

SINGLE ADVANCE TERM PROMISSORY NOTE

THIS SINGLE ADVANCE TERM PROMISSORY NOTE (this "Promissory Note") to the Credit Agreement dated July 2, 2019 (such agreement, as may be amended, hereinafter referred to as the "Credit Agreement"), is entered into as of September 13, 2021 between **COBANK, ACB**, a federally-chartered instrumentality of the United States ("Lender") and **SALT RIVER ELECTRIC COOPERATIVE CORPORATION**, Bardstown, Kentucky, a cooperative corporation (together with its permitted successors and assigns, the "Borrower"). Capitalized terms not otherwise defined in this Promissory Note will have the meanings set forth in the Credit Agreement.

SECTION 1. SINGLE ADVANCE TERM COMMITMENT. On the terms and conditions set forth in the Credit Agreement and this Promissory Note, Lender agrees to make a single advance loan to the Borrower in an amount not to exceed \$5,000,000.00 (the "Commitment").

SECTION 2. PURPOSE. The purpose of the Commitment is to refinance the Borrower's indebtedness to Lender and identified on Exhibit A hereto (individually or collectively, the "Existing Loan(s)") and for associated closing costs.

SECTION 3. TERM. The Commitment will expire at 12:00 p.m. Denver, Colorado time on September 30, 2021, or on such later date as Lender may, in its sole discretion, authorize in writing (the "Term Expiration Date").

SECTION 4. LIMITS ON ADVANCES, AVAILABILITY, ETC. Notwithstanding Article 2 of the Credit Agreement, the loan will be made and disbursed pursuant to closing procedures to be agreed upon by the parties.

SECTION 5. INTEREST. The Borrower agrees to pay interest on the unpaid balance of the loan(s) in accordance with the following interest rate option(s):

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

(B) **Quoted Rate.** At a fixed rate per annum to be quoted by Lender in its sole discretion in each instance. Under this option, rates may be fixed on such balances and for such periods, as may be agreeable to Lender in its sole discretion in each instance, provided that: (1) the minimum fixed period will be 365 days; (2) amounts may be fixed in an amount not less than \$100,000.00; and (3) the maximum number of fixes in place at any one time will be five.

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

SALT RIVER ELECTRIC COOPERATIVE CORPORATION
Bardstown, Kentucky
Promissory Note No. 14213550T13

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

SECTION 6. PROMISSORY NOTE. The Borrower promises to repay the unpaid principal balance of the loan in 60 consecutive, monthly installments, payable on the 20th day of each month, with the first installment due on October 20, 2021, and the last installment due on September 20, 2026. The amount of each installment will be the same principal amount that would be required to be repaid if the loan(s) were scheduled to be repaid in level payments of principal and interest and such schedule was calculated utilizing the rate of interest in effect on the date funds are advanced under this Promissory Note. Principal due on the first payment date will constitute a month's amortization, regardless of any partial month's interest due in accordance with the provisions set forth herein.

In addition to the above, the Borrower promises to pay interest on the unpaid principal balance of the loan at the times and in accordance with the provisions set forth herein.

SECTION 7. PREPAYMENT. Subject to the broken funding surcharge provision of the Credit Agreement, the Borrower may, on one Business Day's prior written notice, prepay all or any portion of the loan(s). Unless otherwise agreed by Lender, all prepayments will be applied to principal installments in the inverse order of their maturity and to such balances, fixed or variable, as Lender will specify.

SECTION 8. SECURITY. The Borrower's obligations hereunder and, to the extent related hereto, under the Credit Agreement, will be secured as provided in Section 2.3 of the Credit Agreement.

SECTION 9. FEES. INTENTIONALLY OMITTED.

SIGNATURE PAGE FOLLOWS

SALT RIVER ELECTRIC COOPERATIVE CORPORATION
Bardstown, Kentucky
Promissory Note No. 14213550T13

SIGNATURE PAGE TO PROMISSORY NOTE


IN WITNESS WHEREOF, the parties have caused this Promissory Note to the Credit Agreement to be executed by their duly authorized officer(s).

SALT RIVER ELECTRIC COOPERATIVE
CORPORATION

By: _____

Name: _____

Title: _____



Timothy J. Sharp

President + CEO

APPROVED

By Daphne at 7:33 am, Sep 27, 2021

SALT RIVER ELECTRIC COOPERATIVE CORPORATION
Bardstown, Kentucky
Promissory Note No. 14213550T13

SIGNATURE PAGE TO PROMISSORY NOTE

IN WITNESS WHEREOF, the parties have caused this Promissory Note to the Credit Agreement to be executed by their duly authorized officer(s).

COBANK, ACB

By:



Name:

Christen Spencer

Title:

Assistant Corporate Secretary

SALT RIVER ELECTRIC COOPERATIVE CORPORATION
Bardstown, Kentucky
Promissory Note No. 14213550T13

EXHIBIT A

To Promissory Note No. 14213550T13

DESCRIPTION OF EXISTING LOAN(S) TO BE REFINANCED

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

LENDER	LOAN DESIGNATION
CoBank	14213550T01
CoBank	14213550T07
CoBank	14213550T08
CoBank	14213550T09
CoBank	14213550T11
CoBank	14213550T12

Salt River Electric Cooperative Corporation (14213550)

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

September 30, 2021

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

Pursuant to Section 2.02 of your Mortgage and Security Agreement (the "**Mortgage**"), please take notice that Salt River Electric Cooperative Corporation (the "**Borrower**") intends to refinance the loan or loans on **Exhibit A** hereto. Such loan or loans (hereinafter, the "loans(s)") were made by CoBank ("**Refinanced Lender**") and are secured by the Mortgage. The refinancing loan(s) are being provided by CoBank, ACB and will be secured under the Mortgage as Additional Notes.

On behalf of the Borrower and pursuant to the Rural Utilities Service loan contract, I hereby certify that: (1) no "Event of Default" (as defined in the Mortgage) or event which with the giving of notice or lapse of time or both would become an Event of Default, has occurred and is continuing; (2) the amount of the refinancing loan(s), together with any additional payments to Refinanced Lender from the Borrower, will not exceed 105% of the unpaid principal balance of the loan(s) being refinanced; and (3) the weighted life of the refinancing loan(s) is not greater than the weighted average life of the loan(s) being refinanced. If you would like a certificate calculating the weighted average lives, please let us know. An analysis of the weighted average lives is provided on **Exhibit B** hereto.

Thank you in advance for your cooperation.

Sincerely,

**SALT RIVER ELECTRIC COOPERATIVE
CORPORATION**

By:



Name:

Timothy J. Sharp

Title:

President + CEO

EXHIBIT A

DESCRIPTION OF EXISTING LOAN(S) TO BE REFINANCED

LOAN DESIGNATION
14213550T01
14213550T07
14213550T09
14213550T08
14213550T11
14213550T12

EXHIBIT B

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

Weighted Average Life Calculations	
Existing CoBank Loan(s) 14213550T01, 14213550T07, 14213550T09, 14213550T08, 14213550T11, 14213550T12	New CoBank Loan(s) 14213550T13
Weighted Average Life 9.5 years	Weighted Average Life 2.56 years

Transaction Details

Transaction ID	TRN-00013023	Effective Date ⓘ	9/30/2021
Product Package	SALT RIVER ELECTRIC COOPERATIVE CORPORATION Product Package	Transaction Projected Close Date ⓘ	
Status ⓘ	Post-Close Pending	Close Date ⓘ	9/30/2021
Rush	No	Completed Date ⓘ	