

W. DAVID DENTON
THOMAS J. KEULER
WILLIAM E. PINKSTON
LISA H. EMMONS
DAVID L. KELLY
THEODORE S. HUTCHINS*
GLENN D. DENTON*
STACEY A. BLANKENSHIP
MELISSA D. YATES*
NEAL D. OLIPHANT
DOUGLAS R. MOORE
ROBERT W. GOFF***
SAMUEL J. WRIGHT**
JACKIE M. MATHENY JR.
* Also Licensed To Practice in Illinois
** Also Licensed To Practice in Illinois & Missouri
*** Also Licensed To Practice in Tennessee

**DENTON
&
KEULER**
ATTORNEYS AT LAW
A Limited Liability Partnership

PADUCAH BANK BUILDING SUITE 301
555 JEFFERSON STREET
P.O. BOX 929
PADUCAH, KENTUCKY 42002-0929

TELEPHONE
(270) 443-8253

FACSIMILE
(270) 442-6000

REAL ESTATE FACSIMILE
(270) 442-6034

WEB SITE: www. dklaw.com

June 7, 2010

RECEIVED

JUN 08 2010

PUBLIC SERVICE
COMMISSION

VIA FEDERAL EXPRESS

MR JEFF DEROUEN
EXECUTIVE DIRECTOR
KENTUCKY PUBLIC SERVICE COMMISSION
211 SOWER BLVD.
FRANKFORT KY 40602

**Re: Jackson Purchase Energy Corporation
Application of Jackson Purchase Energy Corporation
for Authorization to Refinance from CoBank and Execute
Necessary Notes**

Case No. 2010-00229

Dear Mr. Derouen:

Please find enclosed an original and ten (10) copies of Jackson Purchase Energy Corporation's Application. Also enclosed is an extra copy for purposes of file stamping. Please return the copy in the envelope provided.

In JPEC's previous refinancing matter, the Commission staff propounded data requests in an effort to clarify certain parts of the application. In an effort to be cooperative and expedite the approval process, I would like to take this opportunity to further elaborate on issues raised in previous data requests which are not contained in the application itself.

First, the loans which are the subject of this filing have, as of the date of this letter, been tentatively approved by CoBank. Final approval of the loan should be obtained within a few days after receiving the Commission's approval.

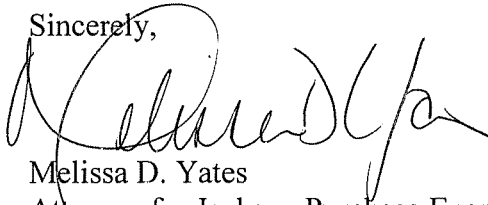
Secondly, it is possible, depending on the date the loan actually closes that additional interest amounts could cause the payoff amount to RUS could be different from the

Mr. Jeff DeRouen
June 7, 2010
Page 2

anticipated loan amount. However, in the event there is a difference, JPEC anticipates paying the difference rather than having the loan amount and documents adjusted.

I would ask that this letter be made part of the record in this matter. Should you need any further information from me regarding this filing, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Melissa D. Yates". The signature is fluid and cursive, with a large initial "M" and "D".

Melissa D. Yates
Attorney for Jackson Purchase Energy Corporation

Enclosures

125644

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED
JUN 08 2010
PUBLIC SERVICE
COMMISSION

In the Matter of:

APPLICATION OF JACKSON PURCHASE ENERGY)
CORPORATION FOR AUTHORIZATION TO)
REFINANCE FROM COBANK AND EXECUTE)
NECESSARY NOTES)

CASE NO. 2010-00229

APPLICATION

Jackson Purchase Energy Corporation ("JPEC"), respectfully submits this application seeking approval of refinancing of certain RUS Notes pursuant to KRS 278.300. JPEC submits this original and ten (10) copies of the application with this filing.

1. JPEC is a nonprofit electric cooperative organized under KRS Chapter 279 and is engaged in the business of distributing retail electric power to member consumers in the Kentucky counties of Ballard, Carlisle, Graves, Livingston, Marshall and McCracken. See 807 KAR 5:001, Section 8 (1).

2. JPEC's post office address is Post Office Box 4030, Paducah, Kentucky 42002-4030. See 807 KAR 5:001, Section 8 (1).

3. A certified copy of the Articles of Incorporation of JPEC and all amendments thereto were previously filed with the Commission in Case No. 2007-116, In The Matter of: Adjustment of Rates of Jackson Purchase Energy Corporation. Accordingly, reference is made thereto. See 807 KAR 5:001, Section 8 (3)

4. As of April 30, 2010, JPEC serves 29,090 member consumers. It has 2,903 miles of distribution lines in its six county service territory, and owns additional facilities necessary to

support this distribution system. The total original cost of these distribution lines and additional facilities as of April 30, 2010, is \$129,141,733. See 807 KAR 5:001, Section 11 (1)(a).

5. JPEC is not seeking authorization to issue any kind of stock as part of this application. See 807 KAR 5:001, Section 11(1)(b).

6. JPEC seeks to borrow from CoBank \$5,921,753 and execute notes in conjunction with this borrowing from CoBank. The CoBank loan will be for a period of sixteen (16) years and bear a fixed interest rate equal to or less than 4.69%. The note will be secured by virtue of a mortgage and security agreement. A more detailed analysis of the proposed loan can be found in Exhibit 1 attached hereto and incorporated herein by reference. See 807 KAR 5:001, Section 11 (1)(b).

7. JPEC will use the proceeds from the CoBank loan described in Numbered Paragraph 6 to repay various RUS loans which bear an interest rate of five percent (5%). The purpose of the present loan is simply to refinance JPEC's existing indebtedness, which will result in savings to JPEC and its members. A listing of all RUS loans to be paid with the CoBank funds referenced in Numbered Paragraphs 6 and 7 can be found in Exhibit 2 attached hereto. See 807 KAR 5:001, Section 11(1)(c).

8. JPEC also seeks to borrow from CoBank a total of \$3,353,647 and execute notes in conjunction with this borrowing from CoBank. This CoBank Loan would be for a period of nineteen (19) years and bear a fixed interest rate not to exceed 4.9%. This note would be secured by virtue of a mortgage and security agreement. A more detailed analysis of this loan can be found in Exhibit 3 attached hereto and incorporated herein by reference. See 807 KAR 5:001, Section 11 (1)(b). JPEC is hopeful, based on market conditions, that it may be able to procure this loan for a lower interest rate than 4.9%.

9. JPEC proposes to use the proceeds from the CoBank loan described in Numbered Paragraph 8 to repay various RUS loans which bear an interest rate of five percent (5%). The purpose of the present loan is simply to refinance JPEC's existing indebtedness, which will result in savings to JPEC and its members. If JPEC is unable to secure an interest rate less than 4.9%, then JPEC will not close on the loan described in Numbered Paragraphs 8 and 9. A listing of all RUS loans proposed to be paid with the CoBank funds, can be found in Exhibit 4 attached hereto. See 807 KAR 5:001, Section 11(1)(c).

10. The financial exhibit required by 807 KAR 5:001, Section 11(2)(a) is attached hereto and incorporated herein by reference as Exhibit 5 of this application.

11. The mortgages of JPEC are listed in Exhibit 6 attached hereto and incorporated herein by reference.

12. As no property is being acquired in conjunction with this financing, 807 KAR 5:001, Section 11 (2)(c) is not applicable.

WHEREFORE, JPEC respectfully requests that the Commission issue an Order authorizing JPEC to execute and issue evidences of indebtedness as security for the CoBank loan described herein, and for any other relief to which it may be entitled.

Dated this 17th day of June, 2010

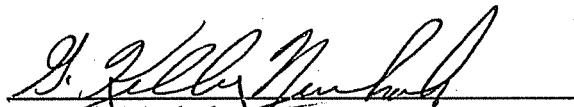
DENTON & KEULER, LLP
Attorneys at Law
555 Jefferson St, Ste 301
PO Box 929
Paducah KY 42002-0929
(270) 443-8253
(270) 442-8542

By: _____

Melissa D. Yates

VERIFICATION

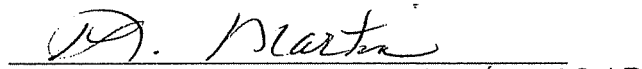
Pursuant to KRS 278.300(2), the undersigned, G KELLY NUCKOLS, being first duly sworn states that he is the President and Chief Executive Officer of Jackson Purchase Energy Corporation, that he has personal knowledge of the matters set forth in the foregoing application; and that the statements contained therein are true and correct to the best of his knowledge, information, and belief.


G. Kelly Nuckols

STATE OF KENTUCKY)
COUNTY OF McCracken)

Subscribed, sworn to, and acknowledged before me by G. Kelly Nuckols, this the 7th day of June, 2010.

My commission expires 9/7/2013.


Notary Public, State at Large ID # 403713

(S E A L)

Jackson Purchase Energy Corp.

**RUS Refinancing Term Loan
\$5,921,753**

May 28, 2010

Table of Contents

Executive Summary

- 1. Existing RUS Loan Profile & Summary Analysis**
- 2. Side by Side Comparison of RUS Notes and CoBank Loan**
- 3. CoBank Patronage and Effective Cost of Borrowing - RUS Notes**
- 4. Closing Procedures**

Executive Summary

Jackson Purchase Energy Corp. (Jackson Purchase) currently holds approximately \$5.9 million in RUS debt at an interest rate of 5%, which would qualify for CoBank refinancing at a life time fixed rate currently of 4.69%. At such a rate, CoBank's patronage refunds would result in an effective rate of approximately 3.97%, an effective savings of 72 basis points. The total projected savings amounts to \$498,743 with a present value of \$329,613. CoBank requests Jackson Purchase's consideration as lender for these loans. Such refinancing of mortgage debt is permitted by RUS under Article II, Section 2.02 of the Mortgage.

We have enclosed for your review a profile of existing eligible notes including a comparison of savings opportunity (Tab 1), a side by side comparison of the RUS loans' interest cost versus CoBank's loan interest cost and patronage payments (Tab 2), an analysis of CoBank's Patronage Refunds, Capital Plan and Effective Cost of Borrowing (Tab 3) and a summary of anticipated closing procedures (Tab 4).

We propose to consolidate the nine RUS notes into a single note with a principal repayment schedule matching the consolidated scheduled principal payments of all of the RUS refinanced notes (16.35 years). This would decrease Jackson Purchase's administration while, at the same time, not increase principal debt service.

CoBank is pleased to have this opportunity to present this information as part of its effort to find innovative ways for Jackson Purchase to enhance its success. This booklet is not a commitment to lend or an offer to make a loan. A commitment shall be in the form of a loan agreement upon receipt of an acceptable application, resolution, and other documentation as required by CoBank. Thank you for your consideration.

TAB 1

EXHIBIT 1

RUS notes proposed for refinancing:

Note ID	Principal Balance	Final Payment Date	Years Remaining	Weighted Average Life
1B260	340,786.44	05/31/2017	6.92	3.94
1B262	340,787.65	05/31/2017	6.92	3.94
1B270	715,845.63	07/31/2019	9.09	4.84
1B273	737,264.11	07/31/2019	9.09	4.87
1B280	883,302.27	08/31/2023	13.18	7.27
1B281	306.05	08/31/2023	13.18	7.30
1B283	908,427.04	08/31/2023	13.18	7.30
1B290	997,516.84	10/31/2026	16.35	9.24
1B292	997,516.84	10/31/2026	16.35	9.24
Totals	5,921,752.87		16.35	6.92

Interest Savings (over life of notes):

<u>Total Interest RUS @ 5.00%</u>	<u>Total Interest CoBank @ 4.69%</u>	<u>Total Savings</u>
\$2,064,759	\$1,979,093	\$85,666
CoBank Cash Patronage Refund:		\$268,500
CoBank Stock Patronage Refund:		\$144,577
Total Life Time Benefit:		\$498,743
Present Value of Benefit (discounted @ 4.69%)		\$329,613

There are no prepayment penalties arising from prepayment of RUS debt. CoBank would document this transaction using outside counsel to be paid by Jackson Purchase. The estimated cost is \$5,000 and is included in the loan analysis under tab 2 (shown in the column Patronage Refund). The documentation cost is considered in the effective interest rate analysis.

TAB 2

**Jackson Purchase Energy
Annual Summary
Scenario - Matching RUS Principal Repayment**

Loan Amount	\$5,921,753
CoBank Loan Interest Rate	4.69%
Lifetime Cash Flow Savings	\$498,743
Lifetime CoBank Patronage	\$413,077
Lifetime Interest Savings	\$85,666
Lifetime NPV Benefit	\$329,613

	Combined RUS Loans				CoBank Loan					
	Principal Balance	Annual Principal Payment	Annual Interest Payment	Total Ann Cash Flow	Annual Cash Flow Differential	Total Ann Cash Flow	Annual Interest Payment	Annual Principal Payment	Principal Balance	Patronage Refund
2010	\$5,727,880	\$193,873	\$146,037	\$339,910	-\$8,298	\$348,208	\$154,336	\$193,873	\$5,727,880	\$0
2011	\$5,322,974	\$404,906	\$277,169	\$682,075	\$32,715	\$649,360	\$263,595	\$404,906	\$5,322,974	\$19,141
2012	\$4,898,127	\$424,847	\$256,488	\$681,333	\$48,587	\$632,746	\$243,925	\$424,847	\$4,898,127	\$36,026
2013	\$4,450,808	\$447,319	\$234,722	\$682,041	\$44,835	\$637,206	\$223,227	\$447,319	\$4,450,808	\$33,340
2014	\$3,980,624	\$470,184	\$211,839	\$682,023	\$40,881	\$641,142	\$201,465	\$470,184	\$3,980,624	\$30,507
2015	\$3,486,406	\$494,218	\$187,786	\$682,004	\$36,728	\$645,276	\$178,590	\$494,218	\$3,486,406	\$27,532
2016	\$2,967,418	\$518,987	\$162,524	\$681,511	\$32,364	\$649,147	\$154,565	\$518,987	\$2,967,418	\$24,405
2017	\$2,484,759	\$482,659	\$136,638	\$681,357	\$27,818	\$691,538	\$130,004	\$482,659	\$2,484,759	\$21,124
2018	\$2,032,846	\$451,910	\$113,962	\$565,875	\$23,344	\$542,531	\$108,381	\$451,910	\$2,032,846	\$17,763
2019	\$1,648,859	\$383,987	\$91,686	\$475,672	\$19,299	\$456,374	\$87,196	\$383,987	\$1,648,859	\$14,809
2020	\$1,359,102	\$289,758	\$75,858	\$365,616	\$15,628	\$349,988	\$72,143	\$289,758	\$1,359,102	\$11,913
2021	\$1,054,287	\$304,815	\$61,026	\$365,840	\$12,848	\$352,992	\$58,037	\$304,815	\$1,054,287	\$9,859
2022	\$733,873	\$320,409	\$45,433	\$365,042	\$10,154	\$355,688	\$43,208	\$320,409	\$733,878	\$7,929
2023	\$464,731	\$269,147	\$29,516	\$298,663	\$7,347	\$291,316	\$28,070	\$269,147	\$464,731	\$5,902
2024	\$304,963	\$159,768	\$19,607	\$179,375	\$4,793	\$174,582	\$18,647	\$159,768	\$304,963	\$3,833
2025	\$136,956	\$168,007	\$11,431	\$179,438	\$3,108	\$176,330	\$10,872	\$168,007	\$136,956	\$2,548
2026	\$0	\$136,956	\$2,979	\$139,938	\$26,413	\$113,522	\$2,833	\$136,956	\$0	\$26,267
2027	\$0	\$0	\$0	\$0	\$26,117	\$26,117	\$0	\$0	\$0	\$26,117
2028	\$0	\$0	\$0	\$0	\$21,862	\$21,862	\$0	\$0	\$0	\$21,862
2029	\$0	\$0	\$0	\$0	\$18,226	\$18,226	\$0	\$0	\$0	\$18,226
2030	\$0	\$0	\$0	\$0	\$14,662	\$14,662	\$0	\$0	\$0	\$14,662
2031	\$0	\$0	\$0	\$0	\$12,135	\$12,135	\$0	\$0	\$0	\$12,135
2032	\$0	\$0	\$0	\$0	\$9,759	\$9,759	\$0	\$0	\$0	\$9,759
2033	\$0	\$0	\$0	\$0	\$7,264	\$7,264	\$0	\$0	\$0	\$7,264
2034	\$0	\$0	\$0	\$0	\$4,717	\$4,717	\$0	\$0	\$0	\$4,717
2035	\$0	\$0	\$0	\$0	\$3,136	\$3,136	\$0	\$0	\$0	\$3,136
2036	\$0	\$0	\$0	\$0	\$1,826	\$1,826	\$0	\$0	\$0	\$1,826
2037	\$0	\$0	\$0	\$0	\$474	\$474	\$0	\$0	\$0	\$474
2038	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2039	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2040	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2041	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2042	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2043	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2044	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2045	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sum		\$5,921,753	\$2,064,759	\$7,986,512	\$498,743	\$7,487,769	\$1,979,093	\$5,921,753		\$413,077

Scenario - Matching RUS Principal Repayment

EXISTING RUS LOANS

Beginning Loan Balance \$ 5,921,752.87
 Final Payment Date 10/31/26
 Remaining Monthly Pmts 196
 Initial RUS Monthly Pmt \$49,573.35
 Roll Forward Date 06/30/2010

Lifetime Interest \$2,064,759
 Present Value of RUS Cash Flow \$5,921,753
 NPV Benefit of Refi = \$325,613

CoBANK REFINANCING LOAN

Beginning Loan Balance \$ 5,921,752.87
 Final Payment Date 10/31/26
 Remaining Monthly Pmts 196
 CoBANK Interest Rate 4.69%
 Legal Costs \$15,000

Lifetime Interest \$1,964,093
 Present Value of CoBank Cash Flow \$5,992,139
 NPV Benefit of Refi = \$325,613

Payment Number	Combined RUS Loans				CoBank Loan					
	Principal Balance	Principal Payment	Interest Payment	Total Cash Flow	Total Cash Flow	Interest Payment	Principal Payment	Principal Balance	Legal Cost/Pat. Refund	
06/30/2010	0	\$5,921,753						\$5,921,753		
07/31/2010	1	5,896,853	\$24,999	\$24,674	\$49,573	\$63,815	\$23,916	\$24,899	\$5,896,853	\$15,000
08/31/2010	2	5,851,296	45,557	24,570	70,129	68,924	23,367	45,557	5,851,296	0
09/30/2010	3	5,825,474	25,822	24,380	50,203	49,009	23,186	25,822	5,825,474	0
10/31/2010	4	5,800,253	25,221	24,273	49,494	48,305	23,084	25,221	5,800,253	0
11/30/2010	5	5,753,319	46,934	24,158	71,102	69,918	22,984	46,934	5,753,319	0
12/31/2010	6	5,727,880	25,439	23,972	49,411	48,237	22,798	25,439	5,727,880	0
01/31/2011	7	5,702,334	25,547	23,866	49,413	48,244	22,697	25,547	5,702,334	0
02/28/2011	8	5,653,348	48,986	23,780	72,745	71,582	22,596	48,986	5,653,348	0
03/31/2011	9	5,627,575	25,773	23,556	49,329	29,033	22,402	25,773	5,627,575	-19,141
04/30/2011	10	5,601,007	26,560	23,448	50,017	48,868	22,300	26,560	5,601,007	0
05/31/2011	11	5,553,669	47,338	23,338	70,675	69,532	22,195	47,338	5,553,669	0
06/30/2011	12	5,526,884	26,784	23,140	49,925	48,792	22,007	26,784	5,526,884	0
07/31/2011	13	5,500,665	26,219	23,029	49,248	48,120	21,901	26,219	5,500,665	0
08/31/2011	14	5,452,723	47,942	22,919	70,862	69,739	21,797	47,942	5,452,723	0
09/30/2011	15	5,425,612	27,111	22,720	49,830	48,718	21,607	27,111	5,425,612	0
10/31/2011	16	5,399,055	26,558	22,607	49,164	48,057	21,500	26,558	5,399,055	0
11/30/2011	17	5,349,761	49,294	22,496	71,790	70,688	21,394	49,294	5,349,761	0
12/31/2011	18	5,322,974	26,796	22,281	49,077	47,985	21,199	26,796	5,322,974	0
01/31/2012	19	5,296,074	26,900	22,179	49,079	47,993	21,093	26,900	5,296,074	0
02/29/2012	20	5,245,524	50,550	22,067	72,617	71,537	20,986	50,550	5,245,524	0
03/31/2012	21	5,218,389	27,135	21,855	48,991	11,895	20,786	27,135	5,218,389	-36,026
04/30/2012	22	5,199,497	27,892	21,743	49,635	48,570	20,678	27,892	5,199,497	0
05/31/2012	23	5,140,688	49,809	21,627	71,436	70,377	20,568	49,809	5,140,688	0
06/30/2012	24	5,112,569	28,119	21,420	49,539	48,490	20,371	28,119	5,112,569	0
07/31/2012	25	5,084,965	27,604	21,302	48,906	47,863	20,259	27,604	5,084,965	0
08/31/2012	26	5,034,520	50,445	21,167	71,632	70,595	20,150	50,445	5,034,520	0
09/30/2012	27	5,006,058	28,462	20,977	49,439	48,412	19,950	28,462	5,006,058	0
10/31/2012	28	4,978,098	27,960	20,859	48,818	47,797	19,837	27,960	4,978,098	0
11/30/2012	29	4,926,328	51,771	20,742	72,513	71,497	19,726	51,771	4,926,328	0
12/31/2012	30	4,898,127	28,200	20,526	48,727	47,721	19,521	28,200	4,898,127	0
01/31/2013	31	4,869,807	28,320	20,409	48,729	47,730	19,409	28,320	4,869,807	0
02/28/2013	32	4,816,128	53,679	20,291	73,970	72,976	19,297	53,679	4,816,128	0
03/31/2013	33	4,787,559	28,569	20,067	48,636	14,313	19,084	28,569	4,787,559	-33,340
04/30/2013	34	4,758,274	29,286	19,848	49,234	48,257	18,971	29,286	4,758,274	0
05/31/2013	35	4,705,863	52,411	19,626	72,237	71,266	18,855	52,411	4,705,863	0
06/30/2013	36	4,676,338	29,524	19,808	49,132	48,172	18,648	29,524	4,676,338	0
07/31/2013	37	4,647,276	29,062	19,485	48,547	47,593	18,531	29,062	4,647,276	0
08/31/2013	38	4,594,197	53,079	19,364	72,443	71,495	18,415	53,079	4,594,197	0
09/30/2013	39	4,564,312	29,885	19,142	49,028	48,080	18,205	29,885	4,564,312	0
10/31/2013	40	4,534,875	29,437	19,018	48,454	47,523	18,087	29,437	4,534,875	0
11/30/2013	41	4,480,498	54,378	18,895	73,273	72,347	17,970	54,378	4,480,498	0
12/31/2013	42	4,450,808	29,689	18,669	48,358	47,444	17,754	29,689	4,450,808	0
01/31/2014	43	4,420,993	29,816	18,545	48,361	47,452	17,637	29,816	4,420,993	0
02/28/2014	44	4,364,784	56,209	18,421	74,630	73,728	17,519	56,209	4,364,784	0
03/31/2014	45	4,334,707	30,076	18,167	48,263	16,865	17,295	30,076	4,334,707	-30,507
04/30/2014	46	4,303,956	30,751	18,061	48,812	47,928	17,177	30,751	4,303,956	0
05/31/2014	47	4,248,811	55,145	17,933	73,078	72,200	17,055	55,145	4,248,811	0
06/30/2014	48	4,217,810	31,002	17,793	48,705	47,838	16,836	31,002	4,217,810	0
07/31/2014	49	4,187,214	30,585	17,574	48,169	47,309	16,714	30,585	4,187,214	0
08/31/2014	50	4,131,366	55,848	17,447	73,295	72,441	16,592	55,848	4,131,366	0
09/30/2014	51	4,099,985	31,381	17,214	48,595	47,752	16,371	31,381	4,099,985	0
10/31/2014	52	4,068,996	30,989	17,083	48,072	47,235	16,247	30,989	4,068,996	0
11/30/2014	53	4,011,879	57,118	16,954	74,072	73,241	16,124	57,118	4,011,879	0
12/31/2014	54	3,980,624	31,255	16,736	47,874	47,152	15,898	31,255	3,980,624	0
01/31/2015	55	3,949,236	31,388	16,586	47,973	47,161	15,774	31,388	3,949,236	0
02/28/2015	56	3,890,368	58,868	16,455	75,223	74,517	15,649	58,868	3,890,368	0
03/31/2015	57	3,858,707	31,661	16,210	47,874	19,545	15,416	31,661	3,858,707	-27,532
04/30/2015	58	3,826,416	32,291	16,078	48,369	47,581	15,291	32,291	3,826,416	0
05/31/2015	59	3,768,397	58,019	15,943	73,962	73,182	15,163	58,019	3,768,397	0
06/30/2015	60	3,735,843	32,555	15,702	49,256	47,488	14,933	32,555	3,735,843	0
07/31/2015	61	3,703,636	32,207	15,566	47,773	47,010	14,804	32,207	3,703,636	0
08/31/2015	62	3,644,878	58,758	15,432	74,190	73,435	14,676	58,758	3,644,878	0
09/30/2015	63	3,611,924	32,954	15,187	48,141	47,397	14,443	32,954	3,611,924	0
10/31/2015	64	3,579,303	32,621	15,050	47,670	46,933	14,313	32,621	3,579,303	0
11/30/2015	65	3,519,306	59,997	14,914	74,911	74,181	14,183	59,997	3,519,306	0

12/31/2015	66	3,486,406	32,900	14,654	47,584	15,846	13,946	32,900	3,486,406	0
01/31/2016	67	3,453,366	33,040	14,527	47,567	46,855	13,815	33,040	3,453,366	0
02/29/2016	68	3,392,176	61,189	14,389	47,578	74,874	13,684	61,189	3,392,176	0
03/31/2016	69	3,258,851	33,325	14,134	47,469	22,362	13,442	33,325	3,258,851	-24,405
04/30/2016	70	3,324,943	23,908	13,993	47,903	47,218	13,310	33,908	3,324,943	0
05/31/2016	71	3,263,966	61,038	13,854	47,892	74,213	13,175	61,038	3,263,966	0
06/30/2016	72	3,229,720	34,185	13,800	47,785	47,119	12,934	34,185	3,229,720	0
07/31/2016	73	3,195,822	33,898	13,457	47,355	46,696	12,798	33,898	3,195,822	0
08/31/2016	74	3,134,007	61,815	13,311	47,131	74,479	12,664	61,815	3,134,007	0
09/30/2016	75	3,099,402	34,505	13,058	47,653	47,024	12,419	34,505	3,099,402	0
10/31/2016	76	3,065,068	34,334	12,914	47,248	46,616	12,282	34,334	3,065,068	0
11/30/2016	77	3,002,046	63,022	12,771	75,793	75,168	12,146	63,022	3,002,046	0
12/31/2016	78	2,967,418	34,628	12,509	47,136	46,524	11,896	34,628	2,967,418	0
01/31/2017	79	2,932,643	34,775	12,354	47,139	46,534	11,759	34,775	2,932,643	0
02/28/2017	80	2,868,046	64,598	12,215	76,817	76,219	11,621	64,598	2,868,046	0
03/31/2017	81	2,832,970	35,076	11,950	47,026	25,317	11,365	35,076	2,832,970	-21,324
04/30/2017	82	2,797,360	35,510	11,804	47,414	46,835	11,226	35,510	2,797,360	0
05/31/2017	83	2,737,735	59,626	11,656	71,281	70,710	11,085	59,626	2,737,735	0
06/30/2017	84	2,701,834	35,901	11,407	47,308	46,750	10,849	35,901	2,701,834	0
07/31/2017	85	2,666,155	35,879	11,258	46,836	46,385	10,706	35,879	2,666,155	0
08/31/2017	86	2,630,325	35,830	11,109	46,939	46,395	10,565	35,830	2,630,325	0
09/30/2017	87	2,593,982	36,343	10,960	47,302	46,766	10,423	36,343	2,593,982	0
10/31/2017	88	2,557,845	36,137	10,808	46,945	46,416	10,279	36,137	2,557,845	0
11/30/2017	89	2,521,205	36,641	10,658	47,298	46,776	10,136	36,641	2,521,205	0
12/31/2017	90	2,484,759	36,446	10,505	46,951	46,436	9,991	36,446	2,484,759	0
01/31/2018	91	2,448,159	36,600	10,353	46,954	46,447	9,846	36,600	2,448,159	0
02/28/2018	92	2,410,397	37,762	10,201	47,963	47,463	9,701	37,762	2,410,397	0
03/31/2018	93	2,373,481	36,916	10,043	46,960	28,704	9,551	36,916	2,373,481	-17,763
04/30/2018	94	2,336,082	37,399	9,890	47,288	46,803	9,405	37,399	2,336,082	0
05/31/2018	95	2,298,851	37,232	9,734	46,966	46,489	9,257	37,232	2,298,851	0
06/30/2018	96	2,261,146	37,705	9,579	47,283	46,814	9,109	37,705	2,261,146	0
07/31/2018	97	2,223,596	37,550	9,421	46,972	46,510	8,960	37,550	2,223,596	0
08/31/2018	98	2,185,886	37,710	9,265	46,975	46,521	8,811	37,710	2,185,886	0
09/30/2018	99	2,147,717	38,169	9,108	47,277	46,631	8,662	38,169	2,147,717	0
10/31/2018	100	2,109,685	38,032	8,949	46,981	46,542	8,511	38,032	2,109,685	0
11/30/2018	101	2,071,203	38,482	8,790	47,273	46,842	8,360	38,482	2,071,203	0
12/31/2018	102	2,032,846	38,357	8,630	46,987	46,564	8,207	38,357	2,032,846	0
01/31/2019	103	1,994,327	38,520	8,470	46,990	46,575	8,055	38,520	1,994,327	0
02/28/2019	104	1,954,824	39,503	8,310	47,812	47,405	7,903	39,503	1,954,824	0
03/31/2019	105	1,915,973	38,651	8,145	46,996	31,788	7,746	38,651	1,915,973	-14,809
04/30/2019	106	1,876,695	39,278	7,983	47,262	46,871	7,592	39,278	1,876,695	0
05/31/2019	107	1,837,512	39,183	7,820	47,002	46,619	7,437	39,183	1,837,512	0
06/30/2019	108	1,797,911	39,601	7,656	47,257	46,882	7,281	39,601	1,797,911	0
07/31/2019	109	1,765,253	32,658	7,491	46,149	39,783	7,124	32,658	1,765,253	0
08/31/2019	110	1,742,265	22,988	7,335	30,343	29,983	6,995	22,988	1,742,265	0
09/30/2019	111	1,718,942	23,324	7,259	30,583	30,228	6,904	23,324	1,718,942	0
10/31/2019	112	1,695,757	23,184	7,182	30,347	29,996	6,812	23,184	1,695,757	0
11/30/2019	113	1,672,242	23,515	7,066	30,581	30,235	6,720	23,515	1,672,242	0
12/31/2019	114	1,648,859	23,383	6,968	30,350	30,009	6,625	23,383	1,648,859	0
01/31/2020	115	1,625,378	23,482	6,870	30,352	30,016	6,534	23,482	1,625,378	0
02/29/2020	116	1,601,351	24,027	6,772	30,799	30,468	6,441	24,027	1,601,351	0
03/31/2020	117	1,577,667	23,684	6,672	30,356	18,116	6,346	23,684	1,577,667	-11,913
04/30/2020	118	1,553,666	24,000	6,574	30,574	30,252	6,252	24,000	1,553,666	0
05/31/2020	119	1,529,780	23,886	6,474	30,360	30,043	6,157	23,886	1,529,780	0
06/30/2020	120	1,505,583	24,197	6,374	30,571	30,259	6,062	24,197	1,505,583	0
07/31/2020	121	1,481,493	24,090	6,273	30,364	30,056	5,966	24,090	1,481,493	0
08/31/2020	122	1,457,300	24,193	6,173	30,366	30,063	5,871	24,193	1,457,300	0
09/30/2020	123	1,432,805	24,495	6,072	30,567	30,270	5,775	24,495	1,432,805	0
10/31/2020	124	1,408,406	24,399	5,970	30,369	30,077	5,678	24,399	1,408,406	0
11/30/2020	125	1,383,710	24,696	5,868	30,564	30,277	5,581	24,696	1,383,710	0
12/31/2020	126	1,358,102	24,608	5,765	30,373	30,091	5,483	24,608	1,358,102	0
01/31/2021	127	1,334,389	24,712	5,663	30,375	30,098	5,386	24,712	1,334,389	0
02/28/2021	128	1,309,023	25,366	5,560	30,326	30,653	5,288	25,366	1,309,023	0
03/31/2021	129	1,284,098	24,925	5,454	30,379	20,253	5,187	24,925	1,284,098	-9,859
04/30/2021	130	1,258,892	25,207	5,350	30,557	30,295	5,088	25,207	1,258,892	0
05/31/2021	131	1,233,754	25,138	5,245	30,383	30,126	4,989	25,138	1,233,754	0
06/30/2021	132	1,208,340	25,414	5,141	30,554	30,303	4,889	25,414	1,208,340	0
07/31/2021	133	1,182,987	25,353	5,035	30,387	30,141	4,788	25,353	1,182,987	0
08/31/2021	134	1,157,527	25,460	4,929	30,389	30,148	4,688	25,460	1,157,527	0
09/30/2021	135	1,131,800	25,727	4,823	30,550	30,314	4,587	25,727	1,131,800	0
10/31/2021	136	1,106,122	25,678	4,716	30,394	30,163	4,485	25,678	1,106,122	0
11/30/2021	137	1,080,184	25,938	4,609	30,547	30,321	4,383	25,938	1,080,184	0
12/31/2021	138	1,054,287	25,897	4,501	30,398	30,177	4,280	25,897	1,054,287	0
01/31/2022	139	1,028,280	26,007	4,393	30,400	30,185	4,178	26,007	1,028,280	0
02/28/2022	140	1,001,740	26,540	4,285	30,324	30,615	4,075	26,540	1,001,740	0
03/31/2022	141	975,510	26,230	4,174	30,404	22,270	3,970	26,230	975,510	-7,929
04/30/2022	142	949,035	26,475	4,065	30,540	30,341	3,866	26,475	949,035	0
05/31/2022	143	922,582	26,454	3,954	30,408	30,214	3,761	26,454	922,582	0
06/30/2022	144	895,889	26,693	3,844	30,537	30,348	3,656	26,693	895,889	0
07/31/2022	145	869,210	26,679	3,733	30,412	30,230	3,550	26,679	869,210	0
08/31/2022	146	842,417	26,793	3,622	30,414	30,237	3,444	26,793	842,417	0
09/30/2022	147	815,395	27,022	3,510	30,532	30,360	3,338	27,022	815,395	0
10/31/2022	148	788,374	27,021	3,397	30,419	30,252	3,231	27,021	788,374	0
11/30/2022	149	761,130	27,244	3,285	30,529	30,368	3,124	27,244	761,130	0
12/31/2022	150	733,878	27,252	3,171	30,423	30,268	3,016	27,252	733,878	0
01/31/2023	151	706,510	27,367	3,058	30,425	30,276	2,908	27,367	706,510	0
02/28/2023	152	678,736	27,774	2,944	30,718	30,574	2,800	27,774	678,736	0
03/31/2023	153	651,135	27,602	2,828	30,430	24,389	2,690	27,602	651,135	-5,902
04/30/2023	154	623,327	27,800	2,713	30,521	30,388	2,580	27,800	623,327	0
05/31/2023	155	595,490	27,837	2,597	30,434	30,307	2,470	27,837	595,490	0
06/30/2023	156	567,453	28,037	2,481	30,518	30,396	2,360	28,037	567,453	0
07/31/2023	157	539,379	28,074	2,364	30,439	30,323	2,249	28,074	539,379	0

08/31/2023	158	516,234	23,145	2,247	25,392	25,282	2,137	23,145	516,234	0
09/30/2023	159	503,403	12,830	2,151	14,981	14,876	2,046	12,830	503,403	0
10/31/2023	160	490,590	12,814	2,098	14,911	14,809	1,995	12,814	490,590	0
11/30/2023	161	477,654	12,936	2,044	14,980	14,880	1,944	12,936	477,654	0
12/31/2023	162	464,731	12,323	1,950	14,273	14,176	1,893	12,323	464,731	0
01/31/2024	163	451,753	12,978	1,936	14,914	14,820	1,842	12,978	451,753	0
02/29/2024	164	438,596	13,157	1,882	15,039	14,947	1,790	13,157	438,596	0
03/31/2024	165	425,507	13,089	1,827	14,917	14,834	1,738	13,089	425,507	-3,833
04/30/2024	166	412,304	13,203	1,773	14,976	14,889	1,686	13,203	412,304	0
05/31/2024	167	399,103	13,201	1,718	14,919	14,835	1,634	13,201	399,103	0
06/30/2024	168	385,791	13,312	1,663	14,974	14,889	1,581	13,312	385,791	0
07/31/2024	169	372,478	13,313	1,607	14,921	14,842	1,529	13,313	372,478	0
08/31/2024	170	359,108	13,370	1,552	14,922	14,846	1,476	13,370	359,108	0
09/30/2024	171	345,632	13,476	1,496	14,972	14,899	1,423	13,476	345,632	0
10/31/2024	172	332,148	13,484	1,440	14,924	14,853	1,370	13,484	332,148	0
11/30/2024	173	318,562	13,587	1,384	14,971	14,903	1,316	13,587	318,562	0
12/31/2024	174	304,963	13,599	1,327	14,926	14,861	1,262	13,599	304,963	0
01/31/2025	175	291,306	13,657	1,271	14,927	14,865	1,208	13,657	291,306	0
02/28/2025	176	277,472	13,634	1,214	15,048	14,889	1,154	13,634	277,472	0
03/31/2025	177	263,699	13,772	1,156	14,929	14,925	1,100	13,772	263,699	-2,548
04/30/2025	178	249,831	13,868	1,099	14,907	14,913	1,045	13,868	249,831	0
05/31/2025	179	235,940	13,891	1,041	14,932	14,881	990	13,891	235,940	0
06/30/2025	180	221,958	13,982	983	14,955	14,917	935	13,982	221,958	0
07/31/2025	181	207,949	14,009	925	14,934	14,889	880	14,009	207,949	0
08/31/2025	182	193,880	14,069	866	14,935	14,893	824	14,069	193,880	0
09/30/2025	183	179,725	14,155	808	14,963	14,923	768	14,155	179,725	0
10/31/2025	184	165,537	14,188	749	14,937	14,901	712	14,188	165,537	0
11/30/2025	185	151,266	14,271	690	14,961	14,927	656	14,271	151,266	0
12/31/2025	186	136,956	14,309	630	14,940	14,909	599	14,309	136,956	0
01/31/2026	187	122,586	14,370	571	14,941	14,913	543	14,370	122,586	0
02/28/2026	188	108,105	14,481	511	14,992	14,967	486	14,481	108,105	0
03/31/2026	189	93,612	14,493	450	14,943	14,946	428	14,493	93,612	-26,267
04/30/2026	190	79,045	14,567	390	14,957	14,938	371	14,567	79,045	0
05/31/2026	191	64,429	14,616	329	14,945	14,929	313	14,616	64,429	0
06/30/2026	192	49,743	14,687	266	14,952	14,942	255	14,687	49,743	0
07/31/2026	193	35,002	14,740	207	14,948	14,938	197	14,740	35,002	0
08/31/2026	194	20,199	14,803	146	14,949	14,942	139	14,803	20,199	0
09/30/2026	195	5,331	14,869	84	14,953	14,949	80	14,869	5,331	0
10/31/2026	196	0	5,331	22	5,353	5,352	21	5,331	0	0
11/30/2026	197	0	0	0	0	0	0	0	0	0
12/31/2026	198	0	0	0	0	0	0	0	0	0
01/31/2027	199	0	0	0	0	0	0	0	0	0
02/28/2027	200	0	0	0	0	0	0	0	0	0
03/31/2027	201	0	0	0	0	0	0	0	0	0
04/30/2027	202	0	0	0	0	0	0	0	0	0
05/31/2027	203	0	0	0	0	0	0	0	0	0
06/30/2027	204	0	0	0	0	0	0	0	0	0
07/31/2027	205	0	0	0	0	0	0	0	0	0
08/31/2027	206	0	0	0	0	0	0	0	0	0
09/30/2027	207	0	0	0	0	0	0	0	0	0
10/31/2027	208	0	0	0	0	0	0	0	0	0
11/30/2027	209	0	0	0	0	0	0	0	0	0
12/31/2027	210	0	0	0	0	0	0	0	0	0
01/31/2028	211	0	0	0	0	0	0	0	0	0
02/29/2028	212	0	0	0	0	0	0	0	0	0
03/31/2028	213	0	0	0	0	0	0	0	0	0
04/30/2028	214	0	0	0	0	0	0	0	0	0
05/31/2028	215	0	0	0	0	0	0	0	0	0
06/30/2028	216	0	0	0	0	0	0	0	0	0
07/31/2028	217	0	0	0	0	0	0	0	0	0
08/31/2028	218	0	0	0	0	0	0	0	0	0
09/30/2028	219	0	0	0	0	0	0	0	0	0
10/31/2028	220	0	0	0	0	0	0	0	0	0
11/30/2028	221	0	0	0	0	0	0	0	0	0
12/31/2028	222	0	0	0	0	0	0	0	0	0
01/31/2029	223	0	0	0	0	0	0	0	0	0
02/28/2029	224	0	0	0	0	0	0	0	0	0
03/31/2029	225	0	0	0	0	0	0	0	0	0
04/30/2029	226	0	0	0	0	0	0	0	0	0
05/31/2029	227	0	0	0	0	0	0	0	0	0
06/30/2029	228	0	0	0	0	0	0	0	0	0
07/31/2029	229	0	0	0	0	0	0	0	0	0
08/31/2029	230	0	0	0	0	0	0	0	0	0
09/30/2029	231	0	0	0	0	0	0	0	0	0
10/31/2029	232	0	0	0	0	0	0	0	0	0
11/30/2029	233	0	0	0	0	0	0	0	0	0
12/31/2029	234	0	0	0	0	0	0	0	0	0
01/31/2030	235	0	0	0	0	0	0	0	0	0
02/28/2030	236	0	0	0	0	0	0	0	0	0
03/31/2030	237	0	0	0	0	0	0	0	0	0
04/30/2030	238	0	0	0	0	0	0	0	0	0
05/31/2030	239	0	0	0	0	0	0	0	0	0
06/30/2030	240	0	0	0	0	0	0	0	0	0
07/31/2030	241	0	0	0	0	0	0	0	0	0
08/31/2030	242	0	0	0	0	0	0	0	0	0
09/30/2030	243	0	0	0	0	0	0	0	0	0
10/31/2030	244	0	0	0	0	0	0	0	0	0
11/30/2030	245	0	0	0	0	0	0	0	0	0
12/31/2030	246	0	0	0	0	0	0	0	0	0
01/31/2031	247	0	0	0	0	0	0	0	0	0
02/28/2031	248	0	0	0	0	0	0	0	0	0
03/31/2031	249	0	0	0	0	0	0	0	0	0

TAB 3

EXHIBIT 1



Rural America's Cooperative Bank

Projection of Cash Flows and Effective Interest Rate

The projection of cash flows is based on loan amounts, dates and interest rates shown below along with the present capital plan and expected retirement of bank equities.

The capital plan, patronage rate and equity retirements may be changed at the discretion of the bank's board of directors. The following projections are intended for illustrative purposes only, are not intended to represent a commitment to a specific interest rate, and will not become part of any loan documentation.

The effective interest rate shown is the discount rate applied on a monthly basis at which the net present value of all the cash flows equal to zero (commonly called the internal rate of return).

Borrower Name	Jackson Purchase Energy
Schedule	Matching RUS Principal Repayment
Account Officer	LaDuca
Prepared by:	LaDuca
Quote Date	May 28, 2010
Origination Date	June 30, 2010
Amortization Start Date	July 31, 2010
<hr/>	
Loan Amount	\$5,921,753
Years to Maturity	16.350
Nominal Interest Rate	4.69%
Estimated Legal Fees (\$)	15,000
Payments/Year	12
Amort Method	Irregular Payments
Days per Year	360
Payment Amount	\$0

Nominal Interest Rate	4.69%
Net Effective Interest Rate	3.97%
Reduction of Interest Rate	0.72%
<hr/>	
Patronage Rate	1.00%
% Cash Patronage	65.00%
Initial Capital Purchase Amount	\$0
Target Equity	8.00%
<hr/>	
Prior Year End Capital Balance	0
Avg Loan Balance - 1 year ago	0
Avg Loan Balance - 2 years ago	0
Avg Loan Balance - 3 years ago	0
Avg Loan Balance - 4 years ago	0
Avg Loan Balance - 5 years ago	0
Avg Loan Balance - 6 years ago	0
Avg Loan Balance - 7 years ago	0
Avg Loan Balance - 8 years ago	0

EXHIBIT 1

Borrower: Jackson Purchase Energy
 Quote Date: May 28, 2010
 Origination Date: June 30, 2010
 Schedule: Fixed
 Effective Interest Rate: 5.57%
 Maturity: RUS Principal Repayment

Year	Principal Advance	Principal Payments	Interest Payments	Capital Purchases	Cash Patronage	Capital Retired in Cash	Net Cash Flow	Patronage Paid as Capital	Capital Balance	End of Period Loan Balance	1 Year Avg Loan Balance	10 Year Avg Loan Balance	Target Equity
	A	B	C	D	E	F	G	H	I	J	K	L	M
2010	5,921,753	193,873	154,336	0	0	0	5,573,545	10,307	10,307	5,727,880	2,944,838	294,484	23,559
2011	0	404,906	263,595	0	19,141	0	-649,360	19,399	29,706	5,322,974	5,542,454	848,729	67,898
2012	0	424,847	243,925	0	36,026	0	-637,746	17,952	47,658	4,898,127	5,129,217	1,361,651	108,932
2013	0	447,319	223,227	0	33,340	0	-637,206	16,427	64,085	4,450,808	4,693,422	1,830,993	146,479
2014	0	470,184	201,465	0	30,507	0	-641,142	14,825	78,910	3,980,624	4,235,709	2,254,564	180,365
2015	0	494,218	178,590	0	27,532	0	-645,276	13,141	92,051	3,486,406	3,754,599	2,630,024	210,402
2016	0	518,987	154,565	0	24,405	0	-649,147	11,375	103,425	2,967,418	3,249,859	2,955,010	236,401
2017	0	482,659	130,004	0	21,124	0	-649,147	9,565	112,990	2,484,759	2,732,812	3,228,291	258,263
2018	0	451,913	108,381	0	17,763	0	-542,531	7,974	120,964	2,032,846	2,278,267	3,456,118	276,489
2019	0	383,987	87,196	0	14,809	0	-456,374	6,415	127,379	1,648,859	1,832,785	3,639,396	291,152
2020	0	289,758	72,143	0	11,913	0	-349,988	5,309	132,688	1,359,102	1,516,836	3,496,596	279,728
2021	0	304,815	58,037	0	9,859	0	-352,992	4,270	136,957	1,054,287	1,219,858	3,064,336	245,147
2022	0	320,409	43,208	0	7,929	0	-355,688	3,178	140,135	733,878	907,961	2,642,211	211,377
2023	0	269,147	28,070	0	5,902	0	-291,316	2,064	142,199	464,731	589,656	2,231,834	178,547
2024	0	159,768	18,647	0	3,833	0	-174,582	1,372	143,571	304,963	391,961	1,847,459	147,797
2025	0	168,007	10,872	0	2,548	0	-176,330	799	144,370	136,956	228,264	1,494,826	119,586
2026	0	136,956	2,833	0	1,484	24,784	-113,522	207	119,793	0	59,231	1,175,763	94,061
2027	0	0	0	0	385	25,732	26,117	0	94,061	0	0	902,482	72,199
2028	0	0	0	0	0	21,862	21,862	0	72,199	0	0	674,655	53,972
2029	0	0	0	0	0	18,226	18,226	0	53,972	0	0	491,377	39,310
2030	0	0	0	0	0	14,662	14,662	0	39,310	0	0	339,693	27,175
2031	0	0	0	0	0	12,135	12,135	0	27,175	0	0	217,707	17,417
2032	0	0	0	0	0	9,759	9,759	0	17,417	0	0	126,911	10,153
2033	0	0	0	0	0	7,264	7,264	0	10,153	0	0	67,946	5,436
2034	0	0	0	0	0	4,717	4,717	0	5,436	0	0	28,749	2,300
2035	0	0	0	0	0	3,136	3,136	0	2,300	0	0	5,923	474
2036	0	0	0	0	0	1,826	1,826	0	474	0	0	0	0
2037	0	0	0	0	0	474	474	0	0	0	0	0	0
2038	0	0	0	0	0	0	0	0	0	0	0	0	0
2039	0	0	0	0	0	0	0	0	0	0	0	0	0
2040	0	0	0	0	0	0	0	0	0	0	0	0	0
2041	0	0	0	0	0	0	0	0	0	0	0	0	0
2042	0	0	0	0	0	0	0	0	0	0	0	0	0
2043	0	0	0	0	0	0	0	0	0	0	0	0	0
2044	0	0	0	0	0	0	0	0	0	0	0	0	0
2045	0	0	0	0	0	0	0	0	0	0	0	0	0
2046	0	0	0	0	0	0	0	0	0	0	0	0	0
2047	0	0	0	0	0	0	0	0	0	0	0	0	0
2048	0	0	0	0	0	0	0	0	0	0	0	0	0
2049	0	0	0	0	0	0	0	0	0	0	0	0	0
2050	0	0	0	0	0	0	0	0	0	0	0	0	0
2051	0	0	0	0	0	0	0	0	0	0	0	0	0
2052	0	0	0	0	0	0	0	0	0	0	0	0	0
2053	0	0	0	0	0	0	0	0	0	0	0	0	0
2054	0	0	0	0	0	0	0	0	0	0	0	0	0
2055	0	0	0	0	0	0	0	0	0	0	0	0	0
2056	0	0	0	0	0	0	0	0	0	0	0	0	0
2057	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	\$5,921,753	\$5,921,753	\$1,979,093	\$0	\$268,500	\$144,577		\$144,577					

EXHIBIT 1



Rural America's Cooperative Bank

Projection of Cash Flows and Effective Interest Rates

The following provides a column-by-column description of CoBank's Loan Rate Model. The Loan Rate Model provides projections of cash flows and effective interest rates based upon the assumptions given for each printout.

- Column C reflects the principal advances on the loan.
- Column E reflects the periodic principal payments.
- Column F reflects the periodic interest payments.
- Column H shows the capital purchases required based upon the assumptions. A new borrower must purchase \$1,000 capital.
- Column I reflects the cash patronage. Total patronage is calculated as a percentage of the one year average loan balance. CoBank is required by statute to pay a minimum of 20 percent patronage capital allocated to a borrower during each year in cash.
- Column J shows capital retirements in cash.
- Column K reflects the net cash flow for the borrower throughout the term of the loan.
- Column L reflects the allocated patronage used to purchase additional capital in CoBank. This represents the balance of the capital allocated each year which was not paid in cash.
- Column M shows the balance of purchased and allocated capital on a cumulative basis each year.
- Column N reflects the loan balance at the end of the year.
- Column O represents the one year average loan balance which is the basis for annual patronage.
- Column P represents average ten year loan balance which is the basis for determining the capital target for the borrower.
- Column Q shows the target equity for the borrower based upon the ten year average loan balance.

TAB 4

EXHIBIT 1

Refinancing Process

A refinancing of secured debt is permitted under the RUS Mortgage. Included below is an excerpt from the RUS Mortgage providing for such refinancing. CoBank can provide electronic copies of all CoBank documents.

The specific steps for refinancing RUS notes are:

1. Provide CoBank with your RUS form 613 (Quarterly RUS Statement of Loan Account) in order to analyze notes beneficial to refinance.
2. CoBank completes due diligence and provides loan commitment.
3. Provide notice to RUS of prepayment, designating notes to be prepaid and request for payoff memorandum. This notice must be at least four business days before the desired pay off date.
 - RUS Payoff Information: Direct Loan and Grant Branch (DLGB)
 - Telephone: 314-457-4049 or 314-457-4083
 - Fax: 314-457-4283 or 314-457-4284
 - Email: dlgb@stl.rural.usda.gov
 - Cash Transmittal Questions: Cash Management Branch (CMB)
 - Telephone: 314-457-4021
4. Obtain and forward to CoBank, RUS prepared spreadsheet setting forth principal and interest to be paid off.
5. Apply and obtain any required regulatory approval as defined by applicable state.
6. Provide borrowing resolution and return all executed loan documents to CoBank.
7. Borrower notifies CoBank as to whether prior period amounts due will be delivered to CoBank or if it will be drawn from borrower's CoBank line of credit for final settlement of RUS notes.
8. Principal balance and interest wired by CoBank to RUS paying off notes.
9. Supplemental mortgages filing complete and opinion of counsel delivered to CoBank.

Excerpt from Article II of the RUS Mortgage

SECTION 2.02. Refunding or Refinancing Notes: The Mortgagor shall also have the right without the consent of any Mortgagee or any Noteholder to issue Additional Notes for the purpose of refunding or refinancing any Notes so long as the total amount of outstanding indebtedness evidenced by such Additional Note or Notes is not greater than 105% of the then outstanding principal balance of the Note or Notes being refunded or refinanced. PROVIDED, HOWEVER, that the Mortgagor may not exercise its rights under this Section if an Event of Default has occurred and is continuing, or any event which with the giving of notice or lapse of time or both would become an Event of Default has occurred and is continuing. On or before the first advance of proceeds from Notes issued under this section, the Mortgagor shall notify each Mortgagee of the refunding or refinancing. Additional Notes issued pursuant to this Section [2.02] will thereupon be secured equally and ratably with the Notes.

RUS notes proposed for refinancing:

Note ID	Principal Balance	Final Payment Date	Years Remaining	Weighted Average Life
1B260	340,786.44	05/31/2017	6.92	3.94
1B262	340,787.65	05/31/2017	6.92	3.94
1B270	715,845.63	07/31/2019	9.09	4.84
1B273	737,264.11	07/31/2019	9.09	4.87
1B280	883,302.27	08/31/2023	13.18	7.27
1B281	306.05	08/31/2023	13.18	7.30
1B283	908,427.04	08/31/2023	13.18	7.30
1B290	997,516.84	10/31/2026	16.35	9.24
1B292	997,516.84	10/31/2026	16.35	9.24
Totals	5,921,752.87		16.35	6.92

Interest Savings (over life of notes):

Total Interest RUS @ 5.00%	Total Interest CoBank @ 4.69%	Total Savings
\$2,064,759	\$1,979,093	\$85,666
CoBank Cash Patronage Refund:		\$268,500
CoBank Stock Patronage Refund:		<u>\$144,577</u>
Total Life Time Benefit:		<u>\$498,743</u>
Present Value of Benefit (discounted @ 4.69%)		<u>\$329,613</u>

There are no prepayment penalties arising from prepayment of RUS debt. CoBank would document this transaction using outside counsel to be paid by Jackson Purchase. The estimated cost is \$5,000 and is included in the loan analysis under tab 2 (shown in the column Patronage Refund). The documentation cost is considered in the effective interest rate analysis.

Jackson Purchase Energy Corp.

**RUS Refinancing Term Loan
\$3,344,255**

May 28, 2010

Table of Contents

Executive Summary

- 1. Existing RUS Loan Profile & Summary Analysis**
- 2. Side by Side Comparison of RUS Notes and CoBank Loan**
- 3. CoBank Patronage and Effective Cost of Borrowing - RUS Notes**
- 4. Closing Procedures**

Executive Summary

Jackson Purchase Energy Corp. (Jackson Purchase) currently holds approximately \$3.3 million in RUS debt at an interest rate of 5%, which would qualify for CoBank refinancing at a life time fixed rate currently of 4.90%. At such a rate, CoBank's patronage refunds would result in an effective rate of approximately 4.15%, an effective savings of 75 basis points. The total projected savings amounts to \$367,544 with a present value of \$215,396. CoBank requests Jackson Purchase's consideration as lender for these loans. Such refinancing of mortgage debt is permitted by RUS under Article II, Section 2.02 of the Mortgage.

We have enclosed for your review a profile of existing eligible notes including a comparison of savings opportunity (Tab 1), a side by side comparison of the RUS loans' interest cost versus CoBank's loan interest cost and patronage payments (Tab 2), an analysis of CoBank's Patronage Refunds, Capital Plan and Effective Cost of Borrowing (Tab 3) and a summary of anticipated closing procedures (Tab 4).

We propose to consolidate the two RUS notes into a single note with a principal repayment schedule matching the consolidated scheduled principal payments of all of the RUS refinanced notes (18.52 years). This would decrease Jackson Purchase's administration while, at the same time, not increase principal debt service.

CoBank is pleased to have this opportunity to present this information as part of its effort to find innovative ways for Jackson Purchase to enhance its success. This booklet is not a commitment to lend or an offer to make a loan. A commitment shall be in the form of a loan agreement upon receipt of an acceptable application, resolution, and other documentation as required by CoBank. Thank you for your consideration.

TAB 1

EXHIBIT 3

RUS notes proposed for refinancing:

Note ID	Principal Balance	Final Payment Date	Years Remaining	Weighted Average Life
1B300	1,672,127.52	12/31/2028	18.52	10.63
1B305	1,672,127.52	12/31/2028	18.52	10.63
Totals	3,344,255.04		18.52	10.63

Interest Savings (over life of notes):

<u>Total Interest RUS @ 5.00%</u>	<u>Total Interest CoBank @ 4.90%</u>	<u>Total Savings</u>
\$1,781,756	\$1,770,638	\$11,118
CoBank Cash Patronage Refund:		\$231,677
CoBank Stock Patronage Refund:		<u>\$124,749</u>
Total Life Time Benefit:		<u>\$367,544</u>
Present Value of Benefit (discounted @ 4.90%)		<u>\$215,396</u>

There are no prepayment penalties arising from prepayment of RUS debt. CoBank would document this transaction using outside counsel to be paid by Jackson Purchase.

TAB 2

EXHIBIT 3

**Jackson Purchase Energy
Annual Summary
Scenario - Matching RUS Principal Repayment**

Loan Amount	\$3,344,255
CoBank Loan Interest Rate	4.90%
Lifetime Cash Flow Savings	\$367,544
Lifetime CoBank Patronage	\$356,426
Lifetime Interest Savings	\$11,118
Lifetime NPV Benefit	\$215,396

	Combined RUS Loans				CoBank Loan					
	Principal Balance	Annual Principal Payment	Annual Interest Payment	Total Ann Cash Flow	Annual Cash Flow Differential	Total Ann Cash Flow	Annual Interest Payment	Annual Principal Payment	Principal Balance	Patronage Refund
2010	\$3,288,911	\$55,344	\$83,055	\$138,373	\$265	\$138,114	\$82,770	\$55,344	\$3,288,911	\$0
2011	\$3,172,558	\$116,353	\$161,786	\$278,138	\$11,917	\$266,221	\$160,752	\$116,353	\$3,172,558	-\$10,883
2012	\$3,050,704	\$121,854	\$155,852	\$277,706	\$22,026	\$255,679	\$154,856	\$121,854	\$3,050,704	-\$21,030
2013	\$2,922,164	\$128,540	\$149,600	\$278,140	\$21,216	\$256,924	\$148,641	\$128,540	\$2,922,164	-\$20,260
2014	\$2,787,048	\$135,116	\$143,024	\$278,140	\$20,360	\$257,780	\$142,110	\$135,116	\$2,787,048	-\$19,446
2015	\$2,645,019	\$142,029	\$136,112	\$278,141	\$19,461	\$258,680	\$135,242	\$142,029	\$2,645,019	-\$18,591
2016	\$2,496,100	\$148,919	\$128,862	\$277,781	\$18,516	\$259,265	\$128,038	\$148,919	\$2,496,100	-\$17,693
2017	\$2,339,186	\$156,914	\$121,228	\$278,143	\$17,525	\$260,617	\$120,454	\$156,914	\$2,339,186	-\$16,751
2018	\$2,174,243	\$164,942	\$113,201	\$278,143	\$16,481	\$261,663	\$112,478	\$164,942	\$2,174,243	-\$15,757
2019	\$2,000,862	\$173,381	\$104,763	\$278,144	\$15,383	\$262,761	\$104,094	\$173,381	\$2,000,862	-\$14,714
2020	\$1,818,894	\$181,968	\$95,905	\$277,873	\$14,229	\$263,644	\$95,292	\$181,968	\$1,818,894	-\$13,617
2021	\$1,627,333	\$191,561	\$86,585	\$278,148	\$13,020	\$265,127	\$86,032	\$191,561	\$1,627,333	-\$12,466
2022	\$1,425,971	\$201,362	\$76,785	\$278,147	\$11,744	\$266,403	\$76,295	\$201,362	\$1,425,971	-\$11,253
2023	\$1,214,306	\$211,664	\$66,484	\$278,148	\$10,404	\$267,744	\$66,060	\$211,664	\$1,214,306	-\$9,979
2024	\$991,984	\$222,322	\$55,663	\$277,986	\$8,996	\$268,990	\$55,308	\$222,322	\$991,984	-\$8,640
2025	\$758,116	\$233,668	\$44,283	\$278,151	\$7,517	\$270,633	\$44,000	\$233,668	\$758,116	-\$7,235
2026	\$512,284	\$245,833	\$32,319	\$278,152	\$5,960	\$272,192	\$32,113	\$245,833	\$512,284	-\$5,754
2027	\$253,873	\$258,410	\$19,743	\$278,153	\$4,324	\$273,829	\$19,617	\$258,410	\$253,873	-\$4,198
2028	\$0	\$253,874	\$5,625	\$260,399	\$15,614	\$244,785	\$6,484	\$253,874	\$0	-\$15,572
2029	\$0	\$0	\$0	\$0	\$18,370	-\$18,370	\$0	\$0	\$0	-\$18,370
2030	\$0	\$0	\$0	\$0	\$16,759	-\$16,759	\$0	\$0	\$0	-\$16,759
2031	\$0	\$0	\$0	\$0	\$15,343	-\$15,343	\$0	\$0	\$0	-\$15,343
2032	\$0	\$0	\$0	\$0	\$13,850	-\$13,850	\$0	\$0	\$0	-\$13,850
2033	\$0	\$0	\$0	\$0	\$12,282	-\$12,282	\$0	\$0	\$0	-\$12,282
2034	\$0	\$0	\$0	\$0	\$10,634	-\$10,634	\$0	\$0	\$0	-\$10,634
2035	\$0	\$0	\$0	\$0	\$8,904	-\$8,904	\$0	\$0	\$0	-\$8,904
2036	\$0	\$0	\$0	\$0	\$7,081	-\$7,081	\$0	\$0	\$0	-\$7,081
2037	\$0	\$0	\$0	\$0	\$5,167	-\$5,167	\$0	\$0	\$0	-\$5,167
2038	\$0	\$0	\$0	\$0	\$3,154	-\$3,154	\$0	\$0	\$0	-\$3,154
2039	\$0	\$0	\$0	\$0	\$1,042	-\$1,042	\$0	\$0	\$0	-\$1,042
2040	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2041	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2042	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2043	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2044	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2045	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sum		\$3,344,255	\$1,781,756	\$5,126,011	\$367,544	\$4,758,467	\$1,770,638	\$3,344,255		\$356,426

Scenario - Matching RUS Principal Repayment

EXISTING RUS LOANS

Beginning Loan Balance \$ 3,344,255.04
 Final Payment Date 12/31/28
 Remaining Monthly Pmts 222
 Initial RUS Monthly Pmt \$22,909.88
 Roll Forward Date 06/30/2010

CoBANK REFINANCING LOAN

Beginning Loan Balance \$ 3,344,255.04
 Final Payment Date 12/31/28
 Remaining Monthly Pmts 222
 CoBANK Interest Rate 4.90%
 Legal Costs \$0

Lifetime Interest \$1,781,756

Present Value of RUS Cash Flow ~~\$3,344,255~~

Lifetime Interest \$1,770,638

Present Value of CoBank Cash Flow ~~\$3,128,659~~

NPV Benefit of Refi = ~~\$215,596~~

Payment Number	Combined RUS Loans				CoBank Loan				
	Principal Balance	Principal Payment	Interest Payment	Total Cash Flow	Total Cash Flow	Interest Payment	Principal Payment	Principal Balance	Legal Cost/ Pal. Refund
06/30/2010	0	\$3,344,255						\$3,344,255	
07/31/2010	1	3,335,280	\$8,375	\$13,934	\$23,086	\$14,111	\$8,975	3,335,280	\$0
08/31/2010	2	3,325,266	9,014	13,897	22,822	13,808	9,014	3,326,266	0
09/30/2010	3	3,316,758	9,508	13,959	23,278	13,771	9,508	3,316,758	0
10/31/2010	4	3,307,666	9,092	13,820	22,824	13,732	9,092	3,307,666	0
11/30/2010	5	3,298,082	9,584	13,782	23,278	13,694	9,584	3,298,082	0
12/31/2010	6	3,288,911	9,172	13,742	22,826	13,654	9,172	3,288,911	0
01/31/2011	7	3,279,700	9,211	13,704	22,827	13,616	9,211	3,279,700	0
02/28/2011	8	3,269,103	10,597	13,665	24,176	13,578	10,597	3,269,103	0
03/31/2011	9	3,259,808	9,295	13,621	11,945	13,534	9,295	3,259,808	-10,883
04/30/2011	10	3,250,027	9,781	13,583	23,276	13,496	9,781	3,250,027	0
05/31/2011	11	3,240,652	9,378	13,542	22,831	13,455	9,378	3,240,652	0
06/30/2011	12	3,230,792	9,859	13,503	23,276	13,416	9,859	3,230,792	0
07/31/2011	13	3,221,335	9,457	13,462	22,833	13,376	9,457	3,221,335	0
08/31/2011	14	3,211,838	9,497	13,422	22,834	13,336	9,497	3,211,838	0
09/30/2011	15	3,201,860	9,978	13,383	23,275	13,297	9,978	3,201,860	0
10/31/2011	16	3,192,280	9,580	13,341	22,836	13,256	9,580	3,192,280	0
11/30/2011	17	3,182,221	10,058	13,301	23,274	13,216	10,058	3,182,221	0
12/31/2011	18	3,172,558	9,664	13,259	22,838	13,175	9,664	3,172,558	0
01/31/2012	19	3,162,853	9,705	13,219	22,839	13,135	9,705	3,162,853	0
02/29/2012	20	3,152,241	10,612	13,179	23,707	13,094	10,612	3,152,241	0
03/31/2012	21	3,142,450	9,791	13,134	1,811	13,050	9,791	3,142,450	-21,030
04/30/2012	22	3,132,187	10,263	13,094	23,273	13,010	10,263	3,132,187	0
05/31/2012	23	3,122,311	9,876	13,051	22,843	12,967	9,876	3,122,311	0
06/30/2012	24	3,111,965	10,346	13,010	23,272	12,927	10,346	3,111,965	0
07/31/2012	25	3,102,003	9,962	12,967	22,846	12,884	9,962	3,102,003	0
08/31/2012	26	3,091,999	10,004	12,925	22,847	12,842	10,004	3,091,999	0
09/30/2012	27	3,081,529	10,470	12,883	23,271	12,801	10,470	3,081,529	0
10/31/2012	28	3,071,438	10,091	12,840	22,849	12,758	10,091	3,071,438	0
11/30/2012	29	3,060,883	10,555	12,798	23,271	12,716	10,555	3,060,883	0
12/31/2012	30	3,050,704	10,179	12,754	22,851	12,672	10,179	3,050,704	0
01/31/2013	31	3,040,482	10,222	12,711	22,852	12,630	10,222	3,040,482	0
02/28/2013	32	3,028,967	11,515	12,669	24,103	12,588	11,515	3,028,967	0
03/31/2013	33	3,018,653	10,314	12,621	2,595	12,540	10,314	3,018,653	-20,260
04/30/2013	34	3,007,881	10,772	12,578	23,269	12,497	10,772	3,007,881	0
05/31/2013	35	2,997,477	10,404	12,533	22,857	12,453	10,404	2,997,477	0
06/30/2013	36	2,986,618	10,859	12,489	23,268	12,410	10,859	2,986,618	0
07/31/2013	37	2,976,124	10,494	12,444	22,859	12,365	10,494	2,976,124	0
08/31/2013	38	2,965,585	10,539	12,401	22,860	12,321	10,539	2,965,585	0
09/30/2013	39	2,954,596	10,990	12,357	23,267	12,278	10,990	2,954,596	0
10/31/2013	40	2,943,965	10,630	12,311	22,862	12,232	10,630	2,943,965	0
11/30/2013	41	2,932,887	11,079	12,267	23,267	12,188	11,079	2,932,887	0
12/31/2013	42	2,922,164	10,722	12,220	22,865	12,142	10,722	2,922,164	0
01/31/2014	43	2,911,396	10,768	12,176	22,866	12,098	10,768	2,911,396	0
02/28/2014	44	2,899,386	12,010	12,131	24,141	12,053	12,010	2,899,386	0
03/31/2014	45	2,888,522	10,865	12,081	3,422	12,004	10,865	2,888,522	-19,446
04/30/2014	46	2,877,215	11,306	12,036	23,265	11,959	11,306	2,877,215	0
05/31/2014	47	2,866,256	10,959	11,988	22,871	11,912	10,959	2,866,256	0
06/30/2014	48	2,854,858	11,398	11,943	23,264	11,866	11,398	2,854,858	0
07/31/2014	49	2,843,805	11,054	11,895	22,873	11,819	11,054	2,843,805	0
08/31/2014	50	2,832,704	11,401	11,849	22,874	11,773	11,401	2,832,704	0
09/30/2014	51	2,821,168	11,536	11,803	23,263	11,728	11,536	2,821,168	0
10/31/2014	52	2,809,971	11,197	11,755	22,877	11,680	11,197	2,809,971	0
11/30/2014	53	2,798,342	11,629	11,708	23,263	11,633	11,629	2,798,342	0
12/31/2014	54	2,787,048	11,294	11,660	22,879	11,585	11,294	2,787,048	0
01/31/2015	55	2,775,706	11,342	11,613	22,880	11,539	11,342	2,775,706	0
02/28/2015	56	2,763,176	12,531	11,565	24,096	11,492	12,531	2,763,176	0
03/31/2015	57	2,751,733	11,443	11,513	4,292	11,440	11,443	2,751,733	-18,591
04/30/2015	58	2,739,864	11,869	11,466	23,261	11,392	11,869	2,739,864	0
05/31/2015	59	2,728,322	11,642	11,418	22,885	11,343	11,642	2,728,322	0
06/30/2015	60	2,716,357	11,965	11,369	23,260	11,295	11,965	2,716,357	0
07/31/2015	61	2,704,715	11,642	11,319	22,888	11,246	11,642	2,704,715	0
08/31/2015	62	2,693,024	11,691	11,270	22,889	11,198	11,691	2,693,024	0
09/30/2015	63	2,680,914	12,110	11,221	23,259	11,149	12,110	2,680,914	0
10/31/2015	64	2,669,122	11,792	11,170	22,892	11,099	11,792	2,669,122	0
11/30/2015	65	2,656,914	12,208	11,121	23,258	11,050	12,208	2,656,914	0

12/31/2015	66	2,645,019	11,894	11,070	22,965	22,894	11,000	11,894	2,645,019	0
01/31/2016	67	2,633,074	11,945	11,021	22,966	22,895	10,951	11,945	2,633,074	0
02/29/2016	68	2,620,357	12,717	10,971	23,688	23,618	10,901	12,717	2,620,357	0
03/31/2016	69	2,608,308	12,050	10,918	22,968	5,205	10,848	12,050	2,608,308	-17,693
04/30/2016	70	2,595,850	12,450	10,868	23,326	23,257	10,799	12,450	2,595,850	0
05/31/2016	71	2,583,696	12,164	10,816	22,970	22,901	10,747	12,164	2,583,696	0
06/30/2016	72	2,571,137	12,559	10,765	23,325	23,256	10,697	12,559	2,571,137	0
07/31/2016	73	2,558,878	12,269	10,713	22,972	22,903	10,646	12,269	2,558,878	0
08/31/2016	74	2,546,568	12,311	10,662	22,973	22,905	10,594	12,311	2,546,568	0
09/30/2016	75	2,533,856	12,712	10,611	23,322	23,255	10,543	12,712	2,533,856	0
10/31/2016	76	2,521,439	12,417	10,558	22,976	22,907	10,490	12,417	2,521,439	0
11/30/2016	77	2,508,624	12,815	10,506	23,321	23,254	10,439	12,815	2,508,624	0
12/31/2016	78	2,496,100	12,524	10,453	22,977	22,910	10,386	12,524	2,496,100	0
01/31/2017	79	2,483,523	12,577	10,400	22,978	22,911	10,334	12,577	2,483,523	0
02/28/2017	80	2,469,871	13,651	10,348	23,999	23,933	10,282	13,651	2,469,871	0
03/31/2017	81	2,457,183	12,689	10,291	22,980	6,163	10,225	12,689	2,457,183	-16,751
04/30/2017	82	2,444,104	13,079	10,238	23,317	23,252	10,173	13,079	2,444,104	0
05/31/2017	83	2,431,306	12,798	10,184	22,982	22,917	10,119	12,798	2,431,306	0
06/30/2017	84	2,418,120	13,185	10,130	23,316	23,251	10,066	13,185	2,418,120	0
07/31/2017	85	2,405,212	12,908	10,076	22,984	22,920	10,011	12,908	2,405,212	0
08/31/2017	86	2,392,249	12,963	10,022	22,985	22,921	9,958	12,963	2,392,249	0
09/30/2017	87	2,378,903	13,346	9,968	23,314	23,250	9,904	13,346	2,378,903	0
10/31/2017	88	2,365,828	13,075	9,912	22,987	22,924	9,849	13,075	2,365,828	0
11/30/2017	89	2,352,373	13,455	9,858	23,312	23,249	9,795	13,455	2,352,373	0
12/31/2017	90	2,339,186	13,188	9,802	22,989	22,927	9,739	13,188	2,339,186	0
01/31/2018	91	2,326,942	13,244	9,747	22,990	22,928	9,684	13,244	2,326,942	0
02/28/2018	92	2,311,686	14,256	9,691	23,947	23,885	9,630	14,256	2,311,686	0
03/31/2018	93	2,298,326	13,360	9,632	22,992	7,173	9,570	13,360	2,298,326	-15,757
04/30/2018	94	2,284,594	13,732	9,576	23,308	23,247	9,515	13,732	2,284,594	0
05/31/2018	95	2,271,118	13,475	9,519	22,995	22,934	9,458	13,475	2,271,118	0
06/30/2018	96	2,257,275	13,844	9,463	23,307	23,246	9,403	13,844	2,257,275	0
07/31/2018	97	2,243,683	13,691	9,405	22,997	22,937	9,345	13,691	2,243,683	0
08/31/2018	98	2,230,034	13,649	9,349	22,998	22,938	9,289	13,649	2,230,034	0
09/30/2018	99	2,216,022	14,013	9,292	23,304	23,245	9,232	14,013	2,216,022	0
10/31/2018	100	2,202,255	13,767	9,233	23,000	22,941	9,174	13,767	2,202,255	0
11/30/2018	101	2,188,128	14,127	9,176	23,303	23,244	9,117	14,127	2,188,128	0
12/31/2018	102	2,174,243	13,885	9,117	23,002	22,944	9,059	13,885	2,174,243	0
01/31/2019	103	2,160,299	13,944	9,059	23,003	22,946	9,001	13,944	2,160,299	0
02/28/2019	104	2,145,408	14,891	9,001	23,892	23,835	8,944	14,891	2,145,408	0
03/31/2019	105	2,131,342	14,066	8,939	23,006	8,235	8,882	14,066	2,131,342	-14,714
04/30/2019	106	2,116,923	14,418	8,881	23,299	23,242	8,824	14,418	2,116,923	0
05/31/2019	107	2,102,736	14,187	8,821	23,008	22,952	8,764	14,187	2,102,736	0
06/30/2019	108	2,088,200	14,536	8,761	23,297	23,241	8,705	14,536	2,088,200	0
07/31/2019	109	2,073,891	14,309	8,701	23,010	22,955	8,645	14,309	2,073,891	0
08/31/2019	110	2,059,521	14,370	8,641	23,011	22,956	8,586	14,370	2,059,521	0
09/30/2019	111	2,044,807	14,713	8,581	23,295	23,240	8,527	14,713	2,044,807	0
10/31/2019	112	2,030,314	14,494	8,520	23,014	22,959	8,466	14,494	2,030,314	0
11/30/2019	113	2,015,480	14,833	8,460	23,293	23,239	8,406	14,833	2,015,480	0
12/31/2019	114	2,000,862	14,618	8,398	23,016	22,962	8,344	14,618	2,000,862	0
01/31/2020	115	1,986,182	14,680	8,337	23,017	22,964	8,284	14,680	1,986,182	0
02/29/2020	116	1,970,895	15,287	8,276	23,563	23,510	8,223	15,287	1,970,895	0
03/31/2020	117	1,956,087	14,808	8,212	23,020	9,350	8,160	14,808	1,956,087	-13,617
04/30/2020	118	1,940,949	15,138	8,150	23,289	23,237	8,098	15,138	1,940,949	0
05/31/2020	119	1,926,014	14,935	8,087	23,022	22,970	8,036	14,935	1,926,014	0
06/30/2020	120	1,910,752	15,262	8,025	23,287	23,236	7,974	15,262	1,910,752	0
07/31/2020	121	1,895,689	15,063	7,961	23,024	22,974	7,911	15,063	1,895,689	0
08/31/2020	122	1,880,562	15,127	7,899	23,026	22,975	7,848	15,127	1,880,562	0
09/30/2020	123	1,865,113	15,449	7,836	23,284	23,234	7,786	15,449	1,865,113	0
10/31/2020	124	1,849,957	15,257	7,771	23,028	22,978	7,722	15,257	1,849,957	0
11/30/2020	125	1,834,282	15,575	7,708	23,283	23,233	7,659	15,575	1,834,282	0
12/31/2020	126	1,818,894	15,388	7,643	23,031	22,982	7,594	15,388	1,818,894	0
01/31/2021	127	1,803,441	15,453	7,579	23,032	22,983	7,530	15,453	1,803,441	0
02/28/2021	128	1,787,181	16,280	7,514	23,774	23,726	7,466	16,280	1,787,181	0
03/31/2021	129	1,771,893	15,588	7,447	23,034	10,520	7,399	15,588	1,771,893	-12,466
04/30/2021	130	1,755,697	15,897	7,382	23,278	23,231	7,334	15,897	1,755,697	0
05/31/2021	131	1,739,975	15,721	7,315	23,037	22,990	7,269	15,721	1,739,975	0
06/30/2021	132	1,723,949	16,027	7,250	23,276	23,230	7,204	16,027	1,723,949	0
07/31/2021	133	1,708,093	16,856	7,183	23,039	22,993	7,137	16,856	1,708,093	0
08/31/2021	134	1,692,169	15,924	7,117	23,041	22,995	7,072	15,924	1,692,169	0
09/30/2021	135	1,675,946	16,223	7,051	23,274	23,229	7,006	16,223	1,675,946	0
10/31/2021	136	1,659,886	16,060	6,983	23,043	22,999	6,938	16,060	1,659,886	0
11/30/2021	137	1,643,530	16,356	6,916	23,272	23,228	6,872	16,356	1,643,530	0
12/31/2021	138	1,627,333	16,198	6,848	23,046	23,002	6,804	16,198	1,627,333	0
01/31/2022	139	1,611,066	16,267	6,781	23,047	23,004	6,737	16,267	1,611,066	0
02/28/2022	140	1,594,068	16,998	6,713	23,710	23,668	6,670	16,998	1,594,068	0
03/31/2022	141	1,577,861	16,408	6,642	23,050	11,754	6,600	16,408	1,577,861	-11,253
04/30/2022	142	1,560,967	16,694	6,574	23,267	23,225	6,532	16,694	1,560,967	0
05/31/2022	143	1,544,419	16,548	6,504	23,052	23,011	6,462	16,548	1,544,419	0
06/30/2022	144	1,527,588	16,830	6,435	23,265	23,224	6,394	16,830	1,527,588	0
07/31/2022	145	1,510,898	16,690	6,365	23,055	23,014	6,324	16,690	1,510,898	0
08/31/2022	146	1,494,137	16,761	6,295	23,056	23,016	6,255	16,761	1,494,137	0
09/30/2022	147	1,477,101	17,037	6,226	23,262	23,223	6,186	17,037	1,477,101	0
10/31/2022	148	1,460,196	16,905	6,156	23,059	23,020	6,115	16,905	1,460,196	0
11/30/2022	149	1,443,020	17,176	6,084	23,260	23,222	6,045	17,176	1,443,020	0
12/31/2022	150	1,425,971	17,049	6,013	23,062	23,023	5,974	17,049	1,425,971	0
01/31/2023	151	1,408,849	17,122	5,942	23,063	23,025	5,904	17,122	1,408,849	0
02/28/2023	152	1,391,076	17,773	5,870	23,644	23,606	5,833	17,773	1,391,076	0
03/31/2023	153	1,373,806	17,270	5,796	23,066	13,050	5,759	17,270	1,373,806	-9,979
04/30/2023	154	1,356,274	17,531	5,724	23,256	23,219	5,688	17,531	1,356,274	0
05/31/2023	155	1,338,857	17,418	5,651	23,069	23,033	5,615	17,418	1,338,857	0
06/30/2023	156	1,321,182	17,675	5,579	23,254	23,218	5,543	17,675	1,321,182	0
07/31/2023	157	1,303,615	17,567	5,505	23,072	23,036	5,470	17,567	1,303,615	0

08/31/2023	158	1,285,974	17,641	5,432	23,073	23,038	5,397	17,641	1,285,974	0
09/30/2023	159	1,268,082	17,892	5,358	23,251	23,216	5,324	17,992	1,268,082	0
10/31/2023	160	1,250,290	17,792	5,284	23,076	23,042	5,250	17,792	1,250,290	0
11/30/2023	161	1,232,251	18,039	5,210	23,248	23,215	5,176	18,039	1,232,251	0
12/31/2023	162	1,214,306	17,944	5,134	23,079	23,046	5,102	17,944	1,214,306	0
01/31/2024	163	1,196,266	18,020	5,060	23,080	23,048	5,027	18,020	1,196,266	0
02/29/2024	164	1,177,861	18,425	4,985	23,409	23,377	4,953	18,425	1,177,861	0
03/31/2024	165	1,159,666	18,175	4,908	23,083	14,412	4,876	18,175	1,159,666	-8,640
04/30/2024	166	1,141,275	18,411	4,832	23,243	23,212	4,801	18,411	1,141,275	0
05/31/2024	167	1,122,944	18,331	4,755	23,086	23,056	4,725	18,331	1,122,944	0
06/30/2024	168	1,104,382	18,562	4,679	23,241	23,211	4,649	18,562	1,104,382	0
07/31/2024	169	1,085,894	18,487	4,602	23,089	23,059	4,572	18,487	1,085,894	0
08/31/2024	170	1,067,329	18,568	4,525	23,090	23,061	4,496	18,568	1,067,329	0
09/30/2024	171	1,048,538	18,791	4,447	23,238	23,210	4,419	18,791	1,048,538	0
10/31/2024	172	1,029,819	18,724	4,369	23,093	23,065	4,341	18,724	1,029,819	0
11/30/2024	173	1,010,868	18,945	4,291	23,236	23,208	4,263	18,945	1,010,868	0
12/31/2024	174	991,984	18,884	4,212	23,096	23,069	4,185	18,884	991,984	0
01/31/2025	175	973,019	18,965	4,133	23,098	23,071	4,107	18,965	973,019	0
02/28/2025	176	953,574	19,445	4,054	23,499	23,473	4,028	19,445	953,574	0
03/31/2025	177	934,447	19,126	3,973	23,101	15,841	3,948	19,128	934,447	-7,235
04/30/2025	178	915,110	19,337	3,894	23,230	23,206	3,869	19,337	915,110	0
05/31/2025	179	895,819	19,291	3,813	23,104	23,080	3,789	19,291	895,819	0
06/30/2025	180	876,323	19,496	3,733	23,228	23,204	3,709	19,496	876,323	0
07/31/2025	181	856,867	19,456	3,651	23,107	23,084	3,628	19,456	856,867	0
08/31/2025	182	837,329	19,538	3,570	23,109	23,086	3,547	19,538	837,329	0
09/30/2025	183	817,593	19,736	3,489	23,225	23,203	3,467	19,736	817,593	0
10/31/2025	184	797,888	19,705	3,407	23,112	23,090	3,386	19,705	797,888	0
11/30/2025	185	777,990	19,898	3,325	23,223	23,201	3,303	19,898	777,990	0
12/31/2025	186	758,116	19,873	3,242	23,115	23,094	3,221	19,873	758,116	0
01/31/2026	187	738,159	19,958	3,159	23,117	23,096	3,139	19,958	738,159	0
02/28/2026	188	717,813	20,346	3,076	23,421	23,402	3,058	20,346	717,813	0
03/31/2026	189	697,684	20,129	2,991	23,120	17,347	2,972	20,129	697,684	-5,754
04/30/2026	190	677,374	20,310	2,907	23,217	23,198	2,888	20,310	677,374	0
05/31/2026	191	657,073	20,301	2,822	23,123	23,105	2,804	20,301	657,073	0
06/30/2026	192	636,597	20,477	2,738	23,215	23,197	2,720	20,477	636,597	0
07/31/2026	193	616,123	20,474	2,652	23,126	23,109	2,636	20,474	616,123	0
08/31/2026	194	595,562	20,561	2,567	23,128	23,111	2,551	20,561	595,562	0
09/30/2026	195	574,832	20,730	2,482	23,211	23,195	2,466	20,730	574,832	0
10/31/2026	196	554,096	20,736	2,395	23,131	23,116	2,380	20,736	554,096	0
11/30/2026	197	533,196	20,900	2,309	23,209	23,194	2,294	20,900	533,196	0
12/31/2026	198	512,284	20,913	2,222	23,135	23,120	2,207	20,913	512,284	0
01/31/2027	199	491,282	21,002	2,135	23,136	23,123	2,121	21,002	491,282	0
02/28/2027	200	469,989	21,293	2,047	23,340	23,327	2,034	21,293	469,989	0
03/31/2027	201	448,808	21,181	1,958	23,140	18,929	1,946	21,181	448,808	-4,198
04/30/2027	202	427,475	21,333	1,870	23,203	23,191	1,858	21,333	427,475	0
05/31/2027	203	406,113	21,362	1,781	23,143	23,132	1,770	21,362	406,113	0
06/30/2027	204	384,605	21,508	1,692	23,200	23,189	1,681	21,508	384,605	0
07/31/2027	205	363,061	21,544	1,603	23,146	23,136	1,592	21,544	363,061	0
08/31/2027	206	341,426	21,635	1,513	23,148	23,138	1,503	21,635	341,426	0
09/30/2027	207	319,652	21,774	1,423	23,197	23,188	1,414	21,774	319,652	0
10/31/2027	208	297,832	21,820	1,332	23,152	23,143	1,323	21,820	297,832	0
11/30/2027	209	275,879	21,953	1,241	23,194	23,186	1,233	21,953	275,879	0
12/31/2027	210	253,873	22,006	1,149	23,155	23,148	1,142	22,006	253,873	0
01/31/2028	211	231,774	22,099	1,058	23,157	23,150	1,051	22,099	231,774	0
02/29/2028	212	209,518	22,256	966	23,222	23,216	960	22,256	209,518	0
03/31/2028	213	187,231	22,287	873	23,160	7,583	867	22,287	187,231	-15,572
04/30/2028	214	164,823	22,408	780	23,188	23,183	775	22,408	164,823	0
05/31/2028	215	142,346	22,477	687	23,164	23,160	682	22,477	142,346	0
06/30/2028	216	119,754	22,592	593	23,185	23,181	589	22,592	119,754	0
07/31/2028	217	97,085	22,669	499	23,168	23,164	496	22,669	97,085	0
08/31/2028	218	74,320	22,765	405	23,169	23,167	402	22,765	74,320	0
09/30/2028	219	51,449	22,872	310	23,181	23,179	308	22,872	51,449	0
10/31/2028	220	28,490	22,959	214	23,173	23,172	213	22,959	28,490	0
11/30/2028	221	5,430	23,060	119	23,179	23,178	118	23,060	5,430	0
12/31/2028	222	0	5,430	23	5,453	5,452	22	5,430	0	0
01/31/2029	223	0	0	0	0	0	0	0	0	0
02/28/2029	224	0	0	0	0	0	0	0	0	0
03/31/2029	225	0	0	0	0	0	0	0	0	0
04/30/2029	226	0	0	0	0	-18,370	0	0	0	-18,370
05/31/2029	227	0	0	0	0	0	0	0	0	0
06/30/2029	228	0	0	0	0	0	0	0	0	0
07/31/2029	229	0	0	0	0	0	0	0	0	0
08/31/2029	230	0	0	0	0	0	0	0	0	0
09/30/2029	231	0	0	0	0	0	0	0	0	0
10/31/2029	232	0	0	0	0	0	0	0	0	0
11/30/2029	233	0	0	0	0	0	0	0	0	0
12/31/2029	234	0	0	0	0	0	0	0	0	0
01/31/2030	235	0	0	0	0	0	0	0	0	0
02/28/2030	236	0	0	0	0	0	0	0	0	0
03/31/2030	237	0	0	0	0	-16,759	0	0	0	-16,759
04/30/2030	238	0	0	0	0	0	0	0	0	0
05/31/2030	239	0	0	0	0	0	0	0	0	0
06/30/2030	240	0	0	0	0	0	0	0	0	0
07/31/2030	241	0	0	0	0	0	0	0	0	0
08/31/2030	242	0	0	0	0	0	0	0	0	0
09/30/2030	243	0	0	0	0	0	0	0	0	0
10/31/2030	244	0	0	0	0	0	0	0	0	0
11/30/2030	245	0	0	0	0	0	0	0	0	0
12/31/2030	246	0	0	0	0	0	0	0	0	0
01/31/2031	247	0	0	0	0	0	0	0	0	0
02/28/2031	248	0	0	0	0	0	0	0	0	0
03/31/2031	249	0	0	0	0	-15,343	0	0	0	-15,343

TAB 3

804

COBANK

Rural America's Cooperative Bank

Projection of Cash Flows and Effective Interest Rate

The projection of cash flows is based on loan amounts, dates and interest rates shown below along with the present capital plan and expected retirement of bank equities.

The capital plan, patronage rate and equity retirements may be changed at the discretion of the bank's board of directors. The following projections are intended for illustrative purposes only, are not intended to represent a commitment to a specific interest rate, and will not become part of any loan documentation.

The effective interest rate shown is the discount rate applied on a monthly basis at which the net present value of all the cash flows equal to zero (commonly called the internal rate of return).

Borrower Name	Jackson Purchase Energy
Schedule	Matching RUS Principal Repayment
Account Officer	LaDuca
Prepared by:	LaDuca
Quote Date	June 1, 2010
Origination Date	June 30, 2010
Amortization Start Date	July 31, 2010
<hr/>	
Loan Amount	\$3,344,255
Years to Maturity	18.520
Nominal Interest Rate	4.90%
Estimated Legal Fees (\$)	0
Payments/Year	12
Amort Method	Irregular Payments
Days per Year	360
Payment Amount	\$0

Nominal Interest Rate	4.90%
Net Effective Interest Rate	4.15%
Reduction of Interest Rate	0.75%
<hr/>	
Patronage Rate	1.00%
% Cash Patronage	65.00%
Initial Capital Purchase Amount	\$0
Target Equity	8.00%
<hr/>	
Prior Year End Capital Balance	0
Avg Loan Balance - 1 year ago	0
Avg Loan Balance - 2 years ago	0
Avg Loan Balance - 3 years ago	0
Avg Loan Balance - 4 years ago	0
Avg Loan Balance - 5 years ago	0
Avg Loan Balance - 6 years ago	0
Avg Loan Balance - 7 years ago	0
Avg Loan Balance - 8 years ago	0

EXHIBIT 3

Borrower: Jackson Purchase Energy													
Quote Date	June 1, 2010			Schedule				Matching RUSP Principal Repayment					
Origination Date	June 30, 2010			Effective Interest Rate				4.8%					
Year	Principal Advance	Principal Payments	Interest Payments	Capital Purchases	Cash Patronage	Capital Retired in Cash	Net Cash Flow	Patronage Paid as Capital	Capital Balance	End of Period Loan Balance	1 Year Avg Loan Balance	10 Year Avg Loan Balance	Target Equity
	A	B	C	D	E	F	G	H	I	J	K	L	M
2010	3,344,255	55,344	82,770	0	0	0	3,206,141	5,860	5,860	3,288,911	1,674,366	167,437	13,395
2011	0	116,353	160,752	0	10,883	0	-266,221	11,324	17,184	3,172,558	3,235,454	490,982	39,279
2012	0	121,854	154,856	0	21,030	0	-255,679	10,909	28,093	3,050,704	3,116,894	802,671	64,214
2013	0	128,540	148,644	0	20,260	0	-256,924	10,471	38,564	2,922,164	2,991,712	1,101,843	88,147
2014	0	135,116	142,110	0	19,446	0	-257,780	10,011	48,575	2,787,048	2,860,186	1,387,861	111,029
2015	0	142,029	135,242	0	18,591	0	-258,680	9,527	58,102	2,645,019	2,721,930	1,660,054	132,804
2016	0	148,919	128,038	0	17,693	0	-259,265	9,020	67,122	2,496,100	2,577,062	1,917,760	153,421
2017	0	156,914	120,454	0	16,751	0	-260,617	8,485	75,606	2,339,186	2,424,221	2,160,182	172,815
2018	0	164,942	112,478	0	15,757	0	-261,663	7,923	83,529	2,174,243	2,263,661	2,386,549	190,924
2019	0	173,381	104,094	0	14,714	0	-262,761	7,332	90,861	2,000,862	2,094,886	2,596,037	207,683
2020	0	181,968	95,292	0	13,617	0	-263,644	6,713	97,574	1,818,894	1,917,895	2,620,390	209,631
2021	0	191,561	86,032	0	12,466	0	-265,127	6,059	103,633	1,627,333	1,731,280	2,469,973	197,598
2022	0	201,362	76,295	0	11,253	0	-266,403	5,373	109,007	1,425,971	1,535,267	2,311,810	184,945
2023	0	211,664	66,060	0	9,979	0	-267,744	4,652	113,659	1,214,306	1,329,226	2,145,561	171,645
2024	0	222,322	55,308	0	8,640	0	-268,990	3,896	117,555	991,984	1,113,012	1,970,844	157,668
2025	0	233,868	44,000	0	7,235	0	-270,633	3,098	120,653	758,116	885,155	1,787,166	142,973
2026	0	245,833	32,113	0	5,754	0	-272,192	2,260	122,913	512,284	645,853	1,594,046	127,524
2027	0	258,410	19,617	0	4,198	0	-273,829	1,380	124,293	253,873	394,308	1,391,054	111,284
2028	0	253,874	6,484	0	2,563	13,009	-244,785	456	111,740	0	130,199	1,177,708	94,217
2029	0	0	0	0	846	17,523	17,523	0	94,217	0	0	968,220	77,458
2030	0	0	0	0	0	16,759	16,759	0	77,458	0	0	776,430	62,114
2031	0	0	0	0	0	15,343	15,343	0	62,114	0	0	603,302	48,264
2032	0	0	0	0	0	13,850	13,850	0	48,264	0	0	449,775	35,982
2033	0	0	0	0	0	12,282	12,282	0	35,982	0	0	316,853	25,348
2034	0	0	0	0	0	10,634	10,634	0	25,348	0	0	205,552	16,444
2035	0	0	0	0	0	8,904	8,904	0	16,444	0	0	117,036	9,363
2036	0	0	0	0	0	7,081	7,081	0	9,363	0	0	52,451	4,196
2037	0	0	0	0	0	5,167	5,167	0	4,196	0	0	13,020	1,042
2038	0	0	0	0	0	3,154	3,154	0	1,042	0	0	0	0
2039	0	0	0	0	0	1,042	1,042	0	0	0	0	0	0
2040	0	0	0	0	0	0	0	0	0	0	0	0	0
2041	0	0	0	0	0	0	0	0	0	0	0	0	0
2042	0	0	0	0	0	0	0	0	0	0	0	0	0
2043	0	0	0	0	0	0	0	0	0	0	0	0	0
2044	0	0	0	0	0	0	0	0	0	0	0	0	0
2045	0	0	0	0	0	0	0	0	0	0	0	0	0
2046	0	0	0	0	0	0	0	0	0	0	0	0	0
2047	0	0	0	0	0	0	0	0	0	0	0	0	0
2048	0	0	0	0	0	0	0	0	0	0	0	0	0
2049	0	0	0	0	0	0	0	0	0	0	0	0	0
2050	0	0	0	0	0	0	0	0	0	0	0	0	0
2051	0	0	0	0	0	0	0	0	0	0	0	0	0
2052	0	0	0	0	0	0	0	0	0	0	0	0	0
2053	0	0	0	0	0	0	0	0	0	0	0	0	0
2054	0	0	0	0	0	0	0	0	0	0	0	0	0
2055	0	0	0	0	0	0	0	0	0	0	0	0	0
2056	0	0	0	0	0	0	0	0	0	0	0	0	0
2057	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	\$3,344,255	\$3,344,255	\$1,770,638	\$0	\$231,677	\$124,749		\$124,749					

EXHIBIT 3



Rural America's Cooperative Bank

Projection of Cash Flows and Effective Interest Rates

The following provides a column-by-column description of CoBank's Loan Rate Model. The Loan Rate Model provides projections of cash flows and effective interest rates based upon the assumptions given for each printout.

- Column C reflects the principal advances on the loan.
- Column E reflects the periodic principal payments.
- Column F reflects the periodic interest payments.
- Column H shows the capital purchases required based upon the assumptions. A new borrower must purchase \$1,000 capital.
- Column I reflects the cash patronage. Total patronage is calculated as a percentage of the one year average loan balance. CoBank is required by statute to pay a minimum of 20 percent patronage capital allocated to a borrower during each year in cash.
- Column J shows capital retirements in cash.
- Column K reflects the net cash flow for the borrower throughout the term of the loan.
- Column L reflects the allocated patronage used to purchase additional capital in CoBank. This represents the balance of the capital allocated each year which was not paid in cash.
- Column M shows the balance of purchased and allocated capital on a cumulative basis each year.
- Column N reflects the loan balance at the end of the year.
- Column O represents the one year average loan balance which is the basis for annual patronage.
- Column P represents average ten year loan balance which is the basis for determining the capital target for the borrower.
- Column Q shows the target equity for the borrower based upon the ten year average loan balance.

TAB 4

EXHIBIT 3

Refinancing Process

A refinancing of secured debt is permitted under the RUS Mortgage. Included below is an excerpt from the RUS Mortgage providing for such refinancing. CoBank can provide electronic copies of all CoBank documents.

The specific steps for refinancing RUS notes are:

1. Provide CoBank with your RUS form 613 (Quarterly RUS Statement of Loan Account) in order to analyze notes beneficial to refinance.
2. CoBank completes due diligence and provides loan commitment.
3. Provide notice to RUS of prepayment, designating notes to be prepaid and request for payoff memorandum. This notice must be at least four business days before the desired pay off date.
 - RUS Payoff Information: Direct Loan and Grant Branch (DLGB)
 - Telephone: 314-457-4049 or 314-457-4083
 - Fax: 314-457-4283 or 314-457-4284
 - Email: dlgb@stl.rural.usda.gov
 - Cash Transmittal Questions: Cash Management Branch (CMB)
 - Telephone: 314-457-4021
4. Obtain and forward to CoBank, RUS prepared spreadsheet setting forth principal and interest to be paid off.
5. Apply and obtain any required regulatory approval as defined by applicable state.
6. Provide borrowing resolution and return all executed loan documents to CoBank.
7. Borrower notifies CoBank as to whether prior period amounts due will be delivered to CoBank or if it will be drawn from borrower's CoBank line of credit for final settlement of RUS notes.
8. Principal balance and interest wired by CoBank to RUS paying off notes.
9. Supplemental mortgages filing complete and opinion of counsel delivered to CoBank.

Excerpt from Article II of the RUS Mortgage

SECTION 2.02. Refunding or Refinancing Notes: The Mortgagor shall also have the right without the consent of any Mortgagee or any Noteholder to issue Additional Notes for the purpose of refunding or refinancing any Notes so long as the total amount of outstanding indebtedness evidenced by such Additional Note or Notes is not greater than 105% of the then outstanding principal balance of the Note or Notes being refunded or refinanced. PROVIDED, HOWEVER, that the Mortgagor may not exercise its rights under this Section if an Event of Default has occurred and is continuing, or any event which with the giving of notice or lapse of time or both would become an Event of Default has occurred and is continuing. On or before the first advance of proceeds from Notes issued under this section, the Mortgagor shall notify each Mortgagee of the refunding or refinancing. Additional Notes issued pursuant to this Section [2.02] will thereupon be secured equally and ratably with the Notes.

RUS notes proposed for refinancing:

Note ID	Principal Balance	Final Payment Date	Years Remaining	Weighted Average Life
1B300	1,672,127.52	12/31/2028	18.52	10.63
1B305	1,672,127.52	12/31/2028	18.52	10.63
Totals	3,344,255.04		18.52	10.63

Interest Savings (over life of notes):

<u>Total Interest RUS @ 5.00%</u>	<u>Total Interest CoBank @ 4.90%</u>	<u>Total Savings</u>
\$1,781,756	\$1,770,638	\$11,118
CoBank Cash Patronage Refund:		\$231,677
CoBank Stock Patronage Refund:		<u>\$124,749</u>
Total Life Time Benefit:		<u>\$367,544</u>
Present Value of Benefit (discounted @ 4.90%)		<u>\$215,396</u>

There are no prepayment penalties arising from prepayment of RUS debt. CoBank would document this transaction using outside counsel to be paid by Jackson Purchase.

Jackson Purchase Energy Corporation
Income Statement
Twelve Months Ended April 30, 2010

Exhibit _____
Page 1 of 1

Operating Revenues:	
Electric revenues	\$ 39,595,417
Other electric revenues	898,674
	<hr/>
	40,494,091
	<hr/>
Operating Expenses:	
Cost of power	23,965,279
Distribution - operations	2,831,666
Distribution - maintenance	4,848,894
Consumer accounts	1,113,919
Customer service and information	181,552
Sales	27,380
Administrative and general	1,937,105
	<hr/>
	34,905,795
	<hr/>
Depreciation	4,249,610
Other tax expense	44,628
Interest on long-term debt	2,771,356
Other interest charges	118,478
Other deductions	2,600
	<hr/>
	42,092,467
	<hr/>
Operating Margins	(1,598,376)
	<hr/>
Non-operating margins - interest	304,754
Non-operating margins - other	48,092
G & T capital credits	0
Other capital credits	183,149
	<hr/>
Net margins	<u><u>\$ (1,062,381)</u></u>

EXHIBIT 5

Jackson Purchase Energy Corporation
Balance Sheet
April 30, 2010

Exhibit ____
Page 1 of 1

Assets

Electric Plant:	
In Service	\$ 123,338,191
Construction Work in Progress	5,803,542
	<u>129,141,733</u>
Less accumulated depreciation	40,499,093
	<u>88,642,640</u>
Nonutility Property - Net	58,763
Investments	2,319,046
Current Assets:	
Cash and cash equivalents	239,048
Accounts Receivable	7,589,465
Materials and supplies	1,859,924
Prepayments	378,221
Other current assets	906,836
Other assets	665,636
	<u>665,636</u>
Total assets	<u>\$ 102,659,579</u>

Liabilities and Equities

Members' Equities:	
Memberships	\$ 172,925
Patronage capital	37,980,974
Other Margins and Equities	(393,020)
	<u>37,760,879</u>
Long-term debt	56,385,309
	<u>56,385,309</u>
Current Liabilities:	
Accounts payable	1,779,927
Short-term debt	2,100,000
Consumer deposits	1,499,750
Other current and accrued expenses	2,953,854
	<u>8,333,531</u>
Consumer advances for construction	179,860
	<u>179,860</u>
Total Members' Equities and Liabilities	<u>\$ 102,659,579</u>

EXHIBIT 5

LONG-TERM DEBT SCHEDULE
JACKSON PURCHASE ENERGY CORPORATION
5/31/2010

Note Description	Interest Rate	Date of Draw	Original Balance	Current Balance
RUS/Treasury Notes:				
1B260	5.00%	8/25/1982	927,500	340,784
1B262	5.00%	8/25/1982	927,500	340,785
1B270/1B273	5.00%	9/20/1984	3,184,000	1,463,759
1B280	5.00%	6/22/1988	1,483,000	887,322
1B281/1B283	5.00%	6/22/1988	1,484,000	912,845
1B290/1B292	5.00%	8/20/1991	2,892,000	2,001,757
1B300/1B305	5.00%	9/3/1993	4,483,000	3,353,647
1B310/1B311	5.00%	1/25/1996	4,900,000	3,924,621
1B320	5.00%	2/4/2000	6,726,000	5,859,022
1B330	5.53%	7/24/2001	4,500,000	4,084,353
1B331	2.91%	6/3/2003	332,000	284,327
1B332	2.91%	6/3/2003	3,000,000	2,575,466
1A340	4.55%	8/11/2008	2,833,000	2,778,352
1A350	4.55%	8/11/2008	2,167,000	2,148,976
1A351	3.68%	2/20/2009	10,000,000	9,902,038
FFB Notes:				
H0010 (FFB)	2.071%	6/3/2003	2,668,000	2,113,877
H0015 (FFB)	4.422%	6/17/2004	2,250,000	1,839,286
H0020 (FFB)	5.283%	6/17/2004	2,250,000	1,839,286
H0025 (FFB)	4.534%	9/29/2005	5,500,000	4,681,818
H0030 (FFB)	4.913%	3/7/2006	5,922,000	5,125,764
CoBank Notes:				
ML0731T2	3.87% (Variable)	02/24/94	\$1,921,000	1,504,320
ML0731T3	3.87% (Variable)	08/27/91	1,240,000	1,013,971
ML0731T5	3.87% (Variable)	06/15/88	1,271,000	949,834
ML0731T6	4.78%	09/02/03	4,158,599	817,777
CFC Notes:				
9001 (CFC)	5.375% (Effective)	08/31/84	1,364,160	661,258
Sub-total			78,383,759	61,405,245
Cushion of Credit:	5.00%		n/a	(5,253,379)
Net Long Term Debt			78,383,759	56,151,866