic or as a pollutant or contaminant in any applicable Environmental Law.

"Indenture" shall have the meaning as described in Schedule 1.

"Indenture Supplement" shall have the meaning as described in Schedule 1

"Interest Charges" shall have the meaning set forth in the Indenture.

"Interest Rate Adder" shall mean an amount of additional interest, expressed in basis points, added to the then prevailing rate of interest on an outstanding Advance.

"Lien" shall mean any statutory or common law consensual or non-consensual mortgage, pledge, security interest, encumbrance, lien, right of set off, claim or charge of any kind, including, without limitation, any conditional sale or other title retention transaction, any lease transaction in the nature thereof and any secured transaction under the Uniform Commercial Code.

"Loan Documents" shall mean this Agreement, the Note, the Indenture, and the Indenture Supplement.

"Make-Whole Premium" shall mean, with respect to any Prepaid Principal Amount, an amount calculated as set forth below. The Make-Whole Premium represents CFC's reinvestment loss resulting from making a fixed rate loan.

(1) Compute the amount of interest ("**Loan Interest**") that would have been due on the Prepaid Principal Amount at the applicable CFC Fixed Rate for the period from the prepayment date through the end of the CFC Fixed Rate Term (such period is hereinafter referred to as the "**Remaining Term**"), calculated on the basis of a 30-day month/360-day year, adjusted to include any amortization of principal in accordance with the amortization schedule that would have been in effect for the Prepaid Principal Amount.

(2) Compute the amount of interest ("**Investment Interest**") that would be earned on the Prepaid Principal Amount (adjusted to include any applicable amortization) if invested in a United States Treasury Note with a term equivalent to the Remaining Term, calculated on the basis of a 30-day month/360-day year. The yield used to determine the amount of Investment Interest shall be based upon United States Treasury Note yields as reported no more than two Business Days prior to the prepayment date in Federal Reserve statistical release H.15 (519), under the caption "U.S. Government Securities/Treasury Constant Maturities". If there is no United States Treasury Note under said caption with a term equivalent to the Remaining Term, then the yield shall be determined by interpolating between the terms of whole years nearest to the Remaining Term.

(3) Subtract the amount of Investment Interest from the amount of Loan Interest. If the difference is zero or less, then the Make-Whole Premium is zero. If the difference is greater than zero, then the Make-Whole Premium is a sum equal to the present value of the difference, applying as the present value discount a rate equal to the yield utilized to determine Investment Interest.

"Margins for Interest" shall have the meaning set forth in the Indenture.

"Margins for Interest Ratio" means, for any period, (i) the sum of (a) Margins for Interest plus (b) Interest Charges, divided by (ii) Interest Charges.

"Material Adverse Effect" means an effect on the operations, business, assets, liabilities (actual or contingent) or condition (financial or otherwise) of the Borrower or its Subsidiaries, taken as a whole, the result of which would, or would reasonably be expected to, materially adversely affect (a) the ability of the Borrower to repay Advances or perform any of its other obligations under this Agreement, (b) the validity or enforceability of this Agreement or the rights or benefits available to CFC under this Agreement or any of the other Loan Documents, or (c) CFC's rights as a Holder of Obligations to exercise the remedies set forth in Article VII hereof or as set forth in Article VIII of the Indenture, in the manner and to the extent provided for by this Agreement and the Indenture, as applicable.

"Material Direct Serve Contracts" shall mean any Direct Serve Contract to (i) any smelter to which a Member supplies power, and (ii) any customer of the Borrower with a contract load of 25 megawatts or greater.

"Maturity Date", shall mean September 30, 2030.

"Member" means each holder of a membership interest in the Borrower.

"Member Wholesale Power Contracts" shall mean the Borrower's power supply contracts with its Members (together with material amendments and supplements thereto) and all successor or replacement contracts and agreements thereto or thereof, excluding the Direct Serve Contracts.

"Note" shall mean the First Mortgage Note, Series 2020__ CFC Note 9007, dated _____, 2020, 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.

"Payment Date" shall have the meaning set forth on Schedule 1.

"Prepaid Principal Amount" shall mean all or any part of the outstanding principal of an Advance with a CFC Fixed Rate paid more than sixty (60) days prior to the expiration of the CFC Fixed Rate Term.

"Prepayment Fee" shall mean an amount equal to 0.33% of the Prepaid Principal Amount of any Advance.

"Subsidiary" shall have the meaning set forth in the Indenture.

"Treasury Note" shall mean a U.S. Dollar-denominated senior debt security of the United States of America issued by the U.S. Treasury Department and backed by the full faith and credit of the United States of America.

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

"Trustee" shall mean U.S. Bank National Association as trustee under the Indenture, or any successor under the Indenture.

ARTICLE II
REPRESENTATIONS AND WARRANTIES

Section 2.01 Representations and Warranties. The Borrower represents and warrants to CFC that as of the Closing Date:

A. Litigation. Except as disclosed on Schedule 2.01.A, there are no outstanding judgments, suits, claims, actions or proceedings pending or, to the knowledge of the Borrower, threatened against the Borrower or any of its properties which either individually or collectively, would have a Material Adverse Effect. The Borrower is not, to its knowledge, in default or violation with respect to any judgment, order, writ, injunction, decree, rule or regulation of any Governmental Authority which would have a Material Adverse Effect.

B. Financial Statements. The balance sheet of the Borrower as at the date identified in Schedule 1, the statement of operations of the Borrower for the period ending on said date, and the interim financial statements of the Borrower as at the date identified in Schedule 1, all heretofore furnished to CFC, fairly present, in all material respects, the financial condition of the Borrower as at said dates and fairly reflect its operations for the periods ending on said dates. There has been no change in the financial condition or operations of the Borrower from that set forth in said financial statements that would have a Material Adverse Effect.

C. Disclosure. To the Borrower's knowledge, neither this Agreement nor any document, certificate or financial statement listed on Schedule 2.01.C (all such documents, certificates and financial statements to be taken as a whole) as of the date of delivery thereof, and in the light of the circumstances under which they were made, contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements contained herein and therein not materially misleading, provided that, with respect to projected financial information, the Borrower represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

D. Environmental Matters. Except as disclosed on Schedule 2.01.D, and except as to matters which individually or in the aggregate would not have a Material Adverse Effect, (i) the Borrower is in substantial compliance with all applicable Environmental Laws (including, but not limited to, having any required Environmental Permits), (ii) to Borrower's knowledge, there have been no releases (other than releases remediated in substantial compliance with applicable Environmental Laws and air emissions) from any underground or aboveground storage tanks (or piping associated therewith) that are present on the Trust Estate, (iii) the Borrower has not received written notice or claim of any violation of any Environmental Law from a Governmental Authority and failed to take appropriate action to remedy, cure, defend, or otherwise affirmatively respond to the matter in order to comply with any Environmental Law that is the subject of such written notice or claim, (iv) to the Borrower's knowledge after due inquiry, there is no pending investigation of the Borrower in regard to any Environmental Law, and (v) to the Borrower's knowledge after due inquiry, there has not been any unauthorized release (other than releases remediated in compliance with Environmental Laws) that has resulted in the presence of Hazardous Materials on property owned, leased or operated by the Borrower for which the Borrower could reasonably be held responsible for mitigation under any Environmental Law.

E. Good Standing. The Borrower is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization, and, except where the failure to do so, individually or in the aggregate, would not result in a Material Adverse Effect, is duly qualified to do business and is in good standing in those states in which it is required to be qualified to conduct its business. The Borrower is a member in good standing of CFC.

F. Subsidiaries and Ownership. Schedule 1 hereto sets forth a complete and accurate list of the Subsidiaries of the Borrower showing the percentage of the Borrower's ownership of the outstanding stock, membership interests or partnership interests, as applicable, of each Subsidiary.

G. Authority; Validity. The Borrower has or had the power and authority to enter into this Agreement, the Note and the Supplemental Indenture; to make the borrowing hereunder; to execute and deliver all documents and instruments required hereunder and to incur and perform the obligations provided for herein, in the Note and in the Indenture, all of which have been duly authorized by all necessary and proper action; and no consent or approval of any Person, including, as applicable and without limitation, Members, 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 Indenture is, and when fully executed and delivered will be, legal, valid and binding upon the Borrower and enforceable against the Borrower in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity.

H. No Conflicting Agreements. The execution and delivery of the Loan Documents and performance by the Borrower of the obligations hereunder and thereunder, and the transactions contemplated hereby or thereby, will not: (i) violate any applicable provision of law, any order, rule or regulation of any Governmental Authority, any award of any arbitrator, the articles of incorporation or by-laws of the Borrower, the Indenture or any material contract, agreement, mortgage, deed of trust or other instrument to which the Borrower is a party or by which it or any of its property is bound; or (ii) be in conflict with, result in a breach of or constitute (with due notice and/or lapse of time) a default under, any such award, the Indenture or any such material contract, agreement, mortgage, deed of trust or other instrument, or result in the creation or imposition of any Lien (other than contemplated by the Indenture) upon any assets of the Borrower.

I. Taxes. The Borrower has filed or caused to be filed all federal, state and local tax returns which are required to be filed and has paid or caused to be paid all federal, state and local taxes, assessments, and governmental charges and levies thereon, including interest and penalties to the extent that such taxes, assessments, and governmental charges and levies have become due, except (i) for such taxes, assessments, and governmental charges and levies which the Borrower is contesting in good faith by appropriate proceedings for which adequate reserves have been set aside, if such reserves are required by Accounting Requirements, or (ii) to the extent the failure to do so would not have a Material Adverse Effect.

J. Licenses and Permits. The Borrower has duly obtained and now holds all licenses, permits, certifications, approvals and the like necessary to own and operate its property and business that are required by Governmental Authorities and each remains valid

and in full force and effect, except for failures to obtain or hold such items as would not have a Material Adverse Effect.

K. Required Approvals. The Borrower has obtained all licenses, consents or approvals of all Governmental Authorities that the Borrower is required to obtain in order for the Borrower to enter into and perform under this Agreement, the Note and the Indenture. Each such certificate, authorization, consent, permit, license and approval is in full force and effect.

L. Compliance with Laws. To Borrower's knowledge after due inquiry, the Borrower is in compliance with all applicable requirements of law and all applicable rules and regulations of each Governmental Authority, except for any such failures of compliance as would not have a Material Adverse Effect.

M. No Other Liens. As to the Trust Estate, the Borrower has not, without the prior written approval of CFC, executed or authenticated any security agreement or mortgage, or filed or authorized any financing statement to be filed, other than as provided for under the Indenture or as permitted by the Indenture, including Permitted Exceptions as permitted by the Indenture.

N. Member Wholesale Power Contracts and Material Direct Serve Contracts. The Borrower has heretofore delivered to CFC complete and correct copies of the Material Direct Serve Contracts and the form or forms of the Member Wholesale Power Contracts in effect on the date hereof. Identified on Schedule 2.01.N are the Member Wholesale Power Contracts and the Material Direct Serve Contracts in effect as of the Closing Date. To the Borrower's knowledge after due inquiry, there is no condition or circumstance that would impair any Member's ability to perform its obligations under any Member Wholesale Power Contract or Material Direct Serve Contract to which it is a party. The Member Wholesale Power Contracts and Direct Serve Contracts are legal, valid and binding upon the Borrower and enforceable against the Borrower in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity.

ARTICLE III

LOAN

Section 3.01 Advance. CFC agrees to make an Advance under the Note on the Closing Date, for the purpose described on Schedule 1, in the aggregate principal amount of the Commitment.

Section 3.02 Payment. The Note shall be payable as follows:

A. Payments. The Borrower shall make each payment required to be made by it hereunder or under the Note (whether of principal, interest or fees, or otherwise) on the date when due, in immediately available funds, without set-off or counterclaim.

B. Maturity. The Note shall have the Maturity Date as set forth therein.

C. Application of Payments. Each payment shall be applied to the CFC Obligations, first to any fees, costs, expenses or charges other than interest or principal, second to interest accrued, and the balance to principal.

D. Invoice. CFC will invoice the Borrower at least ten (10) days before each Payment Date, provided, however, that CFC's failure to send an invoice shall not constitute a waiver by CFC or be deemed to relieve the Borrower of its obligation to make payments as and when due as provided for herein.

Section 3.03 Non-Amortization. The principal amount outstanding under the Note shall not amortize and shall be due and payable on the Maturity Date. The Borrower shall promptly pay interest in the amount due on each Payment Date. If not sooner paid, any amount due on account of the unpaid principal, interest accrued thereon and fees, if any, shall be due and payable on the Maturity Date.

Section 3.04 Interest Rate. The Note will bear interest as follows:

A. Interest Rate and Interest Rate Computation. The Advance shall bear interest at the CFC Fixed Rate for the CFC Fixed Rate Term. Interest shall be computed for the actual number of days elapsed on the basis of a year of 365 days.

B. Default Rate. If the Borrower defaults on its obligation to make a payment due hereunder by the applicable Payment Date, and such default continues for thirty (30) days thereafter, then beginning on the thirty-first (31st) day after the Payment Date and for so long as such default continues, the interest rate on all Advances shall be the Default Rate.

C. Usury Savings Clause. No provision of this Agreement or of the Note shall require the payment, or permit the collection, of interest in excess of the highest rate permitted by applicable law.

Section 3.05 Optional Prepayment. The Borrower may at any time, on not less than fifteen (15) days prior written notice to CFC, prepay all or any part of the Advance, in whole or in part. In the event the Borrower prepays all or any part of the Advance (regardless of the source of such prepayment and whether voluntary, by acceleration or otherwise), there shall be due and owing, and the Borrower shall pay the Prepayment Fee and a Make-Whole Premium, if any. All prepayments shall be accompanied by payment of accrued and unpaid interest on the amount of and to the date of the repayment. All prepayments shall be applied first to fees, second to the payment of accrued and unpaid interest, and then to the unpaid balance of the principal amount of the Advance.

Section 3.06 Mandatory Prepayment - Change in Structure. If the Borrower shall merge, consolidate or have all or substantially all of the assets of the Borrower acquired, then upon the effective date of such change, the Borrower shall prepay the outstanding principal balance of all CFC Obligations, together with any accrued but unpaid interest thereon, any unpaid costs or expenses provided for herein, the Prepayment Fee and a Make-Whole Premium, if any. Notwithstanding the foregoing, no prepayment shall be required under this Section 3.06 if, after giving effect to such change, the Borrower, or its successor in interest, is engaged in the furnishing of electric utility services to its members and is organized as a cooperative, nonprofit corporation, public utility district, municipality, or other public governmental body and is, or becomes, a member of CFC.

ARTICLE IV

CONDITIONS

Section 4.01 Conditions of Closing. This Agreement shall become effective only upon the satisfaction of the following conditions as of the Closing Date.

A. Legal Matters. All legal matters incident to the consummation of the transactions hereby contemplated shall be reasonably satisfactory to counsel for CFC and, as to all matters of local law, to such local counsel as counsel for CFC may retain. CFC's execution of this Agreement shall evidence satisfaction of this condition.

B. Documents. CFC shall have been furnished with (i) the executed Loan Documents, (ii) certified copies of all such organizational documents and proceedings of the Borrower authorizing the transactions hereby contemplated as CFC shall reasonably require, (iii) an opinion of counsel for the Borrower addressing such legal matters as CFC shall reasonably require, (iv) to the extent the Note is executed and delivered under any of Section 4.2, 4.3, 4.4, 4.5 or 4.10 of the Indenture, copies of all documents required to be delivered to the Trustee under such Sections relating thereto, (v) copies of the Indenture and all supplements and amendments thereto other than those executed pursuant to one or more of Section 12.1.A, C, J or K of the Indenture and (vi) all other such documents as CFC may reasonably request.

C. Government Approvals. The Borrower shall have furnished to CFC true and correct copies of all certificates, authorizations, consents, permits and licenses from Governmental Authorities (if any) that are necessary for the execution or delivery of the Loan Documents or performance by the Borrower of the obligations thereunder. No certificate, authorization, consent, permit, license or approval of any Governmental Authority that is required to enable the Borrower to (a) enter into the Loan Documents, (b) perform all of the obligations provided for in such documents, shall have been invalidated, rescinded, stayed or determined to be invalid in any material respect by any Governmental Authority.

D. Indenture; UCC Filings. The Indenture and the Indenture Supplement shall have been duly filed, recorded or indexed in all jurisdictions necessary to provide the Trustee thereunder a perfected lien, subject to Permitted Exceptions, on all of the Trust Estate, all in accordance with applicable law, and the Borrower shall have paid all applicable taxes, recording and filing fees and caused satisfactory evidence thereof to be furnished to CFC. Uniform Commercial Code financing statements (and any continuation statements and other amendments thereto that CFC shall require) shall have been duly filed, recorded or indexed in all jurisdictions necessary (and in any other jurisdiction that CFC shall have reasonably requested) to provide the Trustee a perfected security interest, subject to Permitted Exceptions, in the Trust Estate which may be perfected by the filing of a financing statement, all in accordance with applicable law, and the Borrower shall have paid all applicable taxes, recording and filing fees and caused satisfactory evidence thereof to be furnished to CFC.

E. Representations and Warranties. The representations and warranties of the Borrower set forth in Section 2.01 shall be true and correct.

F. Defaults. No event or condition has occurred that constitutes an Event of Default, or which upon notice hereunder, lapse of time hereunder or both would, unless cured or waived, become an Event of Default.

G. Material Adverse Effect. Since December 31, 2019, there shall not have occurred a material adverse change in, or a material adverse effect on the business, assets, liabilities (actual or contingent), operations or condition (financial or otherwise) of the Borrower.

H. Note Authentication. The Note shall have been duly authenticated by the Trustee as an Additional Obligation secured under the Indenture.

I. Member Wholesale Power Contract Amendments; Material Direct Serve Contracts. CFC shall have received true and correct copies of the Material Direct Serve Contracts and the form or forms of Member Wholesale Power Contracts listed on Schedule 2.01.N, including any and all material amendments, supplements or modifications thereto.

J. Advance Request. The Borrower shall have delivered the Advance Request to CFC prior to the Closing Date.

ARTICLE V

COVENANTS

Section 5.01 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:

A. Margins for Interest Ratio. The Borrower shall comply, in all respects, with the covenant set forth in Section 13.14 of the Indenture.

B. Annual Certificates. Within one hundred twenty (120) days after the close of each fiscal year, commencing with the year in which this Agreement is effective, the Borrower will deliver to CFC a written statement, in form and substance satisfactory to CFC, either (a) signed by the Borrower's President and Chief Executive Officer (or equivalent chief executive officer) or (b) submitted electronically through means made available to the Borrower by CFC, stating that during such year, and that to said person's knowledge after due inquiry, the Borrower has fulfilled all of its obligations in all material respects under this Agreement, the Note and the Indenture throughout such year or, if there has been a default in the fulfillment of any such obligations, specifying each such default known to said person and the nature and status thereof.

C. Financial Books; Financial Reports; Right of Inspection.

(i) Within one hundred twenty (120) days after the end of each fiscal year of the Borrower, the Borrower shall provide to CFC the audited consolidated balance sheets and related statements of operations, statement of equities and statement of cash flows of the Borrower and its Subsidiaries as of the end of and for such year, setting forth in each case in comparative form the figures for the previous fiscal year, reported on by independent public accountants (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of the Borrower and its Subsidiaries on a consolidated basis in accordance with the Accounting Requirements.

(ii) Within sixty (60) days after the end of each of the first three (3) fiscal quarters of each fiscal year of the Borrower, the Borrower shall provide to CFC the unaudited consolidated balance sheets and related statements of operations, and such other interim statements as may reasonably be requested, of the Borrower and its Subsidiaries as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for (or, in the case of the balance sheet, as of the end of) the

corresponding period or periods of the previous fiscal year, which shall present fairly in all material respects the financial condition and results of operations of the Borrower and its Subsidiaries on a consolidated basis in accordance with the Accounting Requirements, subject to changes resulting from audit and normal year-end audit adjustments.

(iii) Within one hundred twenty (120) days after the end of each the Borrower's fiscal years during the term hereof, the Borrower shall furnish to CFC a statement, setting forth in reasonable detail its calculation of its Margins for Interest Ratio for the prior fiscal year and two prior fiscal years, signed either by its President and Chief Executive Officer (or equivalent chief executive officer, its Vice President and Chief Financial Officer (or equivalent chief financial officer), or such other officer that reports directly or indirectly to its Vice President and Chief Financial Officer (or equivalent chief financial officer).

(iv) Within thirty (30) days after (a) the end of each the Borrower's fiscal years during the term hereof or (b) CFC's request, the Borrower shall furnish to CFC updated cash flow projections for the succeeding fiscal year, which projections shall be in form and substance reasonably satisfactory to CFC and certified by the Borrower's Vice President and Chief Financial Officer (or equivalent chief financial officer) or another duly authorized executive officer of the Borrower.

(v) The Borrower shall provide, within fifteen (15) days after the same may come available, copies of the Borrower's budgets and financial plans approved by the Borrower's Board of Directors.

(vi) The Borrower will keep proper books of record and account, in which full and correct entries shall be made of all dealings or transactions of or in relation to the Obligations and the plant, properties, business and affairs of the Borrower in accordance with Accounting Requirements. The Borrower will, upon reasonable written notice by CFC to the Borrower and at the expense of the Borrower, permit CFC, by its representatives, to inspect the plants and properties, books of account, records, reports and other papers of the Borrower, and to take copies and extracts therefrom, and will afford and procure a reasonable opportunity to make any such inspection following reasonable notice, and the Borrower will furnish to CFC any and all information as CFC may reasonably request, with respect to the performance by the Borrower of its covenants in this Agreement; provided, however, the Borrower shall not be required to make available any information supplied to it by a third party which is subject to a confidentiality agreement with such third party except to the extent allowed by, and subject to the terms of such confidentiality agreement.

D. Compliance with Laws. The Borrower shall remain in compliance with all applicable requirements of law and applicable rules and regulations of each Governmental Authority, except for any such failures of compliance as would not reasonably be expected to have a Material Adverse Effect.

E. Taxes. The Borrower shall pay, or cause to be paid all taxes, assessments or governmental charges lawfully levied or imposed on or against it and its properties prior to the time they become delinquent, except (i) for such taxes, assessments, and governmental charges and levies which the Borrower is contesting in good faith by appropriate proceedings for which adequate reserves have been set aside, if such reserves are required by Accounting Requirements, or (ii) to the extent the failure to do so would not reasonably be expected to have a Material Adverse Effect.

F. Further Assurances. The Borrower shall execute any and all further documents, financing statements, agreements and instruments, and take all such further actions (including the filing and recording of financing statements, fixture filings, mortgages, deeds of trust and other documents), which may be required under any applicable law, or which CFC may reasonably request, to effectuate the transactions contemplated by the Loan Documents or to grant, preserve, protect or perfect the Liens created or intended to be created by the Indenture. The Borrower also agrees to provide to CFC, from time to time upon request, evidence reasonably satisfactory to CFC as to the perfection and priority, or continued perfection and priority, of the Liens preserved, created or intended to be created by the Indenture.

G. Notices of Environmental Actions. If Borrower receives any written communication from a Governmental Authority alleging Borrower's material violation of any Environmental Law, then Borrower shall provide CFC with a copy thereof within thirty (30) days after receipt, and promptly take appropriate action to remedy, cure, defend, or otherwise affirmatively respond to the matter in order to comply with any Environmental Law that is the subject of such written communication, except such notices of violations which, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

H. Accounting Requirements. For purposes of determining any computation made under this Agreement, and notwithstanding Section 1.1D of the Indenture, the Borrower shall only apply those Accounting Requirements in use in the United States at the time of the determination of such computation.

I. Use of Proceeds. The Borrower shall use the proceeds of the Note solely for the purposes identified in Schedule 1 hereto.

J. Default Notices. The Borrower shall provide CFC any notice delivered by the Borrower to the Trustee pursuant to Section 13.12 of the Indenture promptly after delivering such notice to the Trustee.

K. Notice; Member Wholesale Power Contracts and Direct Serve Contracts. The Borrower will furnish to CFC prompt written notice of the following:

(i) any permitted termination of, modification to or supplement to a Member Wholesale Power Contract that will result in a material change thereto;

(ii) any (a) permanent shutdown or material curtailment of the operations of any Member retail customer for which wholesale service is provided under a Direct Serve Contract, (b) material modification to a Direct Serve Contract, and (c) termination of any Direct Serve Contract.

L. Compliance with Indenture Covenants. Borrower shall comply with the covenants identified in Article XI and XIII of the Indenture.

M. New Member Wholesale Power Contract; New Material Direct Serve Contracts. Borrower shall provide CFC with copies of any new Member Wholesale Power Contract and new Material Direct Serve Contracts (together with material amendments or supplements thereto and all successor or replacement contracts and agreements thereto and thereof) entered into after the Closing Date.

N. Supplemental Indentures. Within thirty (30) days of the execution and delivery thereof, the Borrower shall deliver to CFC a copy of any supplemental indenture that amends the Indenture other than supplemental indenture executed pursuant to one or more of Section 12.1.A, C, J or K of the Indenture.

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 Liens. Create or incur or suffer or permit to be created or incurred or to exist any mortgage, lien, charge or encumbrance on or pledge of any of the Trust Estate prior to or upon a parity with the lien of the Indenture except for Permitted Exceptions and those exceptions set forth in Section 13.6 A. and 13.6 B. of the Indenture.

B. Limitations on Mergers. Consolidate with or merge into any other Person or convey or transfer the Trust Estate substantially as an entirety to any Person, except as may be permitted pursuant to the terms and provisions of Section 11.1 of the Indenture.

C. No Change in Fiscal Year. Change its fiscal year from the fiscal year existing on the Closing Date.

D. Member Wholesale Power Contracts. Terminate, or consent to the termination of, any one or more Member Wholesale Power Contracts that, individually or in the aggregate, represent 20% or more of the Borrower's revenue base (other than at the end of the contract term or a voluntary termination provided by the contract terms).

ARTICLE VI

EVENTS OF DEFAULT

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

A. Payment. The Borrower shall fail to pay any amount due under the terms of a Note or this Agreement within five (5) Business Days of when the same is due and payable, whether by acceleration or otherwise;

B. Financial Reports. The Borrower shall fail to provide the financial reports required by Section 5.01.C within the time period specified therein;

C. Margins for Interest Ratio. The Borrower shall fail to comply with Section 13.14 of the Indenture;

D. Representations and Warranties. Any representation or warranty made by the Borrower herein shall prove to be false or misleading in any material respect at the time made;

E. Covenants.

(i) No Grace Period. Default by the Borrower in the observance or performance of any covenant or agreement contained in Section 5.01.I or 5.02 of this Agreement.

(ii) **Thirty Day Grace Period.** Default by the Borrower in the observance or performance of any other covenant contained in this Agreement (other than as specified in Sections 6.01.B and 6.01.C of this Agreement) which shall continue for thirty (30) calendar days after written notice thereof shall have been given to the Borrower by CFC; *provided, however*, that if the default cannot be cured within such thirty (30) day period despite the Borrower's good faith and diligent efforts to do so, the cure period shall be extended as is reasonably necessary beyond such thirty (30) day period (but in no event longer than sixty (60) days) if remedial action likely to result in a cure is promptly instituted within such thirty (30) day period and is thereafter diligently pursued until the default is corrected;

F. Corporate Existence. The Borrower shall forfeit or otherwise be deprived of its corporate charter, franchises, permits, easements, consents or licenses required to carry on any material portion of its business; and

G. Indenture Obligations. An "Event of Default," as defined in the Indenture, shall have occurred and be continuing, provided such "Event of Default" has not been waived or cured as provided for under the terms of the Indenture.

ARTICLE VII

REMEDIES

Section 7.01 General Remedies. If any of the Events of Default listed in Article VI hereof shall occur after the date of this Agreement and shall not have been remedied within the applicable grace periods specified therein (if any), then CFC may:

(i) exercise rights of setoff or recoupment and apply any and all amounts held, or hereafter held, by CFC or owed to the Borrower or for the credit or account of the Borrower against any and all of the CFC Obligations of the Borrower now or hereafter existing hereunder or under the Note, including, but not limited to, patronage capital allocations and retirements, money due to the Borrower from Capital Certificates, and any membership or other fees that would otherwise be returned to the Borrower. The rights of CFC under this Section 7.01 are in addition to any other rights and remedies (including other rights of setoff or recoupment) which CFC may have. The Borrower waives all rights of setoff, deduction, recoupment or counterclaim;

(ii) pursue all rights and remedies available to CFC that are contemplated by the Indenture in the manner, upon the conditions, and with the effect provided in the Indenture, including, but not limited to, a suit for specific performance, injunctive relief or damages; and

(iii) pursue any other rights and remedies available to CFC at law or in equity.

Section 7.02 Interest Rate Adder. In addition to the remedies set forth in Section 7.01, upon the occurrence of an Event of Default, an Interest Rate Adder of two hundred (200) basis points shall be imposed on the outstanding principal amount of the Advance until such Event of Default is cured. The effective date of an Interest Rate Adder imposed or eliminated pursuant to this Section 7.02 shall be the first (1st) day of month following the occurrence of the Event of Default or the cure thereof, as applicable. While an Interest Rate Adder is in effect, no other enhancement to the interest rate that is otherwise applicable to the Advance shall be effectuated.

Section 7.03 Concurrent Remedies. Nothing herein shall limit the right of CFC to pursue all rights and remedies available to a creditor following the occurrence of an Event of Default. Each right, power and remedy of CFC shall be cumulative and concurrent, and recourse to one or more rights or remedies shall not constitute a waiver of any other right, power or remedy.

ARTICLE VIII

MISCELLANEOUS

Section 8.01 Notices. All notices, requests and other communications provided for herein including, without limitation, any modifications of, or waivers, requests or consents under, this Agreement shall be given or made in writing (including, without limitation, by 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:

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

The Borrower:

The address set forth in
Schedule 1

Section 8.02 Expenses. The Borrower shall reimburse CFC for any reasonable costs and out-of-pocket expenses paid or incurred by CFC (including, without limitation, reasonable fees and expenses of outside attorneys, paralegals and consultants) for all actions CFC takes or reimburses the Trustee for taking on its behalf, (a) to enforce the payment of any CFC Obligation, to effect collection of any Trust Estate, or in preparation for such enforcement or collection, (b) to institute, maintain, preserve, enforce and foreclose on the Lien of the Indenture on any of the Trust Estate, whether through judicial proceedings or otherwise, (c) to restructure any CFC Obligation, (d) to review, approve or grant any consents or waivers hereunder, (e) to prepare, negotiate, execute, deliver, review, amend or modify this Agreement, and (f) to prepare, negotiate, execute, deliver, review, amend or modify any other agreements, documents and instruments deemed necessary or appropriate by CFC in connection with any of the foregoing.

The amount of all such expenses identified in this Section 8.02 shall be payable upon demand, and if not paid, shall accrue interest at the then prevailing CFC Variable Rate, plus 200 basis points.

Section 8.03 Late Payments. If payment of any amount due hereunder is not received at CFC's office in Dulles, Virginia, or such other location as CFC may designate to the Borrower within five (5) Business Days after the due date thereof, the Borrower will pay to CFC, in addition to all other amounts due under the terms of the Loan Documents, any late-payment charge as may be fixed by CFC from time to time pursuant to its policies of general application as in effect from time to time.

Section 8.04. Non-Business Day Payments. If any payment to be made by the Borrower hereunder shall become due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day (except as otherwise provided in Section 3.02.B) 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 Indenture and UCC Financing Statements, including, without limitation, all documentary stamps, recordation and transfer taxes and other costs and taxes incident to execution, filing, registration or recordation of any document or instrument in connection herewith. The Borrower agrees to save harmless and indemnify CFC from and against any liability resulting from the failure to pay any required documentary stamps, recordation and transfer taxes, recording costs, or any other expenses incurred by CFC in connection with this Agreement. The provisions of this Section shall survive the execution and delivery of this Agreement and the payment of all other amounts due under the Loan Documents.

Section 8.06 Waiver; Modification. No failure on the part of CFC to exercise, and no delay in exercising, any right or power hereunder or under the other Loan Documents shall operate as a waiver thereof, nor shall any single or partial exercise by CFC of any right hereunder, or any abandonment or discontinuance of steps to enforce such right or power, preclude any other or further exercise thereof or the exercise of any other right or power. No modification or waiver of any provision of this Agreement, the Note or the other Loan Documents (except as otherwise provided in the Indenture) and no consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be in writing by the party granting such modification, waiver or consent, and then such modification, waiver or consent shall be effective only in the specific instance and for the purpose for which given.

SECTION 8.07 GOVERNING LAW; SUBMISSION TO JURISDICTION; WAIVER OF JURY TRIAL.

(A) THE PERFORMANCE AND CONSTRUCTION OF THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE COMMONWEALTH OF VIRGINIA.

(B) THE BORROWER HEREBY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF THE UNITED STATES COURTS LOCATED IN VIRGINIA AND OF ANY STATE COURT SO LOCATED FOR PURPOSES OF ALL LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. THE BORROWER IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTIONS THAT IT MAY NOW OR HEREAFTER HAVE TO THE ESTABLISHING OF THE VENUE OF ANY SUCH PROCEEDINGS BROUGHT IN SUCH A

COURT AND ANY CLAIM THAT ANY SUCH PROCEEDING HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(C) THE BORROWER AND CFC EACH HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

SECTION 8.08 INDEMNIFICATION. THE BORROWER HEREBY INDEMNIFIES AND AGREES TO HOLD HARMLESS, AND DEFEND CFC AND ITS MEMBERS, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, ATTORNEYS AND REPRESENTATIVES (EACH AN "INDEMNITEE") FOR, FROM, AND AGAINST ALL CLAIMS, DAMAGES, LOSSES, LIABILITIES, COSTS, AND EXPENSES (INCLUDING, WITHOUT LIMITATION, COSTS AND EXPENSES OF LITIGATION AND REASONABLE ATTORNEYS' FEES) ARISING FROM ANY CLAIM OR DEMAND IN RESPECT OF THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS, THE TRUST ESTATE, OR THE TRANSACTIONS DESCRIBED IN THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS AND ARISING AT ANY TIME, WHETHER BEFORE OR AFTER PAYMENT AND PERFORMANCE OF ALL OBLIGATIONS UNDER THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS IN FULL, EXCEPTING ANY SUCH MATTERS ARISING FROM, AND TO THE EXTENT OF, THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF CFC OR ANY INDEMNITEE. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN SECTION 8.10, THE OBLIGATIONS IMPOSED UPON THE BORROWER BY THIS SECTION SHALL SURVIVE THE REPAYMENT OF THE NOTE, THE TERMINATION OF THIS AGREEMENT AND THE TERMINATION OR RELEASE OF THE LIEN OF THE INDENTURE.

Section 8.09 Complete Agreement. This Agreement, together with the schedules to this Agreement, the 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 (other than the Indenture), the terms and provisions of this Agreement shall control.

Section 8.10 Survival; Successors and Assigns. All covenants, agreements, representations and warranties of the Borrower which are contained in this Agreement shall survive the execution and delivery to CFC of the Loan Documents and the making of the Advance and shall continue in full force and effect until all of the CFC Obligations have been paid in full. All covenants, agreements, representations and warranties of the Borrower which are contained in this Agreement shall inure to the benefit of the successors and assigns of CFC. Upon any assignment by CFC of its rights and obligations under this Agreement, CFC shall promptly notify the Borrower of such assignment in accordance with Section 8.01 hereof. The Borrower shall not have the right to assign its rights or obligations under this Agreement without the prior written consent of CFC.

Section 8.11 Use of Terms. The use of the singular herein shall also refer to the plural, and vice versa.

Section 8.12 Headings. The headings and sub-headings contained in this Agreement are intended to be used for convenience only and do not constitute part of this Agreement.

Section 8.13 Severability. If any term, provision or condition, or any part thereof, of this Agreement, the Note or the other Loan Documents shall for any reason be found or held invalid or unenforceable by any court of competent jurisdiction or other Governmental Authority or, 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 Binding Effect. This Agreement shall become effective when it shall have been executed by both the Borrower and CFC and thereafter shall be binding upon and inure to the benefit of the Borrower and CFC and their respective successors and assigns as provided in Section 8.10.

Section 8.15 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same document. Signature pages may be detached from the counterparts and attached to a single copy of this Agreement to physically form one document.

Section 8.16 Rescission. The Borrower may elect not to borrow all or any portion of the Commitment in which event CFC shall release the Borrower from its obligations hereunder as to such rescinded portion, provided the Borrower complies with such terms and conditions as CFC may impose for such release including, without limitation, payment of any reasonable rescission fee that CFC may from time to time prescribe, pursuant to its policies of general application.

Section 8.17 Schedules; Exhibits. All Schedules and Exhibits are integral parts of this Agreement.

[SIGNATURES ON FOLLOWING PAGE]

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

BIG RIVERS ELECTRIC CORPORATION

By: _____
Name: _____
Title: _____

**NATIONAL RURAL UTILITIES
COOPERATIVE FINANCE CORPORATION**

By: _____
Assistant Secretary-Treasurer

Attest: _____
Assistant Secretary-Treasurer



EXHIBIT A - Form of Funds Requisition Statement

Borrower Name		Borrower ID #	Requested Funding Date
Banking Information/Distribution of Proceeds			
Bank Name			
Bank Account #	Routing #		
Other Instructions			
Certification			
<i>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) the Borrower has satisfied each condition to the Advance as set forth in the Loan Agreement; and (5) 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:</i>			

Facility Number	Amount	Repayment Term	Interest Rate Type (Fixed/Variable)	Interest Rate Term (if Fixed Rate)	Amortization Method

Advance Purpose(s) By Dollar Amount –please only select one purpose per line; if the advance is for multiple purposes, list each amount on a separate line and select the appropriate purpose

Facility #	Amount	Purpose					
		Distribution/ Transmission Plant*	HQ Facility	Other Purposes**	Generation	Non-Electric Operations	Refinance Other Lender
		Distribution/ Transmission Plant*	HQ Facility	Other Purposes**	Generation	Non-Electric Operations	Refinance Other Lender
		Distribution/ Transmission Plant*	HQ Facility	Other Purposes**	Generation	Non-Electric Operations	Refinance Other Lender
		Distribution/ Transmission Plant*	HQ Facility	Other Purposes**	Generation	Non-Electric Operations	Refinance Other Lender
		Distribution/ Transmission Plant*	HQ Facility	Other Purposes**	Generation	Non-Electric Operations	Refinance Other Lender

*Only includes capitalized costs for New Line Construction, Line System Upgrades and Replacements, Substations, and Rural Distribution and Transmission Acquisitions.

**Includes Operating Expenses, Non-Rural Acquisitions, Equity Purchases, Pension Costs and Other Expenses not noted above.

Certified by: _____
 Signature Date Title of Authorized Officer

PLEASE FAX TO 703-467-5653 ATTN: _____, Associate Vice President

*****TOP

Recommended By:
 CFC LOAN AG
 KY062-A-9007(JABLONJ)
 240539-5

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SCHEDULE 1

1. The purpose of the Advance is to refinance amounts outstanding under the Amended and Restated Credit Agreement, dated as of June 11, 2020, among the Borrower, the lenders party thereto and CFC, as administrative agent for the lenders.
2. The aggregate Commitment is \$83,300,000.00.
3. The Closing Date referred to in Section 1.01 is _____, 2020 or on such other Business Day thereafter as may be agreed to by the Borrower and CFC, so long as all the conditions set forth in Section 4.01 have been fulfilled.
4. The Indenture referred to in Section 1.01 is that certain Indenture between Big Rivers Electric Corporation, as grantor, and U.S. Bank National Association, as trustee, dated as of July 1, 2009, as it may have been or shall be in the future be supplemented, amended, consolidated, or restated from time to time, including by the Indenture Supplement.
5. The Indenture Supplement referred to in Section 1.01 is that certain _____ Supplemental Indenture, dated as of _____, 2020, between the Borrower, as Grantor, to U.S. Bank National Association, as Trustee, as it may have been or shall be in the future be supplemented, amended, consolidated, or restated from time to time
6. The Note executed pursuant hereto is as follows:

LOAN NUMBER	AMOUNT
KY062-A-9007	\$83,300,000.00
7. The Payment Date referred to in Section 1.01 is the last day of each of March, June, September and December.
8. The date of the Borrower's balance sheet referred to in Section 2.01.B is December 31, 2019.
9. The date of the interim financial statements referred to in Section 2.01.B is _____.
10. The Subsidiaries of the Borrower referred to in Section 2.01.F are: _____
11. The address for notices to the Borrower referred to in Section 8.01 is P.O. Box 24 Henderson, KY 42419-0024, Attention: President and Chief Executive Officer with a copy to: Chief Financial Officer, Fax: 270-827-2558; with a copy to: Legal, Big Rivers Electric Corporation, P.O. Box 24 Henderson, KY 42419-0024.

Schedule 2.01.A

LITIGATION

Schedule 2.01.D

ENVIRONMENTAL MATTERS

Schedule 2.01.N

**MEMBER WHOLESALE POWER CONTRACTS
AND
MATERIAL DIRECT SERVE CONTRACTS**

EXHIBIT B

THIS FIRST MORTGAGE NOTE, SERIES 2020B HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND MAY BE RESOLD ONLY IF REGISTERED PURSUANT TO THE PROVISIONS OF THE SECURITIES ACT OR IF AN EXEMPTION FROM REGISTRATION IS AVAILABLE, EXCEPT UNDER CIRCUMSTANCES WHERE NEITHER SUCH REGISTRATION NOR SUCH AN EXEMPTION IS REQUIRED BY LAW.

BIG RIVERS ELECTRIC CORPORATION

FIRST MORTGAGE NOTES, SERIES 2020B

CFC Loan No. _____

\$_[_____]

[____], 2020

BIG RIVERS ELECTRIC CORPORATION, a cooperative corporation organized and existing under the laws of the Commonwealth of Kentucky (the "Company"), 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 EIGHTY THREE MILLION THREE HUNDRED THOUSAND AND 00/100 DOLLARS (\$83,300,000.00), or such lesser sum of the aggregate unpaid principal amount of all advances made by the Payee pursuant to that certain Loan Agreement, dated as of even date herewith, between the Borrower and the Payee, as it may be amended from time to time (herein called the "Loan Agreement"), and to pay interest on all amounts remaining unpaid hereunder from the date of each advance in like money, at said office, at the rate and in amounts and payable on the dates provided in the Loan Agreement together with any other amount payable under the Loan Agreement. If not sooner paid, any balance of the principal amount and interest accrued thereon shall be due and payable on the Maturity Date (as defined in the Loan Agreement); provided, however, that if such date is not a Payment Date (as defined in the Loan Agreement), then the Maturity Date shall be the Payment Date immediately preceding such date.

This promissory note (this "Note") is one of the First Mortgage Notes, Series 2020B and is secured under the Indenture dated as of July 1, 2009, made by the Borrower to U.S. Bank National Association, as trustee thereunder, as it has been or shall hereafter be supplemented, amended, consolidated or restated from time to time, including the Tenth Supplemental Indenture (collectively, the "Indenture"). This Note is one of the Notes referred to in, and has been executed and delivered pursuant to, the Loan Agreement, and constitutes an "Obligation" (as defined in the Indenture) under the Indenture. This Note is equally and ratably secured, to the extent provided in the Indenture, by the Trust Estate, except and excluding the Excepted Property.

Case No. 2020-00291

Application Exhibit 2

Page 1 of 4

Exh. B-1

This Note is a registered Obligation and, as provided in the Indenture, upon surrender of this Note for registration of transfer, accompanied by a written instrument of transfer (in substantially the same form attached hereto as Annex 1) duly executed, by the registered Holder (as defined in the Indenture) hereof or such Holder's attorney duly authorized in writing, a new secured promissory note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Borrower may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Borrower will not be affected by any notice to the contrary.

The principal hereof and accrued interest thereon may be declared to be forthwith due and payable in the manner, upon the conditions, and with the effect provided in the Indenture, and with respect to any other amount due under the Loan Agreement, as provided in the Indenture or the Loan Agreement.

The Borrower waives demand, presentment for payment, notice of dishonor, protest, notice of protest, and notice of non-payment of this Note.

This Note shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia.

[Signature Follows on Next Page.]

EXHIBIT

BIG RIVERS ELECTRIC CORPORATION

By: _____
Name:
Title:

EXHIBIT

Case No. 2020-00291
Application Exhibit 2

Page 3 of 4

First Mortgage Notes, Series 2020B

This is one of the Obligations (as defined in the Indenture) of the series designated therein referred to in the Indenture.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Signatory

Date of Authentication: _____

EXHIBIT

Case No. 2020-00291
Application Exhibit 2

Page 4 of 4

First Mortgage Notes, Series 2020B

TENTH SUPPLEMENTAL INDENTURE
(to that certain Indenture dated as of July 1, 2009)
dated as of [____], 2020

Relating to the Big Rivers Electric Corporation
First Mortgage Notes, Series 2020B
Authorized by this Tenth Supplemental Indenture

BIG RIVERS ELECTRIC CORPORATION

to

U.S. BANK NATIONAL ASSOCIATION,
TRUSTEE

FIRST MORTGAGE OBLIGATIONS

- **THIS INSTRUMENT IS A MORTGAGE.**
- **THIS INSTRUMENT GRANTS A SECURITY INTEREST IN A TRANSMITTING UTILITY.**
- **BIG RIVERS ELECTRIC CORPORATION IS A TRANSMITTING UTILITY.**
- **THIS INSTRUMENT CONTAINS PROVISIONS THAT COVER REAL AND PERSONAL PROPERTY, AFTER-ACQUIRED PROPERTY, FIXTURES AND PROCEEDS.**
- **FUTURE ADVANCES AND FUTURE OBLIGATIONS ARE SECURED BY THIS INSTRUMENT.**
- **THE MAXIMUM ADDITIONAL INDEBTEDNESS WHICH MAY BE SECURED HEREUNDER IS \$3,000,000,000.**
- **THE TYPES OF PROPERTY COVERED BY THIS INSTRUMENT ARE DESCRIBED ON PAGES 2 THROUGH 4.**
- **THE ADDRESSES AND THE SIGNATURES OF THE PARTIES TO THIS INSTRUMENT ARE STATED ON PAGES 1, S-1 AND S-2.**

THIS INDENTURE WAS PREPARED BY MICHAEL A. FIORELLA OF SULLIVAN, MOUNTJOY, PSC, 100 SAINT ANN STREET, OWENSBORO, KENTUCKY 42303, ATTORNEY FOR BIG RIVERS ELECTRIC CORPORATION.

Signed: _____

THIS TENTH SUPPLEMENTAL INDENTURE, dated as of [____], 2020 (this “Tenth Supplemental Indenture”), is between **BIG RIVERS ELECTRIC CORPORATION**, a cooperative corporation organized under the laws of the Commonwealth of Kentucky, as Grantor (hereinafter called the “Company”), whose post office address is 201 Third Street, Henderson, Kentucky 42420, and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association, as trustee (in such capacity, the “Trustee”), whose post office address is 225 Asylum Street, Hartford, Connecticut 06103;

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

WHEREAS, in connection herewith, the Company entered into an Amended and Restated Senior Secured Credit Agreement, dated as of June 11, 2020 (the “Credit Agreement”), with the several financial institutions or entities from time to time parties thereto (the “Lenders”), National Rural Utilities Cooperative Finance Corporation, as administrative agent, lead arranger, issuing lender and swingline lender (the “Administrative Agent”). Subsequently, the Company borrowed \$83,300,000 thereunder to fund the redemption of the County of Ohio, Kentucky, First Mortgage Bonds, 2010A (Big Rivers Electric Corporation Project), the proceeds of which had been loaned to the Company; and

WHEREAS, in connection herewith, the Company will enter into a Loan Agreement, dated as of [____], 2020 (as modified and in effect from time to time, the “Loan Agreement”), with National Rural Utilities Cooperative Finance Corporation (“CFC”), pursuant to which CFC has agreed to loan the Company \$83,300,000 to repay the borrowing under the Credit Agreement and, in connection therewith, the Company will secure certain of its obligations under the Loan Agreement under this Tenth Supplemental Indenture; and

WHEREAS, the Company desires to execute and deliver this Tenth Supplemental Indenture, in accordance with the provisions of the Original Indenture, for the purpose of providing for the creation and designation of the First Mortgage Notes, Series 2020B, in the principal amount of \$83,300,000 at any time outstanding (the “First Mortgage Notes, Series 2020B”) as an Additional Obligation and specifying the form and provisions of the First Mortgage Notes, Series 2020B; and

WHEREAS, Section 12.1 of the Original Indenture provides that, without the consent of the Holders of any of the Obligations at the time Outstanding, the Company, when authorized by a Board Resolution, and the Trustee, may enter into Supplemental Indentures for the purposes and subject to the conditions set forth in said Section 12.1; and

WHEREAS, all acts and proceedings required by law and by the Articles of Incorporation and Bylaws of the Company necessary to secure the payment of the principal of and interest on the First Mortgage Notes, Series 2020B, to make the First Mortgage Notes, Series

2020B issued hereunder, when executed by the Company, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal obligation of the Company, and to constitute the Indenture a valid and binding lien for the security of the First Mortgage Notes, Series 2020B, in accordance with its terms, have been done and taken; and the execution and delivery of this Tenth Supplemental Indenture has been in all respects duly authorized;

NOW, THEREFORE, THIS TENTH SUPPLEMENTAL INDENTURE WITNESSES, that, to secure the payment of the principal of (and premium, if any) and interest on the Outstanding Secured Obligations, including, when issued, the First Mortgage Notes, Series 2020B, to confirm the lien of the Indenture upon the Trust Estate, including property purchased, constructed or otherwise acquired by the Company since the date of execution of the Original Indenture, to secure performance of the covenants therein and herein contained, to declare the terms and conditions on which the First Mortgage Notes, Series 2020B are secured, and in consideration of the premises thereof and hereof, the Company by these presents does grant, bargain, sell, alienate, remise, release, convey, assign, transfer, mortgage, hypothecate, pledge, set over and confirm to (and does create a security interest in favor of) the Trustee, in trust with power of sale, all property, rights, privileges and franchises of the Company (except any Excepted Property) of the character described in the Granting Clauses of the Original Indenture, whether now owned or hereafter acquired, including all such property, rights, privileges and franchises acquired since the date of execution of the Original Indenture subject to all exceptions, reservations and matters of the character therein referred to, and subject in all cases to Sections 5.2 and 11.2 B of the Original Indenture and to the rights of the Company under the Original Indenture, including the rights set forth in Article V thereof; but expressly excepting and excluding from the lien and operation of the Indenture all properties of the character specifically excepted as “Excepted Property” in the Original Indenture to the extent contemplated thereby.

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

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

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

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

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

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

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

AND IT IS HEREBY COVENANTED AND DECLARED that the First Mortgage Notes, Series 2020B are to be authenticated and delivered and the Trust Estate is to be held and applied by the Trustee, subject to the covenants, conditions and trusts set forth herein and in the Original Indenture, and the Company does hereby covenant and agree to and with the Trustee, for the equal and proportionate benefit of all Holders of the Outstanding Secured Obligations, as follows:

ARTICLE I

THE FIRST MORTGAGE NOTES, SERIES 2020B AND CERTAIN PROVISIONS RELATING THERETO

SECTION 1.01. Definitions.

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

SECTION 1.02. Authorization and Terms of the First Mortgage Notes, Series 2020B.

There shall be established a series of Additional Obligations known as and entitled the “First Mortgage Notes, Series 2020B” (hereinafter referred to as the “First Mortgage Notes, Series 2020B”), the form, terms and conditions of which shall be substantially as set forth in Sections 1.02-1.05 hereof. The First Mortgage Notes, Series 2020B are the same Notes described and defined in the Loan Agreement as the “Note.” The aggregate principal face amount of the First Mortgage Notes, Series 2020B which shall be authenticated and delivered and Outstanding at any one time is limited to \$83,300,000. The First Mortgage Notes, Series 2020B shall be dated [_____]1, 2020 and are due September 30, 2030. The First Mortgage Notes, Series 2020B shall not amortize and the outstanding principal amount thereof shall be payable on the maturity date.

The First Mortgage Notes, Series 2020B shall bear interest and interest shall be payable as provided in Section 3.02 and 3.04 of the Loan Agreement. Interest shall accrue at a rate calculated pursuant to Section 3.04 of the Loan Agreement, computed based on the actual number of days the loan is outstanding. Payments of interest on the First Mortgage Notes, Series 2020B shall be made on the last day of each of March, June, September and December; *provided* that, if such last day is not a Business Day, the first Business Day thereafter. For purposes of such payments, the term Business Day is defined in the Loan Agreement as any day that both CFC and the depository institution CFC utilizes for funds transfers hereunder are open for business. In addition, upon the occurrence of an Event of Default (as defined in the Loan Agreement) under the Loan Agreement, an Interest Rate Adder (as defined in the Loan Agreement) of two hundred (200) basis points shall be imposed in the manner set forth in Section 7.02 of the Loan Agreement. The principal of, and the fees and interest on, the First Mortgage Notes, Series 2020B shall be paid to the Person in whose name that Obligation (or one or more Predecessor Obligations) is registered at the close of business on the 15th day (whether or not a Business Day) of the calendar month immediately preceding an interest payment (the “Record Date”) applicable to such Payment Date (as defined in the Loan Agreement).

The Company will act as the Paying Agent for the First Mortgage Notes, Series 2020B and the Trustee shall be Obligation Registrar pursuant to Section 3.7 of the Original Indenture.

SECTION 1.03. Optional Prepayment.

The Company may at any time and from time to time, on not less than fifteen (15) days' prior written notice to CFC, prepay the First Mortgage Notes, Series 2020B, in whole or in part, on or prior to their stated maturity, to the extent permitted by Section 3.05 of the Loan Agreement and for the amount, together with a prepayment premium, if any, as provided in Section 3.05 of the Loan Agreement.

SECTION 1.04. Mandatory Prepayment.

The Company shall prepay the First Mortgage Notes, Series 2020B, pursuant to the mandatory prepayment provisions of Section 3.06 of the Loan Agreement.

SECTION 1.05. Form of the First Mortgage Notes, Series 2020B.

The First Mortgage Notes, Series 2020B and the Trustee's authentication certificate to be executed on the First Mortgage Notes, Series 2020B shall be substantially in the form of Exhibit B attached hereto, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted in the Original Indenture.

SECTION 1.06. Registration and Transfer of the First Mortgage Notes, Series 2020B.

The First Mortgage Notes, Series 2020B shall be issued as fully registered notes without coupons and in minimum denominations of \$1.00 and any integral multiple of \$1.00 in excess thereof. The First Mortgage Notes, Series 2020B shall be registered in the name of CFC in certificated form. Transfers of the First Mortgage Notes, Series 2020B must occur under the terms of the Loan Agreement and the Indenture.

ARTICLE II

MISCELLANEOUS

SECTION 2.01. Supplemental Indenture.

This Tenth Supplemental Indenture is executed and shall be construed as an indenture supplemental to the Original Indenture, and shall form a part thereof, and the Original Indenture, as hereby supplemented, is hereby confirmed. All of the provisions, terms, covenants and conditions of the Original Indenture shall be applicable to the First Mortgage Notes, Series 2020B to the same extent as if specifically set forth herein except to the extent any such provisions, terms, covenants and conditions are covered or addressed by the express terms of this Tenth Supplemental Indenture or the Loan Agreement, in which case this Tenth Supplemental Indenture or the Loan Agreement, as applicable, shall apply.

SECTION 2.02. Recitals.

All recitals in this Tenth Supplemental Indenture are made by the Company only and not by the Trustee; and all of the provisions contained in the Original Indenture, in respect of the

rights, privileges, immunities, powers and duties of the Trustee shall be applicable in respect hereof as fully and with like effect as if set forth herein in full. The Trustee will not be responsible for and makes no representation as to the validity or adequacy of this Tenth Supplemental Indenture or the First Mortgage Notes, Series 2020B (other than its certificate of authentication); it shall not be accountable for the Company's use of the proceeds from the First Mortgage Notes, Series 2020B; and it will not be responsible for the use or application of any money received by any Paying Agent other than the Trustee. The Trustee is not a party to the Loan Agreement, and it will not be responsible for or charged with knowledge of any terms of the Loan Agreement.

SECTION 2.03. Successors and Assigns.

Whenever in this Tenth Supplemental Indenture any of the parties hereto is named or referred to, this shall, subject to the provisions of Articles IX and XI of the Original Indenture, be deemed to include the successors and assigns of such party, and all the covenants and agreements in this Tenth Supplemental Indenture contained by or on behalf of the Company, or by or on behalf of the Trustee shall, subject as aforesaid, bind and inure to the respective benefits of the respective successors and assigns of such parties, whether so expressed or not.

SECTION 2.04. No Rights, Remedies, Etc.

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

SECTION 2.05. Counterparts.

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

SECTION 2.06. Security Agreement; Mailing Address.

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

The mailing address of the Company, as debtor is:

Big Rivers Electric Corporation
201 Third Street

Henderson, Kentucky 42420

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

Global Corporate Trust
Goodwin Square
225 Asylum Street, 23rd Floor
Hartford, Connecticut 06103

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

[Signatures Follow on Next Page.]

EXHIBIT A

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

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

EXHIBIT B

THIS FIRST MORTGAGE NOTE, SERIES 2020B HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND MAY BE RESOLD ONLY IF REGISTERED PURSUANT TO THE PROVISIONS OF THE SECURITIES ACT OR IF AN EXEMPTION FROM REGISTRATION IS AVAILABLE, EXCEPT UNDER CIRCUMSTANCES WHERE NEITHER SUCH REGISTRATION NOR SUCH AN EXEMPTION IS REQUIRED BY LAW.

BIG RIVERS ELECTRIC CORPORATION

FIRST MORTGAGE NOTES, SERIES 2020B

CFC Loan No. _____

\$_[_____]

[____], 2020

BIG RIVERS ELECTRIC CORPORATION, a cooperative corporation organized and existing under the laws of the Commonwealth of Kentucky (the "Company"), 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 EIGHTY THREE MILLION THREE HUNDRED THOUSAND AND 00/100 DOLLARS (\$83,300,000.00), or such lesser sum of the aggregate unpaid principal amount of all advances made by the Payee pursuant to that certain Loan Agreement, dated as of even date herewith, between the Borrower and the Payee, as it may be amended from time to time (herein called the "Loan Agreement"), and to pay interest on all amounts remaining unpaid hereunder from the date of each advance in like money, at said office, at the rate and in amounts and payable on the dates provided in the Loan Agreement together with any other amount payable under the Loan Agreement. If not sooner paid, any balance of the principal amount and interest accrued thereon shall be due and payable on the Maturity Date (as defined in the Loan Agreement); provided, however, that if such date is not a Payment Date (as defined in the Loan Agreement), then the Maturity Date shall be the Payment Date immediately preceding such date.

This promissory note (this "Note") is one of the First Mortgage Notes, Series 2020B and is secured under the Indenture dated as of July 1, 2009, made by the Borrower to U.S. Bank National Association, as trustee thereunder, as it has been or shall hereafter be supplemented, amended, consolidated or restated from time to time, including the Tenth Supplemental Indenture (collectively, the "Indenture"). This Note is one of the Notes referred to in, and has been executed and delivered pursuant to, the Loan Agreement, and constitutes an "Obligation" (as defined in the Indenture) under the Indenture. This Note is equally and ratably secured, to the extent provided in the Indenture, by the Trust Estate, except and excluding the Excepted Property.

This Note is a registered Obligation and, as provided in the Indenture, upon surrender of this Note for registration of transfer, accompanied by a written instrument of transfer (in substantially the same form attached hereto as Annex 1) duly executed, by the registered Holder (as defined in the Indenture) hereof or such Holder's attorney duly authorized in writing, a new secured promissory note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Borrower may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Borrower will not be affected by any notice to the contrary.

The principal hereof and accrued interest thereon may be declared to be forthwith due and payable in the manner, upon the conditions, and with the effect provided in the Indenture, and with respect to any other amount due under the Loan Agreement, as provided in the Indenture or the Loan Agreement.

The Borrower waives demand, presentment for payment, notice of dishonor, protest, notice of protest, and notice of non-payment of this Note.

This Note shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia.

[Signature Follows on Next Page.]

BIG RIVERS ELECTRIC CORPORATION

By: _____
Name:
Title:

EXHIBIT

This is one of the Obligations (as defined in the Indenture) of the series designated therein referred to in the Indenture.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Signatory

Date of Authentication: _____

EXHIBIT

ANNEX 1
FORM OF TRANSFER NOTICE

FOR VALUE RECEIVED the undersigned registered Noteholder hereby sell(s) assign(s) and transfer(s) unto

Insert Taxpayer Identification No.

(Please print or typewrite name and address including zip code of assignee)

the within Note and all rights thereunder, hereby irrevocably constituting and appointing

attorney to transfer said Note on the books kept for registration thereof, with full power of substitution in the premises.

Date: _____

(Signature of Transferor)

NOTE: The signature to this assignment must correspond with the name as written upon the face of the within-mentioned instrument in every particular, without alteration or enlargement or any change whatsoever.

NOTE: The signature must be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program) pursuant to S.E.C. Rule 17Ad-15.

[National Rural Utilities Cooperative Finance Corporation] authorizes the Trustee as Obligation Registrar (as defined in the Indenture) for the First Mortgage Notes, Series 2020B to transfer this Note under the Indenture pursuant to the instructions, above.

[National Rural Utilities Cooperative Finance Corporation]

By: _____

Name: _____

Title: _____

REFERENCES FOR COMPLIANCE WITH STATUTORY AND REGULATORY FILING REQUIREMENTS Application Case No. 2020-00291		
<u>Law/Regulation</u>	<u>Filing Requirement</u>	<u>Location in Application</u>
IN GENERAL		
807 KAR 5:001 Section 14(1)	The full name, mailing address, and electronic mail address of the Applicant	¶ 13
807 KAR 5:001 Section 14(1)	A request for the order, authorization, permission or certificate desired	¶ 1 and Page 6
807 KAR 5:001 Section 14(1)	A reference to the particular provision of law authorizing the relief requested	¶ 16 and Page 6
807 KAR 5:001 Section 14(2)	State and date of incorporation; attest to good standing in state	¶ 13
APPROVAL TO ISSUE EVIDENCES OF INDEBTEDNESS		
807 KAR 5:001 Section 18(1)(b)	A general description of applicant's property and the field of its operation, together with a statement of the original cost of the same and the cost to the applicant	Exhibit 5
807 KAR 5:001 Section 18(1)(c)	The amount and kinds of stock, if any, which the utility desires to issue, and if preferred, the nature and extent of the preference; the amount of notes, bonds or other evidences of indebtedness, if any, which the utility desires to issue, with terms, rate of interest and if and how to be secured	¶ 18

807 KAR 5:001 Section 18(1)(d)	The use to be made of the proceeds of the issue, with a statement indicating how much is to be used for the acquisition of property, the construction, completion, extension or improvement of facilities, the improvement of service, the maintenance of service and the discharge or refunding obligations	¶¶ 1, 3, and 19
807 KAR 5:001 Section 18(1)(e)	The property in detail that is to be acquired, constructed, improved, or extended with its cost, a detailed description of the contemplated construction, completion, extension, or improvement of facilities established in a manner whereby an estimate of the cost may be made, a statement of the character of the improvement of service proposed, and of the reasons why the service should be maintained from its capital. If a contract has been made for the acquisition of property, or for construction, completion, extension, or improvement of facilities, or for the disposition of the securities, notes, bonds, stocks, or other evidence of indebtedness that it proposes to issue or the proceeds thereof and if a contract has been made, copies thereof shall be annexed to the petition;	¶ 19
807 KAR 5:001 Section 18(1)(f)	If it is proposed to discharge or refund obligations, a statement of the nature and description of the obligations including their par value, the amount for which they were actually sold, the associated expenses, and the application of the proceeds from the sales. If notes are to be refunded, a statement showing the date, amount time, rate of interest, and payee of each and the purpose for which their proceeds were expended	¶¶ 1, 2, and 4 and Exhibit 2 Note
807 KAR 5:001 Section 18(2)(a)	Financial exhibit	Exhibit 6
807 KAR 5:001 Section 18(2)(b)	Copies of trust deeds or mortgages, or reference to case number in which they were filed	Footnote 1 on Page 1

<p>807 KAR 5:001 Section 18(2)(c)</p>	<p>Maps and plans of the proposed property and constructions together with detailed estimates in a form that they can be reviewed by the commission's engineering division. Estimates shall be arranged according to the commission-prescribed uniform system of accounts for the various classes of utilities.</p>	<p>¶ 19</p>
<p>807 KAR 5:001 Section 12</p>	<p>Financial exhibit covering operations for a twelve month period ending not more than ninety days prior to the date the application is filed:</p> <ul style="list-style-type: none"> -Amount and kinds of stock authorized; -Amount and kinds of stock issued and outstanding; -Terms of preference of preferred stock -Brief description of each existing mortgage of property, giving date of execution, name of mortgagor, name of mortgagee or trustee, amount of indebtedness authorized to be secured, and the amount of indebtedness actually secured, together with sinking fund provisions, if applicable; -Amount of bonds authorized and amount issued giving the name of the public utility which issued the same, describing each class separately, and giving date of issue, face value, rate of interest, date of maturity and how secured, together with amount of interest paid thereon during the last fiscal year; -Each note outstanding, giving date of issue, amount, date of maturity, rate of interest, in whose favor, together with amount of interest paid thereon during the last fiscal year; -Other indebtedness giving same by classes and describing security, if any, with a brief statement of the devolution or assumption of any portion of such indebtedness upon or by person or corporation if the original liability has been transferred, together with amount of interest paid thereon during the last fiscal year; 	<p>Exhibit 6</p>

	<p>-Rate and amount of dividends paid during the five previous fiscal years, and the amount of capital stock on which dividends were paid each year; and</p> <p>-Detailed income statement and balance sheet which cover operations for a twelve month period, said period ending not more than ninety days prior to the date the Application is filed.</p>	
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BIG RIVERS ELECTRIC CORPORATION'S
DESCRIPTION OF PROPERTY

As of June 30, 2020

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Big Rivers Electric Corporation (“Big Rivers” or the “Corporation”) is a generation and transmission (“G&T”) cooperative headquartered in Henderson, Kentucky. The Corporation meets the electric power needs of three member distribution cooperatives, which, in turn, sell electricity to approximately 118,000 residential, commercial, and industrial consumers in 22 western Kentucky counties.

1. Big Rivers’ utility plant-in-service, materials and supplies, and fuel inventory as of June 30, 2020, consisted of intangible plant, electric power generating plants, land right-of-ways, transmission stations and lines, land, buildings, office furniture and equipment, transportation equipment, storage equipment, tools, shop and garage equipment, laboratory equipment, power operated equipment, communication equipment, materials and supplies inventory, and fuel inventory. The original cost of these properties as of June 30, 2020, was \$2,121,182,277.
2. As of June 30, 2020, Big Rivers’ intangible plant included organizational and franchise costs of \$66,895.
3. Big Rivers owns and operates 1,444 megawatts (MW) of electric generating capacity from four power stations: Kenneth C. Coleman (443 MW), Robert A. Reid (130 MW), Robert D. Green (454 MW), and D.B. Wilson (417 MW). As of June 30, 2020 the original cost of Big Rivers’ generation assets was \$1,714,064,139 with a net book (i.e. depreciated) value of \$675,599,849.
 - a. The Kenneth C. Coleman Station is a multiple unit generation plant consisting of three coal-fired units designed to burn Illinois Basin coal. The units were commercialized in 1969, 1970, and 1972, respectively, with a combined net output rating of 443 MW. As a result of the Century Aluminum Hawesville smelter contract termination in 2013 and the Alcan Primary Products Corporation (now Century Aluminum

BIG RIVERS ELECTRIC CORPORATION'S
DESCRIPTION OF PROPERTY

As of June 30, 2020

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Sebree) smelter contract termination in 2014, the three generating units that make up the Coleman Station were idled in May 2014 and will be retired in September 2020.

b. The Robert A. Reid Station is a multiple unit generation plant consisting of one coal-fired unit (“Reid Unit 1”) designed to burn Illinois Basin coal and one combustion turbine unit (“Reid CT”) with the ability to burn either fuel oil or natural gas. The units were commercialized in 1966 and 1976, respectively, with a combined net output rating of 130 MW (65 MW per unit). Reid Unit 1 was idled in April 2016 and will be retired in September 2020.

c. The Robert D. Green facility is a multiple unit generation plant consisting of two coal-fired units designed to burn Illinois Basin coal. The units were commercialized in 1979 and 1981, respectively, with a combined net output rating of 454 MW.

d. The D.B. Wilson Station is a single coal-fired unit designed to burn Illinois Basin coal. The unit was commercialized in 1986 with a net output rating of 417 MW.

4. Big Rivers has interconnections with six utilities: Southern Illinois Power Cooperative, Louisville Gas & Electric, Kentucky Utilities, Vectren, Hoosier Energy Rural Electric Cooperative, and the Tennessee Valley Authority. However, Big Rivers currently cannot purchase power from the Tennessee Valley Authority.

5. Transmission Facilities, as of June 30, 2020, included land, right-of-ways, station equipment, and lines costing \$294,011,513 with a net book (depreciated) value of \$145,184,686. The miles of transmission line by size are as follows: 851 miles of 69 kV, 14 miles of 138 kV, 366 miles of 161 kV, and 72 miles of 345 kV. The substation capacity consists of 1,733,400 kVA

BIG RIVERS ELECTRIC CORPORATION'S
DESCRIPTION OF PROPERTY

As of June 30, 2020

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generation plant step up transformation and 4,045,000 kVA transmission substation transformation.

6. Big Rivers owns general plant assets costing \$55,573,321 as of June 30, 2020, with a net book (depreciated) value of \$25,296,822. General plant assets consist of land, structures and improvements, office furniture and equipment, transportation equipment, storage equipment, tools, shop and garage equipment, laboratory equipment, power operated equipment, communication equipment, and other miscellaneous equipment used to provide service to member cooperatives.
7. As of June 30, 2020, Big Rivers had materials and supplies inventory of \$24,103,403 and fuel inventory of \$33,363,006.
8. Big Rivers' investment in construction work in progress as of June 30, 2020 was \$53,213,391.
9. As of June 30, 2020, Big Rivers did not own any non-utility property.

BIG RIVERS ELECTRIC CORPORATION
FINANCIAL EXHIBIT
As of June 30, 2020

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2 Big Rivers states that:

- 3 a. No amounts or kinds of stock have been authorized.
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6 b. No amounts or kinds of stock have been issued, and none are outstanding.
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9 c. No amounts or kinds of preferred stock have been authorized, and none are
10 outstanding.
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13 d. Effective with the close of the “Unwind” Transaction on July 16, 2009, all
14 previously existing mortgages were permanently extinguished with the Third
15 Restated Mortgage and Security Agreement (successor to the Restated Mortgage
16 and Security Agreement [the New RUS Mortgage] and Second Restated
17 Mortgage and Security Agreement) and replaced with Big Rivers’ Mortgage
18 Indenture (the “Indenture”). The Indenture secures on a *pro rata, pari passu* basis
19 all of the indebtedness owed by Big Rivers to its existing senior secured creditors
20 as well as future senior secured creditors. A principal feature of the Indenture is
21 the use of a lien and security interest in favor of an institutional trustee rather than
22 in favor of each individual creditor as mortgagee. The Indenture creates a lien
23 and security interest on most of Big Rivers’ real and personal property.

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29 Additional debt obligations can be secured under the Indenture on a *pari*
30 *passu* basis with Big Rivers’ existing senior secured creditors without obtaining
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BIG RIVERS ELECTRIC CORPORATION
FINANCIAL EXHIBIT
As of June 30, 2020

1 the existing senior secured creditors' approvals, provided such debt obligations
2 meet certain objective tests.

3
4 The Indenture, dated July 1, 2009, was made by and between Big Rivers
5 Electric Corporation, as Grantor, and U.S. Bank National Association, as Trustee.
6 As of June 30, 2020, the Indenture secured the following Obligations:

- 7
- 8 • RUS 2009 Promissory Note Series B, dated July 16, 2009, made by the
9 Company to the United States of America, in the amount at final maturity
10 of \$245,530,257, maturing on December 31, 2023. This is an Existing
11 Obligation under the Indenture.
12
 - 13 • Big Rivers Electric Corporation First Mortgage Note, Series 2010A, dated
14 July 8, 2010, made by the Company to U.S. Bank Trust National
15 Association, as trustee, in an amount equal to the principal and interest
16 due on the \$83,300,000 County of Ohio, Kentucky, Pollution Control
17 Refunding Revenue Bonds, Series 2010A. This is an Additional
18 Obligation under the Indenture. Big Rivers redeemed the Series 2010A
19 Bonds in whole prior to their final maturity date, on July 14, 2020,
20 utilizing funds available under the Secured Credit Agreement.
21
 - 22 • Big Rivers Electric Corporation First Mortgage Note, Series 2012A, dated
23 July 24, 2012, made by the Company to CoBank, ACB, in the original
24 principal amount of \$235,000,000, maturing on June 30, 2032. This is an
25 Additional Obligation under the Indenture.
26
 - 27 • Big Rivers Electric Corporation First Mortgage Note, Series 2012B, dated
28 July 27, 2012, made by the Company to National Rural Utilities
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BIG RIVERS ELECTRIC CORPORATION
FINANCIAL EXHIBIT
As of June 30, 2020

1 Cooperative Finance Corporation, in the original principal amount of
2 \$302,000,000, maturing on May 31, 2032. This is an Additional
3 Obligation under the Indenture.
4

- 5 • Big Rivers Electric Corporation First Mortgage Notes, Series 2020A,
6 dated June 1, 2020, made by the Company to National Rural Utilities
7 Cooperative Finance Corporation, Regions Bank, KeyBank National
8 Association, Fifth Third Bank, Bank of America, and CoBank, ACB
9 (collectively, the “Lenders”) in the aggregate principal amount of
10 \$150,000,000 to secure the loans made by the Lenders to Big Rivers
11 under the Senior Secured Credit Agreement, maturing on June 11, 2023.
12 This is an Additional Obligation under the Indenture.
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14

- 15 • Big Rivers Electric Corporation First Mortgage Notes, RUS 2018 W8 FFB
16 Loan, dated January 02, 2018, made by the Company through the United
17 States of America to the Federal Financing Bank, in the original aggregate
18 principal amount of \$25,630,000, with a final maturity date of December
19 31, 2032. This is an Additional Obligation under the Indenture.
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21

- 22 • Big Rivers Electric Corporation First Mortgage Notes, RUS 2018 X8 FFB
23 Loan, dated January 02, 2018, made by the Company through the United
24 States of America to the Federal Financing Bank, in the original aggregate
25 principal amount of \$20,511,000, with a final maturity date of December
26 31, 2043. This is an Additional Obligation under the Indenture.
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30 The Indenture provides that a maximum of \$3,000,000,000 of Additional
31 Obligations may be issued and secured. As noted above, the Big Rivers Electric
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BIG RIVERS ELECTRIC CORPORATION
FINANCIAL EXHIBIT
As of June 30, 2020

1 Corporation First Mortgage Notes, Series 2010A, 2012A, 2012B, and 2020A, and
2 the RUS 2018 W8 and X8 FFB Loans are Additional Obligations under the
3 Indenture.
4

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6 e. Big Rivers has financed certain pollution control facilities at its D.B. Wilson
7 Station with pollution control bonds issued by the County of Ohio, Kentucky.
8 Big Rivers Electric Corporation has one issue outstanding.
9

10 On June 30, 1983, the County of Ohio, Kentucky, issued \$58,800,000 of
11 Pollution Control Floating Rate Demand Bonds, Series 1983 (“Series 1983
12 Bonds”), with a stated maturity date of June 1, 2013. These bonds bore interest at
13 a variable rate and, prior to July 15, 1998, were supported by an irrevocable
14 standby letter of credit. On July 15, 1998 the standby letter of credit was replaced
15 by a liquidity facility issued by Credit Suisse First Boston (subsequently assigned
16 to Dexia Credit Local effective May 1, 2006) and municipal bond insurance and
17 security policies issued by Ambac Assurance Corporation. A Remarketing Agent
18 was responsible for determining the stated rate (Base Rate) of interest to be
19 applied to the Series 1983 Bonds necessary to remarket the bonds at par plus
20 accrued interest in a secondary market transaction. The Base Rate so determined
21 could not be less than 40 percent or more than 110 percent of a variable interest
22 index. This variable interest index was the weighted average per annum discount
23 rate for direct obligations of the United States with maturities of 13 weeks,
24 expressed as a bond equivalent on the basis of a 365 or 366 day year, as
25 appropriate, and applied on a daily basis, set on the latest auction date of such
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BIG RIVERS ELECTRIC CORPORATION
FINANCIAL EXHIBIT
As of June 30, 2020

1 obligations. The Base Rate could not exceed 13 percent and was subject to Big
2 Rivers' approval.

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4 If the Remarketing Agent was unable to remarket the Bonds, they were
5 tendered to the Liquidity Provider (Dexia Credit Local) under the terms of the
6 Standby Bond Purchase Agreement and became "Bank Bonds" with interest paid
7 at the "Bank Rate". The Bank Rate was the higher of (a) the base commercial
8 lending rate announced from time to time by the Liquidity Provider in effect on
9 such date, or (b) the rate quoted by the Liquidity Provider on such date to dealers
10 in the New York Federal funds market for the overnight offering of dollars by the
11 Liquidity Provider for deposit, plus one half of one percent. The Bank Rate
12 could not exceed the lesser of 18 percent per annum and the maximum rate of
13 interest permitted by applicable law.
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18 The Series 1983 Bonds were supported by two promissory notes
19 (AMBAC Municipal Bond Insurance Policy Series 1983 Note and Standby Bond
20 Purchase Agreement Note) from Big Rivers, which bore the same interest rate as
21 the bonds. Big Rivers' Indenture secured the promissory notes issued in support
22 of the Series 1983 Bonds equally and ratably with all other Obligations secured
23 under the Indenture.
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26 Big Rivers refunded the Series 1983 Bonds by purchase on May 31, 2013.
27
28 The interest paid on the Series 1983 Bonds during the fiscal year ending
29 December 31, 2013 (the last fiscal year during which the bonds were outstanding)
30 was \$955,500, and the effective interest rate of the bonds was 3.25%. On June 8,
31 2010, the County of Ohio, Kentucky, Pollution Control Refunding Revenue
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BIG RIVERS ELECTRIC CORPORATION
FINANCIAL EXHIBIT
As of June 30, 2020

1 Bonds, Series 2010A (“Series 2010A Bonds”), with a maturity date of July 15,
2 2031 were issued in the amount of \$83,300,000. Proceeds from the Series 2010A
3 Bonds were used to refund the Series 2001A Bonds. The Series 2010A Bonds
4 bear interest at a fixed rate of 6.00%. Big Rivers redeemed the Series 2010A
5 Bonds in whole prior to their final maturity date, on July 14, 2020, utilizing funds
6 available under the Secured Credit Agreement.
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11 f. As of June 30, 2020, Big Rivers’ notes outstanding consisted of the RUS 2009
12 Promissory Note Series B (“RUS 2009 Series B Note”); Big Rivers Electric
13 Corporation First Mortgage Notes, Series 2010A, Series 2012A, Series 2012B,
14 Series 2020A, RUS 2018 W8 FFB Loan, and RUS 2018 X8 FFB Loan.

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16 The RUS 2009 Series B Note, dated July 16, 2009, was issued in favor of
17 the United States of America, acting through the United States Department of
18 Agriculture, Rural Utilities Services, (the “RUS”), in the original principal
19 amount of \$245,530,257, with a maturity date of December 31, 2023. The RUS
20 2009 Series B Note has no stated interest rate and an outstanding stated principal
21 balance of \$245,530,257 as of June 30, 2020. No interest amount is paid on this
22 note.
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25
26 Big Rivers Electric Corporation First Mortgage Note, Series 2010A
27 (associated with the Series 2010A Bonds), dated June 1, 2010, was issued in favor
28 of U.S. Bank National Association, as trustee, in the original principal amount of
29 \$83,300,000, with a maturity date of July 15, 2031. The First Mortgage Note,
30 Series 2010A, has a fixed interest rate of 6.00% and an outstanding principal
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BIG RIVERS ELECTRIC CORPORATION
FINANCIAL EXHIBIT
As of June 30, 2020

1 balance of \$83,300,000 as of June 30, 2020. The interest paid on the Series
2 2010A Bonds during the fiscal year ending December 31, 2019, was \$4,998,000.

3
4 Big Rivers Electric Corporation First Mortgage Note, Series 2012A, dated
5 July 24, 2012, was issued in favor of CoBank, ACB, in the original principal
6 amount of \$235,000,000, with a maturity date of June 30, 2032. The First
7
8 Mortgage Note, Series 2012A, has a fixed interest rate of 4.30% and an
9
10 outstanding principal balance of \$ 166,349,901 as of June 30, 2020. The interest
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12 paid on the First Mortgage Note, Series 2012A during the fiscal year ending
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14 December 31, 2019, was \$7,741,613.

15
16 Big Rivers Electric Corporation First Mortgage Note, Series 2012B, dated
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18 July 27, 2012, was issued in favor of National Rural Utilities Cooperative Finance
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20 Corporation, in the original principal amount of \$302,000,000, with a maturity
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22 date of May 31, 2032. The First Mortgage Note, Series 2012B, bears serial
23
24 interest rate pricing, with interest rates ranging from 3.05% to 5.35%, and had an
25
26 outstanding principal balance of \$208,102,509 as of June 30, 2020. The interest
27
28 paid on the First Mortgage Notes, Series 2012B during the fiscal year ending
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30 December 31, 2019, was \$ 10,056,712.

31
32 Big Rivers Electric Corporation First Mortgage Notes, Series 2020A,
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dated June 1, 2020, were issued in connection with the 2020 Senior Secured
Credit Agreement, dated June 11, 2020, (“2020 Credit Agreement”) in favor of
National Rural Utilities Cooperative Finance Corporation, Regions Bank,
KeyBank National Association, Fifth Third Bank, Bank of America, and CoBank,
ACB (collectively, the “Lenders), in the aggregate principal amount of

BIG RIVERS ELECTRIC CORPORATION
FINANCIAL EXHIBIT
As of June 30, 2020

1 \$150,000,000, with a maturity date of June 11, 2023. The interest rate applicable
2 to loans under the 2020 Credit Agreement are determined based on the type of
3 loan selected (i.e. LIBO Loan or Alternate Base Rate (ABR) Loan). For LIBO
4 Loans, the applicable interest rate is equal to the LIBOR Rate for such Interest
5 Period plus the LIBO Applicable Margin, based on the Secured Credit Rating of
6 Big Rivers per the terms of the credit agreement. For ABR loans, the applicable
7 interest rate is equal to the Alternate Base Rate plus the ABR Applicable Margin,
8 as defined in the credit agreement. As of June 30, 2020, there were no loans
9 outstanding under the 2020 Senior Secured Credit Agreement. No interest was
10 paid on the Series 2020A Notes during the fiscal year ended December 31, 2019.

15 Big Rivers Electric Corporation First Mortgage Note, RUS 2018 W8 FFB
16 Loan, dated January 02, 2018, was issued in favor of the Federal Financing Bank
17 and administered through the Rural Utilities Service, in the original principal
18 amount of \$25,630,000, with a final maturity date of December 31, 2032. The
19 First Mortgage Note, RUS 2018 W8 FFB Loan, has a fixed stated interest rate of
20 2.703% with an effective interest rate of 2.828% and had an outstanding principal
21 balance of \$ \$24,410,034 as of June 30, 2020. The interest paid on the First
22 Mortgage Notes, RUS 2018 W8 FFB Loan, during the fiscal year ending
23 December 31, 2019, was \$724,816.

24 g. Big Rivers Electric Corporation First Mortgage Note, RUS 2018 X8 FFB Loan,
25 dated January 02, 2018, was issued in favor of the Federal Financing Bank and
26 administered through the Rural Utilities Service, in the original principal amount
27 of \$20,511,000, with a final maturity date of December 31, 2043. The First

BIG RIVERS ELECTRIC CORPORATION
FINANCIAL EXHIBIT
As of June 30, 2020

1 Mortgage Note, RUS 2018 W8 FFB Loan, has a fixed stated interest rate of
2 2.810% with an effective interest rate of 2.935% and had an outstanding principal
3 balance of \$17,572,385 as of June 30, 2020. The interest paid on the First
4 Mortgage Notes, RUS 2018 X8 FFB Loan, during the fiscal year ending
5 December 31, 2019, was \$527,273. The Company has no other indebtedness.
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9 h. No dividends have been paid.

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12 i. Big Rivers Electric Corporation's statement of operations and balance sheet as of,
13 and for the twelve months ending, June 30, 2020, are attached hereto.
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