



**Big Sandy Rural Electric  
Cooperative Corporation**

504 11th Street  
Paintsville, Kentucky 41240-1422  
(606) 789-4095 • Fax (606) 789-5454  
Toll Free (888) 789-RECC (7322)

**ORIGINAL**

**September 27, 2012**

**Mr. Jeff Derouen, Executive Director**

**Public Service Commission**

**211 Sower Blvd.**

**Frankfort, KY 40602**

**RECEIVED**

**OCT 3 2012**

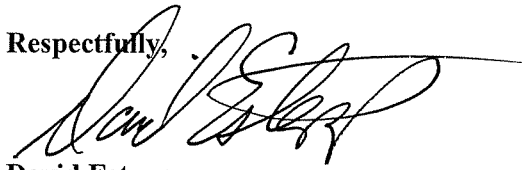
**PUBLIC SERVICE  
COMMISSION**

**RE: Application for Approval of Refinancing**

**Dear Mr. Derouen,**

**Please find enclosed for filing with the Commission, an original and ten copies acknowledging Big Sandy Rural Electric Cooperative's application seeking expedited approval of long-term debt refinancing. Dated September 27, 2012, for all the reasons contained in this application.**

**Respectfully,**

  
**David Estep**

**President & General Manager**

**Big Sandy RECC**

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

APPLICATION OF BIG SANDY RURAL ELECTRIC )  
COOPERATIVE CORPORATION FOR AUTHORIZATION )  
TO BORROW \$778,702.55 FROM COBANK AND ) CASE NO. 2012-\_\_\_\_\_  
EXECUTE NECESSARY NOTES AND TO REPAY )  
COOPERATIVE FINANCE CORPORATION NOTES )  
IN THE SAME AMOUNT )

APPLICATION

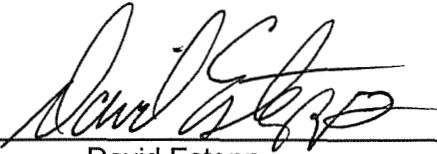
Big Sandy Rural Electric Cooperative Corporation (“Big Sandy RECC”) respectfully submits this application seeking expedited approval (by November 1, 2012, in order to close by November 30, 2012) of long-term refinancing, pursuant to KRS 278.300. The petition respectfully shows:

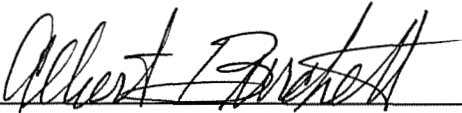
1. Big Sandy RECC is a nonprofit electric cooperative organized under KRS Chapter 279 and is engaged in the business of distributing retail electric power to member customers in the Kentucky counties of Johnson, Floyd, Martin, Lawrence, Morgan, Magoffin, Knott, and Breathitt.
2. Big Sandy RECC’s address is 504 11<sup>th</sup> Street, Paintsville, Kentucky 41240.
3. Big Sandy RECC’s current Articles of Incorporation are filed in Case No. 96-496 before the Commission.
4. As of August 30, 2012 Big Sandy RECC services 13,201 member-customers. It has 1,032 miles of distribution lines in its eight-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 August 31, 2012 is \$47,773,793.

5. The financial exhibit, as required by 807 KAR 5:001, Section 11(2) (a), is attached as Exhibit 1, 2, and 3 to this application.
6. Big Sandy RECC is not seeking authorization to issue any kinds of stock as part of this application.
7. Big Sandy RECC seeks to borrow from CoBank a total of \$778,702.55 and execute one note in conjunction with this borrowing from CoBank at a fixed interest rate of 3.07%.
8. Big Sandy RECC expects the actual payoff to be very close to the \$778,702.55. Big Sandy RECC proposes to adjust any difference through a line of credit agreement with CoBank, which will allow the principal amount of the note with CoBank to remain at \$778,702.55.
9. Big Sandy RECC will use the proceeds from the CoBank loan to pay-off notes of the same amount outstanding to Cooperative Finance Corporation ("CFC"). The notes being paid off are listed in the CoBank proposal at Exhibit 5.
10. The notes secured by mortgages of Big Sandy RECC are listed in Exhibit 5 of this application.
11. In as much as no property is being acquired in conjunction with this financing, Inter807 KAR 5:001, Section 11(2)(c) is not applicable.
12. Additional information in support of this application is included in attached Exhibit 5, including net present value analysis of the cash flows over the life of the loan. The lifetime nominal cash flow dollar savings amounts to \$311,471.27 with a present value of \$230,194.65 discounted at the fixed interest rate of 3.07%.


WHEREFORE, Big Sandy RECC asks that the Commission issue an Order authorizing Big Sandy RECC to execute and issue evidences of indebtedness and security for the CoBank loan described herein, and for any other relief to which it may be entitled.

DATED this 27th day of September, 2012

  
\_\_\_\_\_  
David Estep  
President & General Manager

  
\_\_\_\_\_  
Albert Burchett  
Attorney

Subscribed and sworn to before me by David Estep and Albert Burchett this 27<sup>th</sup> day of  
September, 2012.

  
\_\_\_\_\_  
Notary Public, State at Large

My commission expires: 6-19-2014

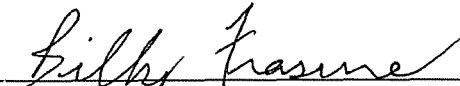
**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

In The Matter Of Case No. 2012- \_\_\_\_\_:

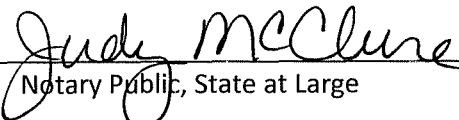
AFFIDAVIT

Billy O. Frasure, CPA, being duly sworn states that he is the person who prepared and compiled Exhibit 1 through 5 of Big Sandy RECC's application dated September 27<sup>th</sup>, 2012; that he has read the same and knows the contents thereof; that the matters stated therein are true and correct to the best of his knowledge and belief.

Witness my signature this 27th day of September, 2012.

  
\_\_\_\_\_  
Billy O. Frasure, CPA

Subscribed and sworn to before me by Billy O. Frasure, CPA this 27<sup>th</sup> day of September, 2012.

  
\_\_\_\_\_  
Notary Public, State at Large

My commission expires: 6-19-2014 .

BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION

CASE NO. \_\_\_\_\_

INDEX OF EXHIBITS TO APPLICATION

FINANCIAL EXHIBIT – 807 KAR 5:001, SECTION 6

Exhibit 1.....	Notes Executed
Exhibit 2.....	Statement of Operations
Exhibit 3.....	Balance Sheet
Exhibit 4.....	Board Resolution
Exhibit 5.....	Proposal
Exhibit 6.....	Restated Mortgage & Security Agreement

**BIG SANDY RECC  
BLENDED INTEREST RATE - LONG TERM DEBT  
As of 9/05/2012**

**CFC**

DATE	NOTE NUMBER	Rate Renewal	ORIGINAL AMOUNT	INTEREST RATE	LOAN BALANCE	BLENDED %	BLENDED RATE	INTEREST PAID DURING 2011
2/28/1975	9007	n/a	\$ 374,000	6.350%	\$ -	0.000%	0.000%	\$ 1,602
5/31/1979	9011	12/1/2010	\$ 469,000	3.250%	\$ 52,976	1.553%	0.050%	\$ 2,891
2/28/1982	9014	12/1/2010	\$ 420,000	3.350%	\$ 123,862	3.631%	0.122%	\$ 4,315
8/31/1984	9015	12/1/2010	\$ 290,722	2.850%	\$ -	0.000%	0.000%	\$ 3,911
8/1/1991	9016	12/1/2011	\$ 719,588	6.350%	\$ -	0.000%	0.000%	\$ 28,258
3/2/1993	9017-1	12/1/2011	\$ 406,186	6.350%	\$ -	0.000%	0.000%	\$ 18,237
3/2/1993	9017-2	12/1/2012	\$ 406,186	6.400%	\$ 279,294	8.188%	0.524%	\$ 18,399
3/31/1999	9018-1	12/1/2012	\$ 500,000	6.400%	\$ 392,219	11.499%	0.736%	\$ 25,551
12/31/1997	9018-2	Fixed Until Maturity 11/30/30	\$ 300,000	6.460%	\$ 232,136	6.806%	0.440%	\$ 15,263
12/31/1997	9018-3	Fixed Until Maturity 11/30/30	\$ 200,000	6.460%	\$ 154,757	4.537%	0.293%	\$ 10,176
2/1/1998	9018-4	12/1/2012	\$ 139,000	6.400%	\$ 107,190	3.143%	0.201%	\$ 6,983
9/1/2003	9021-7		\$ 680,319		\$ -	0.000%	0.000%	\$ -
9/1/2003	9021-8		\$ 680,319	4.850%	\$ -	0.000%	0.000%	\$ 8,078
9/1/2003	9021-9		\$ 680,319	5.100%	\$ -	0.000%	0.000%	\$ 17,152
9/1/2003	9021-10		\$ 680,319	5.300%	\$ 344,755	10.107%	0.536%	\$ 17,841
9/1/2003	9021-11		\$ 680,319	5.600%	\$ 344,755	10.107%	0.556%	\$ 18,531
9/1/2003	9021-12		\$ 680,319	5.550%	\$ 344,755	10.107%	0.561%	\$ 18,703
9/1/2003	9021-13		\$ 680,319	5.650%	\$ 344,755	10.107%	0.571%	\$ 19,048
9/1/2003	9021-14		\$ 680,319	5.650%	\$ 344,755	10.107%	0.571%	\$ 19,048
9/1/2003	9021-15		\$ 680,319	5.700%	\$ 344,756	10.107%	0.576%	\$ 19,220
<b>TOTALS</b>			<b>\$ 10,347,555</b>		<b>\$ 3,410,967</b>	<b>100.000%</b>	<b>5.737%</b>	<b>\$ 273,206</b>
ANNUAL INTEREST EXPENSE			<u>\$ 195,677</u>					

**RUS**

DATE	NOTE NUMBER	ORIGINAL AMOUNT	INTEREST RATE	LOAN BALANCE	BLENDED %	BLENDED RATE	INTEREST PAID DURING 2011	
1/1/1996	1B270	\$ 400,000	3.3750%	\$ 283,858	3.128%	0.106%	\$ 10,025	
1/1/1996	1B271	\$ 200,000	3.8750%	\$ 139,583	1.538%	0.060%	\$ 5,847	
1/1/1996	1B272	\$ 500,000	3.8750%	\$ 338,843	3.733%	0.145%	\$ 13,707	
1/1/1996	1B273	\$ 229,500	3.7500%	\$ 164,317	1.810%	0.068%	\$ 6,437	
1/1/1996	1B275	\$ 500,000	2.7500%	\$ 343,359	3.763%	0.104%	\$ 9,912	
1/1/1996	1B276	\$ 829,500	4.2500%	\$ 603,398	6.648%	0.283%	\$ 26,726	
11/1/2004	1B280	\$ 1,500,000	0.2000%	\$ 1,306,907	14.399%	0.029%	\$ 13,265	
11/1/2004	1B281	\$ 2,000,000	4.6300%	\$ 1,826,489	20.124%	0.932%	\$ 86,393	
11/1/2004	1B282	\$ 1,500,000	4.9300%	\$ 1,383,363	15.242%	0.751%	\$ 69,587	
2/1/2008	1B283	\$ 1,500,000	4.5800%	\$ 1,393,945	15.358%	0.703%	\$ 65,233	
2/1/2008	1B284	\$ 1,360,000	4.5700%	\$ 1,292,062	14.236%	0.651%	\$ 60,325	
<b>TOTALS</b>			<b>\$ 10,539,000</b>		<b>\$ 9,076,124</b>	<b>100.000%</b>	<b>3.830%</b>	<b>\$ 367,258</b>
ANNUAL INTEREST EXPENSE			<u>\$ 347,638</u>					

**FFB**

DATE	NOTE NUMBER	ORIGINAL AMOUNT	INTEREST RATE	LOAN BALANCE	BLENDED %	BLENDED RATE	INTEREST PAID DURING 2011	
12/6/1999	H0010	\$ 800,000	4.472%	\$ 619,706	5.992%	0.268%	\$ 21,779	
10/19/2000	H0015	\$ 600,000	4.472%	\$ 464,779	4.494%	0.201%	\$ 16,334	
4/9/2001	H0020	\$ 1,000,000	4.472%	\$ 777,010	7.513%	0.336%	\$ 27,307	
12/31/2001	H0025	\$ 2,300,000	4.472%	\$ 1,807,120	17.474%	0.781%	\$ 63,509	
7/22/2003	H0030	\$ 2,764,000	4.472%	\$ 2,257,501	21.829%	0.976%	\$ 79,337	
2/2/2010	H0035	\$ 2,000,000	0.095%	\$ 1,938,797	18.747%	0.018%	\$ 7,095	
9/30/2011	H0040	\$ 1,000,000	0.095%	\$ 976,883	9.446%	0.009%	\$ -	
4/2/2012	F0045	\$ 1,500,000	0.154%	\$ 1,500,000	14.504%	0.022%	\$ -	
<b>TOTALS</b>			<b>\$ 11,964,000</b>		<b>\$ 10,341,795</b>	<b>100.000%</b>	<b>2.612%</b>	<b>\$ 215,362</b>
ANNUAL INTEREST EXPENSE			<u>\$ 270,096</u>					

**Co-Bank**

DATE	NOTE NUMBER	ORIGINAL AMOUNT	INTEREST RATE	LOAN BALANCE	BLENDED %	BLENDED RATE	INTEREST PAID DURING 2011
12/1/2011	204343	\$ 860,958	3.26%	\$ 789,405	100.000%	3.260%	\$ -
<b>TOTALS</b>			<b>\$ 860,958</b>		<b>\$ 789,405</b>	<b>100.000%</b>	<b>\$ -</b>
ANNUAL INTEREST EXPENSE			<u>\$ 25,735</u>				

**GRAND TOTALS**

<b>\$ 839,146</b>	<b>\$ 23,618,290</b>	<b>3.553%</b>	<b>\$ 855,826</b>
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PART A. STATEMENT OF OPERATIONS

LINE NO	DESCRIPTION	YEAR TO DATE			BUDGET C	THIS MONTH D	% FROM BUDGET	% CHANGE FROM LAST YEAR
		A	B	C				
1.0	OPERATING REVENUE & PATRONAGE CAPITAL.....	26,315,426.23	25,548,157.31	25,437,204.64	2,045,189.85	.4	2.9-	
2.0	POWER PRODUCTION EXPENSE.....	.00	.00	.00	.00	.00	.0	
3.0	COST OF PURCHASED POWER.....	18,620,318.00-	18,219,752.00-	17,582,525.00-	1,439,066.00-	3.6	2.2-	
4.0	TRANSMISSION EXPENSE.....	.00	.00	.00	.00	.0	.0	
5.0	REGIONAL MARKET OPERATIONS EXPENSE.....	.00	.00	.00	.00	.0	.0	
6.0	DISTRIBUTION EXPENSE-OPERATION.....	923,952.30-	837,909.58-	838,571.88-	104,436.17-	1.1-	9.3-	
7.0	DISTRIBUTION EXPENSE-MAINTENANCE.....	1,468,957.69-	1,294,779.70-	1,289,007.72-	124,564.35-	.4	11.9-	
8.0	CONSUMER ACCOUNTS EXPENSE.....	765,151.09-	909,232.82-	740,338.08-	82,959.75-	22.8	18.8	
9.0	CUSTOMER SERVICE & INFORMATIONAL EXPENSE.....	132,162.03-	114,545.62-	148,783.56-	9,451.21-	23.0-	13.3-	
10.0	SALES EXPENSE.....	12,119.87-	3,145.00-	.00	1,166.00-	100.0-	74.1-	
11.0	ADMINISTRATIVE & GENERAL EXPENSE.....	1,322,118.33-	1,185,660.72-	1,251,489.84-	93,165.29-	5.3-	10.3-	
12.0	TOTAL OPERATIONS & MAINTENANCE EXPENSE.....	23,244,779.31-	22,565,025.44-	21,850,716.08-	1,854,808.77-	3.3	2.9-	
13.0	DEPRECIATION & AMORTIZATION EXPENSE.....	1,912,567.60-	1,993,666.15-	2,067,014.36-	169,667.60-	3.5-	4.2	
14.0	TAX EXPENSE - PROPERTY & GROSS RECEIPTS..	.00	.00	.00	.00	.0	.0	
15.0	TAX EXPENSE - OTHER.....	25,429.88-	28,300.70-	25,500.00-	2,808.72-	11.0	11.3	
16.0	INTEREST ON LONG TERM DEBT.....	979,583.35-	826,667.26-	917,933.20-	71,196.66-	9.9-	15.6-	
17.0	INTEREST CHARGED TO CONSTRUCTION - CREDIT	.00	.00	.00	.00	.0	.0	
18.0	INTEREST EXPENSE - OTHER.....	92,809.16-	93,400.39-	91,666.72-	4,719.41-	1.9	.6	
19.0	OTHER DEDUCTIONS.....	11,843.62-	12,967.61-	15,806.72-	3,435.59	18.0-	9.5	
20.0	TOTAL COST OF ELECTRIC SERVICE.....	26,267,012.92-	25,520,027.55-	24,968,637.08-	2,099,765.57-	2.2	2.8-	
21.0	PATRONAGE CAPITAL & OPERATING MARGINS.....	48,413.31	28,129.76	468,567.56	54,575.72-	94.0-	41.9-	
22.0	NON OPERATING MARGINS - INTEREST.....	26,477.65	53,906.38	37,600.00	2,986.37	43.4	103.6	
23.0	ALLOW. FOR FUNDS USED DURING CONSTRUCTION	.00	.00	.00	.00	.0	.0	
24.0	INCOME (LOSS) FROM EQUITY INVESTMENTS.....	.00	.00	.00	.00	.0	.0	
25.0	NON OPERATING MARGINS - OTHER.....	.00	.00	.00	.00	.0	.0	
26.0	GENERATION & TRANSMISSION CAPITAL CREDITS	.00	.00	.00	.00	.0	.0	
27.0	OTHER CAPITAL CREDITS & PATRONAGE DIVID..	865,908.65	1,436,963.94	.00	.00	100.0	65.9	
28.0	EXTRAORDINARY ITEMS.....	.00	.00	.00	.00	.0	.0	
29.0	PATRONAGE CAPITAL OR MARGINS.....	940,799.61	1,519,000.08	506,167.56	51,589.35-	200.1	61.5	
RATIOS								
	TIER	1.960	2.837	1.551	.275			
	MARGINS TO REVENUE	.036	.059	.020	.025			
	POWER COST TO REVENUE	.708	.713	.691	.704			
	INTEREST EXPENSE TO REVENUE	.037	.032	.036	.035			
	CURRENT ASSETS : CURRENT LIABILITIES	1.1506						
	MARGINS & EQUITIES AS % OF ASSETS	.3924						
	LONG TERM DEBT AS % OF PLANT	.4986						
	GENERAL FUNDS TO TOTAL PLANT	2.2940						
	QUICK ASSET RATIO	1.0775						



PART C. BALANCE SHEET

LINE NO	ASSETS AND OTHER DEBITS	LIABILITIES AND OTHER CREDITS	
1.0	TOTAL UTILITY PLANT IN SERVICE	30.0 MEMBERSHIPS	232,570.00-
2.0	CONSTRUCTION WORK IN PROGRESS	31.0 PATRONAGE CAPITAL	17,833,048.75-
3.0	TOTAL UTILITY PLANT	32.0 OPERATING MARGINS - PRIOR YEAR	.00
4.0	ACCUM PROV FOR DEP & AMORT	33.0 OPERATING MARGINS-CURRENT YEAR	1,465,093.70-
5.0	NET UTILITY PLANT	34.0 NON-OPERATING MARGINS	53,906.38-
		35.0 OTHER MARGINS & EQUITIES	718,099.30
		36.0 TOTAL MARGINS & EQUITIES	18,866,519.53-
6.0	NON-UTILITY PROPERTY (NET)		
7.0	INVEST IN SUBSIDIARY COMPANIES	37.0 LONG TERM DEBT - RUS (NET)	8,294,051.75-
8.0	INV IN ASSOC ORG - PAT CAPITAL	(PAYMENTS-UNAPPLIED	.00 )
9.0	INV IN ASSOC ORG OTHER GEN FND	38.0 LNG-TERM DEBT-FFB-RUS GUAR	.00
10.0	INV IN ASSOC ORG - NON GEN FND	39.0 LONG-TERM DEBT OTHER-RUS GUAR	.00
11.0	INV IN ECON DEVEL PROJECTS	40.0 LONG TERM DEBT - OTHER (NET)	15,525,932.74-
12.0	OTHER INVESTMENTS	41.0 LNG-TERM DEBT-RUS-ECON DEV NET	.00
13.0	SPECIAL FUNDS	42.0 PAYMENTS - UNAPPLIED	.00
14.0	TOT OTHER PROP & INVESTMENTS	43.0 TOTAL LONG TERM DEBT	23,819,984.49-
15.0	CASH - GENERAL FUNDS		
16.0	CASH - CONSTRUCTION FUND TRUST	44.0 OBLIGATION UNDER CAPITAL LEASE	.00
17.0	SPECIAL DEPOSITS	45.0 ACCUM OPERATING PROVISIONS	1,552,447.11-
18.0	TEMPORARY INVESTMENTS	46.0 TOTAL OTHER NONCURR LIABILITY	1,552,447.11-
19.0	NOTES RECEIVABLE (NET)		
20.0	ACCTS REC - SALES ENERGY (NET)	47.0 NOTES PAYABLE	500,000.00-
21.0	ACCTS REC - OTHER (NET)	48.0 ACCOUNTS PAYABLE	2,272,743.74-
22.0	RENEWABLE ENERGY CREDITS	49.0 CONSUMER DEPOSITS	691,852.32-
23.0	MATERIAL & SUPPLIES-ELEC & OTH	50.0 CURR MATURITIES LONG-TERM DEBT	.00
24.0	PREPAYMENTS	51.0 CURR MATURIT LT DEBT ECON DEV	.00
25.0	OTHER CURRENT & ACCR ASSETS	52.0 CURR MATURITIES CAPITAL LEASES	.00
26.0	TOTAL CURRENT & ACCR ASSETS	53.0 OTHER CURRENT & ACCRUED LIAB	344,018.18-
		54.0 TOTAL CURRENT & ACCRUED LIAB	3,808,614.24-
27.0	REGULATORY ASSETS		
28.0	OTHER DEFERRED DEBITS	55.0 REGULATORY LIABILITIES	.00
		56.0 OTHER DEFERRED CREDITS	29,384.99-
29.0	TOTAL ASSETS & OTHER DEBITS	57.0 TOTAL LIABILITIES & OTH CREDIT	48,076,950.36-
			=====
		ESTIMATED CONTRIBUTIONS IN AID OF CONSTRUCTION	
		58.0 BALANCE BEGINNING OF YEAR	.00
		59.0 AMOUNT RECEIVED THIS YEAR (NET)	153,261.26
		60.0 TOTAL CONTRIBUTIONS IN AID OF CONST	153,261.26

C E R T I F I C A T I O N

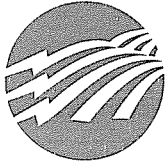
WE HEREBY CERTIFY THAT THE ENTRIES IN THIS REPORT ARE IN ACCORDANCE WITH THE ACCOUNTS AND OTHER RECORDS OF THE SYSTEM AND REFLECT THE STATUS OF THE SYSTEM TO THE BEST OF OUR KNOWLEDGE AND BELIEF. ALL INSURANCE REQUIRED BY PART 1788 OF 7 CFR CHAPTER XVII, REA, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

\_\_\_\_\_  
SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

\_\_\_\_\_  
DATE

\_\_\_\_\_  
SIGNATURE OF MANAGER

\_\_\_\_\_  
DATE



# Big Sandy Rural Electric Cooperative Corporation

504 11th Street  
Paintsville, Kentucky 41240-1422  
(606) 789-4095 • Fax (606) 789-5454  
Toll Free (888) 789-RECC (7322)

EXHIBIT 4  
Page 1 of 1

## BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION RESOLUTION OF BOARD OF DIRECTORS REFINANCING OF COOPERATIVE FINANCE CORPORATION NOTES

WHEREAS, a refinancing of Cooperative Finance Corporation (CFC) secured debt is permitted under Article 2, Section 2.02 or the CFC mortgage.

WHEREAS, Big Sandy Rural Cooperative Corporation (BSRECC) has approximately \$778,702.55 of CFC notes to be refinanced with maturity dates of 15, 18, and 18 years.

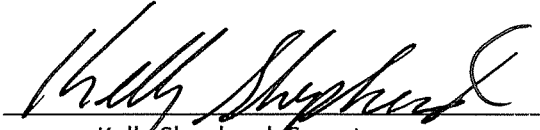
WHEREAS, in the current interest rate environment, BSRECC can eliminate the interest rate risk associated with these CFC notes, which terms will expire Nov. 30, 2012.

WHEREAS, the interest rate changes daily and the exact date of the loan closing is undeterminable because Kentucky Public Service Commission (KPSC) approval is required.

NOW THEREFORE BE IT RESOLVED, that Board Chairman Wade May, or David Estep, BSRECC President & CEO, is authorized to execute the forward setting of a fixed interest rate less than 4% exclusive of capital credit retirements.

BE IT FURTHER RESOLVED, that David Estep, President & CEO, is authorized and directed, on behalf of BSRECC to seek KPSC approval for refinancing the said CFC notes.

I, Kelly Shepherd, Secretary of the Big Sandy Rural Electric Cooperative Corporation, do hereby certify that the above is a true and correct copy of a resolution adopted at the meeting of the Board of Directors of Big Sandy Rural Electric Cooperative Corporation on September 27, 2012, at which a quorum was present and voted.

  
Kelly Shepherd, Secretary

# Executive Summary

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Big Sandy Rural Electric Cooperative Corporation (Big Sandy) currently holds \$778,703 of CFC debt in which the current rate terms will be expiring on November 30, 2012. Big Sandy has the opportunity to finance these three (3) notes with CoBank at a rate of 3.07%, for a term of 10 years until maturity; with an effective rate of 2.19% after patronage refunds from CoBank. Financing these notes with CFC until maturity would result in a rate of 4.8% (Note 7002), 5.45% (Note 8001), and 5.45% (Note 8004). The total projected savings amount to \$270,436.27 before patronage refunds. This would also allow Big Sandy to pay off these notes early: (7002 - Matures 3/1/2028), (8001 - Matures 11/30/2030), (8004 – Matures 11/30/2030). Such refinancing of mortgage debt is permitted by CFC 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, which also shows a comparison of financing with CFC versus CoBank; and amortization schedules from both CoBank and CFC for the financing of the notes until maturity.


**BIG SANDY RECC  
NOTE REFINANCE COMPARISON**

	CFC - All notes financed until maturity	Co-Bank 3 Notes @ 10 Years
<b>Principal Payments</b>	\$ 778,702.55	\$ 778,702.55
<b>Interest Payments</b>	\$ 401,630.38	\$ 128,598.43
	\$ 1,180,332.93	\$ 907,300.98
<b>Potential Savings =</b>		
Interest Savings		\$ 273,031.95
CFC Pre-Payment Penalty (1/3 of 1%)		\$ (2,595.68)
CoBank Cash Patronage		\$ 26,673.00
CoBank Stock Patronage		\$ 14,362.00
<b>Total Savings</b>		\$ 311,471.27
<b>Present Value of Savings (discounted at 3.07%)</b>		\$ 230,194.65

**BIG SANDY RECC**  
**NOTES TO BE REFINANCED**

NOTE	Maturity Date	Balance	Current Rate	Current Rate Term	Years To Maturity	Weighted Average Maturity
7002	3/1/2028	\$ 279,293.70	6.40%	7 Year	15	
8001	11/30/2030	\$ 392,218.81	6.40%	7 Year	18	
8004	11/30/2030	\$ 107,190.04	6.40%	7 Year	18	
		<u>\$ 778,702.55</u>				16.92 Years

NOTE> The rate terms of these notes expire on November 30, 2012.



**COBANK**  
First 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	Big Sandy RECC
Schedule	10 year full amortization loan
Account Officer	LaDuca
Prepared by:	LaDuca
Quote Date	September 10, 2012
Origination Date	November 30, 2012
Amortization Start Date	December 20, 2012
Loan Amount	\$778,703
Years to Maturity	10
Nominal Interest Rate	3.07%
Origination Fee (\$)	0
Payments/Year	12
Amort Method	Level Payment
Days per Year	360
Payment Amount	\$7,596

Nominal Interest Rate	3.07%
Net Effective Interest Rate	2.19%
Reduction of Interest Rate	0.88%
Patronage Rate	1.00%
% Cash Patronage	65.00%
Initial Capital Purchase Amount	\$0
Target Equity	8.00%
Prior Year End Capital Balance	1,000
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

Borrower: Big Sandy RECC													
10 year full amortization loan													
2.19%													
Schedule:													
September 10, 2012													
November 30, 2012													
Effective Interest Rate:													
2.19%													
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
2012	778,703	5,537	2,059	0	0	0	771,107	231	1,231	773,166	65,936	6,596	528
2013	0	68,049	23,101	0	429	703	-90,017	2,597	3,125	705,117	742,005	80,796	6,464
2014	0	70,197	20,932	0	4,823	0	-86,326	2,355	5,480	634,920	672,972	148,093	11,847
2015	0	72,414	18,735	0	4,374	0	-86,775	2,106	7,586	562,506	601,739	208,269	16,662
2016	0	74,700	16,449	0	3,911	0	-87,238	1,849	9,436	487,805	528,375	261,107	20,889
2017	0	77,059	14,090	0	3,434	0	-87,715	1,584	11,019	410,746	306,359	306,359	24,509
2018	0	79,492	11,657	0	2,941	0	-88,208	1,310	12,330	331,254	343,793	343,793	27,503
2019	0	82,002	9,147	0	2,433	0	-88,716	1,028	13,338	249,252	293,704	373,163	29,853
2020	0	84,591	6,558	0	1,909	0	-89,240	737	14,095	164,661	210,603	406,694	31,538
2021	0	87,262	3,887	0	1,369	0	-89,780	436	14,531	77,399	124,702	403,759	32,536
2022	0	77,399	1,145	0	811	0	-77,734	128	14,659	0	36,604	0	32,301
2023	0	0	0	0	238	0	238	0	14,659	0	0	329,558	26,365
2024	0	0	0	0	0	0	0	0	14,659	0	0	362,261	20,981
2025	0	0	0	0	0	0	0	0	14,659	0	0	202,085	16,167
2026	0	0	0	0	0	0	0	0	14,659	0	0	149,248	11,940
2027	0	0	0	0	0	2,719	2,719	0	11,940	0	0	103,996	8,320
2028	0	0	0	0	0	3,620	3,620	0	8,320	0	0	66,561	5,325
2029	0	0	0	0	0	2,995	2,995	0	5,325	0	0	37,191	2,975
2030	0	0	0	0	0	2,350	2,350	0	2,975	0	0	16,131	1,290
2031	0	0	0	0	0	1,685	1,685	0	1,290	0	0	3,660	293
2032	0	0	0	0	0	998	998	0	293	0	0	0	0
2033	0	0	0	0	0	293	293	0	0	0	0	0	0
TOTAL	\$778,703	\$778,703	\$127,782	\$0	\$26,673	\$15,362		\$14,362					

<b>CFC Standard Daily Fixed Rate as of:</b>		<b>8/10/2012</b>
<b>Term</b>	<b>Rate</b>	
1-year	3.000%	
2-year	3.100%	
3-year	3.100%	
4-year	3.250%	
5-year	3.400%	
6-year	3.600%	
7-year	3.850%	
8-year	4.050%	
9-year	4.200%	
10-year	4.400%	
11-year	4.500%	
12-year	4.550%	
13-year	4.650%	
14-year	4.750%	
15-year	4.800%	
16-year	5.350%	
17-year	5.400%	
18-year	5.450%	
19-year	5.500%	
20-year	5.550%	
21-year	5.550%	
22-year	5.550%	
23-year	5.550%	
24-year	5.550%	
25-year	5.550%	
26-year	5.550%	
27-year	5.550%	
28-year	5.550%	
29-year	5.600%	
30-year*	5.600%	

\* Please add 5bps to the 30yr rate for fixed terms from 31-35 years

\*\* This information is confidential and proprietary, and is not to be disclosed to third parties without prior CFC consent.



**NRUCFC  
DECEMBER 1, 2012 INTEREST RATE TERM REPRICING**

<b>Current Loan Information</b>			
<b>Loan #</b>	KY0589017002	<b>Current Interest Rate**</b>	6.4000%
<b>Current Interest Rate Term</b>	7 years	<b>Remaining Loan Term</b>	15 years
<b>Final Payment Date</b>	3/1/2028	<b>O/S Balance at Repricing</b>	\$ 279,293.70
<b>Default Interest Rate Term*</b>	7 years	<b>CFC Approval Date</b>	3/24/1992

\* If repricing option is not selected by November 30, 2012, the loan will reprice at the default interest rate term.

\*\* Stated interest rate exclusive of interest rate discounts.

<b>Step 1</b>		<b>Select Your Repricing Option</b>	
<input type="checkbox"/>	<b>Fixed Rate</b>	<ul style="list-style-type: none"> <li>– Interest rate selection is made any time during the month of November 2012.</li> <li>– New rate term can be 1 – 30 years but may not exceed the remaining loan term.</li> <li>– Effective date of the selected rate will be December 1, 2012.</li> </ul>	
		New Interest Rate Term <input style="width: 50px; height: 20px;" type="text"/>	New Interest Rate <input style="width: 50px; height: 20px;" type="text"/>
<input type="checkbox"/>	<b>Variable Rate</b>	<ul style="list-style-type: none"> <li>– Effective date will be December 1, 2012</li> <li>– Interest rate will adjust monthly as the CFC variable rate changes.</li> <li>– Selection of the variable rate will result in the loss of the performance discount.</li> </ul>	

<b>Step 2</b>			<b>Authorize Repricing Selection</b>		
I am authorized to request the repricing selection as indicated above.					
_____		_____		_____	
Print Name		Signature		Title	

<b>Step 3</b>		<b>Verify Your Fax #</b>	
606-789-5454		If this fax number is incorrect, please enter the correct number in the space below:	
		_____	

<b>Step 4</b>			<b>Submit Your Request</b>		
Option 1	CFC Extranet	You may submit your request using the CFC Extranet; or			
Option 2	Fax	You may fax your request to Mary Kestner at 703-467-5170. A confirmation will be faxed to you within 5 business days.			

**CFC Confirmation of Receipt**

**Date**

# Loan Amortization Schedule



HELP

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7002

Loan Information	
Loan Amount	279,293.70
Annual Interest Rate	4.80%
Term of Loan in Years	15
First Payment Date	2/28/2013
Payment Frequency	Quarterly
Compound Period	Quarterly
Payment Type	End of Period

Summary	
Rate (per period)	1.200%
Number of Payments	60
Total Payments	393,404.34
Total Interest	114,110.64
Est. Interest Savings	0.03

**Quarterly Payment 6,556.74**

## Amortization Schedule

Rounding On

No.	Due Date	Payment	Additional Payment	Interest	Principal	Balance
						279,293.70
1	2/28/13	6,556.74		3,351.52	3,205.22	276,088.48
2	5/28/13	6,556.74		3,313.06	3,243.68	272,844.80
3	8/28/13	6,556.74		3,274.14	3,282.60	269,562.20
4	11/28/13	6,556.74		3,234.75	3,321.99	266,240.21
5	2/28/14	6,556.74		3,194.88	3,361.86	262,878.35
6	5/28/14	6,556.74		3,154.54	3,402.20	259,476.15
7	8/28/14	6,556.74		3,113.71	3,443.03	256,033.12
8	11/28/14	6,556.74		3,072.40	3,484.34	252,548.78
9	2/28/15	6,556.74		3,030.59	3,526.15	249,022.63
10	5/28/15	6,556.74		2,988.27	3,568.47	245,454.16
11	8/28/15	6,556.74		2,945.45	3,611.29	241,842.87
12	11/28/15	6,556.74		2,902.11	3,654.63	238,188.24
13	2/28/16	6,556.74		2,858.26	3,698.48	234,489.76
14	5/28/16	6,556.74		2,813.88	3,742.86	230,746.90
15	8/28/16	6,556.74		2,768.96	3,787.78	226,959.12
16	11/28/16	6,556.74		2,723.51	3,833.23	223,125.89
17	2/28/17	6,556.74		2,677.51	3,879.23	219,246.66
18	5/28/17	6,556.74		2,630.96	3,925.78	215,320.88
19	8/28/17	6,556.74		2,583.85	3,972.89	211,347.99
20	11/28/17	6,556.74		2,536.18	4,020.56	207,327.43
21	2/28/18	6,556.74		2,487.93	4,068.81	203,258.62
22	5/28/18	6,556.74		2,439.10	4,117.64	199,140.98
23	8/28/18	6,556.74		2,389.69	4,167.05	194,973.93
24	11/28/18	6,556.74		2,339.69	4,217.05	190,756.88
25	2/28/19	6,556.74		2,289.08	4,267.66	186,489.22
26	5/28/19	6,556.74		2,237.87	4,318.87	182,170.35
27	8/28/19	6,556.74		2,186.04	4,370.70	177,799.65
28	11/28/19	6,556.74		2,133.60	4,423.14	173,376.51
29	2/28/20	6,556.74		2,080.52	4,476.22	168,900.29
30	5/28/20	6,556.74		2,026.80	4,529.94	164,370.35
31	8/28/20	6,556.74		1,972.44	4,584.30	159,786.05
32	11/28/20	6,556.74		1,917.43	4,639.31	155,146.74
33	2/28/21	6,556.74		1,861.76	4,694.98	150,451.76
34	5/28/21	6,556.74		1,805.42	4,751.32	145,700.44
35	8/28/21	6,556.74		1,748.41	4,808.33	140,892.11
36	11/28/21	6,556.74		1,690.71	4,866.03	136,026.08
37	2/28/22	6,556.74		1,632.31	4,924.43	131,101.65

No.	Due Date	Payment	Additional Payment	Interest	Principal	Balance
38	5/28/22	6,556.74		1,573.22	4,983.52	126,118.13
39	8/28/22	6,556.74		1,513.42	5,043.32	121,074.81
40	11/28/22	6,556.74		1,452.90	5,103.84	115,970.97
41	2/28/23	6,556.74		1,391.65	5,165.09	110,805.88
42	5/28/23	6,556.74		1,329.67	5,227.07	105,578.81
43	8/28/23	6,556.74		1,266.95	5,289.79	100,289.02
44	11/28/23	6,556.74		1,203.47	5,353.27	94,935.75
45	2/28/24	6,556.74		1,139.23	5,417.51	89,518.24
46	5/28/24	6,556.74		1,074.22	5,482.52	84,035.72
47	8/28/24	6,556.74		1,008.43	5,548.31	78,487.41
48	11/28/24	6,556.74		941.85	5,614.89	72,872.52
49	2/28/25	6,556.74		874.47	5,682.27	67,190.25
50	5/28/25	6,556.74		806.28	5,750.46	61,439.79
51	8/28/25	6,556.74		737.28	5,819.46	55,620.33
52	11/28/25	6,556.74		667.44	5,889.30	49,731.03
53	2/28/26	6,556.74		596.77	5,959.97	43,771.06
54	5/28/26	6,556.74		525.25	6,031.49	37,739.57
55	8/28/26	6,556.74		452.87	6,103.87	31,635.70
56	11/28/26	6,556.74		379.63	6,177.11	25,458.59
57	2/28/27	6,556.74		305.50	6,251.24	19,207.35
58	5/28/27	6,556.74		230.49	6,326.25	12,881.10
59	8/28/27	6,556.74		154.57	6,402.17	6,478.93
60	11/28/27	6,556.68		77.75	6,478.93	0.00

**NRUCFC  
DECEMBER 1, 2012 INTEREST RATE TERM REPRICING**

<b>Current Loan Information</b>			
<b>Loan #</b>	KY0589018001	<b>Current Interest Rate**</b>	6.4000%
<b>Current Interest Rate Term</b>	7 years	<b>Remaining Loan Term</b>	18 years
<b>Final Payment Date</b>	11/30/2030	<b>O/S Balance at Repricing</b>	\$ 392,218.81
<b>Default Interest Rate Term*</b>	7 years	<b>CFC Approval Date</b>	12/6/1995

\* If repricing option is not selected by November 30, 2012, the loan will reprice at the default interest rate term.

\*\* Stated interest rate exclusive of interest rate discounts.

<b>Step 1 Select Your Repricing Option</b>	
<input type="checkbox"/> <b>Fixed Rate</b>	– Interest rate selection is made any time during the month of November 2012. – New rate term can be 1 – 30 years but may not exceed the remaining loan term. – Effective date of the selected rate will be December 1, 2012.  New Interest Rate Term <input type="text"/> New Interest Rate <input type="text"/>
<input type="checkbox"/> <b>Variable Rate</b>	– Effective date will be December 1, 2012 – Interest rate will adjust monthly as the CFC variable rate changes. – Selection of the variable rate will result in the loss of the performance discount.

<b>Step 2 Authorize Repricing Selection</b>		
I am authorized to request the repricing selection as indicated above.		
_____	_____	_____
Print Name	Signature	Title

<b>Step 3 Verify Your Fax #</b>	
606-789-5454	If this fax number is incorrect, please enter the correct number in the space below:

<b>Step 4 Submit Your Request</b>		
Option 1	CFC Extranet	You may submit your request using the CFC Extranet; or
Option 2	Fax	You may fax your request to Mary Kestner at 703-467-5170. A confirmation will be faxed to you within 5 business days.

**CFC Confirmation of Receipt**

**Date**

# Loan Amortization Schedule



HELP

8001

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Loan Information	
Loan Amount	392,218.81
Annual Interest Rate	5.45%
Term of Loan in Years	18
First Payment Date	2/28/2013
Payment Frequency	Quarterly
Compound Period	Quarterly
Payment Type	End of Period

Summary	
Rate (per period)	1.363%
Number of Payments	72
Total Payments	618,026.92
Total Interest	225,808.11
Est. Interest Savings	0.05

**Quarterly Payment 8,583.71**

## Amortization Schedule

Rounding On

No.	Due Date	Payment	Additional Payment	Interest	Principal	Balance
						392,218.81
1	2/28/13	8,583.71		5,343.98	3,239.73	388,979.08
2	5/28/13	8,583.71		5,299.84	3,283.87	385,695.21
3	8/28/13	8,583.71		5,255.10	3,328.61	382,366.60
4	11/28/13	8,583.71		5,209.74	3,373.97	378,992.63
5	2/28/14	8,583.71		5,163.77	3,419.94	375,572.69
6	5/28/14	8,583.71		5,117.18	3,466.53	372,106.16
7	8/28/14	8,583.71		5,069.95	3,513.76	368,592.40
8	11/28/14	8,583.71		5,022.07	3,561.64	365,030.76
9	2/28/15	8,583.71		4,973.54	3,610.17	361,420.59
10	5/28/15	8,583.71		4,924.36	3,659.35	357,761.24
11	8/28/15	8,583.71		4,874.50	3,709.21	354,052.03
12	11/28/15	8,583.71		4,823.96	3,759.75	350,292.28
13	2/28/16	8,583.71		4,772.73	3,810.98	346,481.30
14	5/28/16	8,583.71		4,720.81	3,862.90	342,618.40
15	8/28/16	8,583.71		4,668.18	3,915.53	338,702.87
16	11/28/16	8,583.71		4,614.83	3,968.88	334,733.99
17	2/28/17	8,583.71		4,560.75	4,022.96	330,711.03
18	5/28/17	8,583.71		4,505.94	4,077.77	326,633.26
19	8/28/17	8,583.71		4,450.38	4,133.33	322,499.93
20	11/28/17	8,583.71		4,394.06	4,189.65	318,310.28
21	2/28/18	8,583.71		4,336.98	4,246.73	314,063.55
22	5/28/18	8,583.71		4,279.12	4,304.59	309,758.96
23	8/28/18	8,583.71		4,220.47	4,363.24	305,395.72
24	11/28/18	8,583.71		4,161.02	4,422.69	300,973.03
25	2/28/19	8,583.71		4,100.76	4,482.95	296,490.08
26	5/28/19	8,583.71		4,039.68	4,544.03	291,946.05
27	8/28/19	8,583.71		3,977.76	4,605.95	287,340.10
28	11/28/19	8,583.71		3,915.01	4,668.70	282,671.40
29	2/28/20	8,583.71		3,851.40	4,732.31	277,939.09
30	5/28/20	8,583.71		3,786.92	4,796.79	273,142.30
31	8/28/20	8,583.71		3,721.56	4,862.15	268,280.15
32	11/28/20	8,583.71		3,655.32	4,928.39	263,351.76
33	2/28/21	8,583.71		3,588.17	4,995.54	258,356.22
34	5/28/21	8,583.71		3,520.10	5,063.61	253,292.61
35	8/28/21	8,583.71		3,451.11	5,132.60	248,160.01
36	11/28/21	8,583.71		3,381.18	5,202.53	242,957.48
37	2/28/22	8,583.71		3,310.30	5,273.41	237,684.07

No.	Due Date	Payment	Additional Payment	Interest	Principal	Balance
38	5/28/22	8,583.71		3,238.45	5,345.26	232,338.81
39	8/28/22	8,583.71		3,165.62	5,418.09	226,920.72
40	11/28/22	8,583.71		3,091.79	5,491.92	221,428.80
41	2/28/23	8,583.71		3,016.97	5,566.74	215,862.06
42	5/28/23	8,583.71		2,941.12	5,642.59	210,219.47
43	8/28/23	8,583.71		2,864.24	5,719.47	204,500.00
44	11/28/23	8,583.71		2,786.31	5,797.40	198,702.60
45	2/28/24	8,583.71		2,707.32	5,876.39	192,826.21
46	5/28/24	8,583.71		2,627.26	5,956.45	186,869.76
47	8/28/24	8,583.71		2,546.10	6,037.61	180,832.15
48	11/28/24	8,583.71		2,463.84	6,119.87	174,712.28
49	2/28/25	8,583.71		2,380.45	6,203.26	168,509.02
50	5/28/25	8,583.71		2,295.94	6,287.77	162,221.25
51	8/28/25	8,583.71		2,210.26	6,373.45	155,847.80
52	11/28/25	8,583.71		2,123.43	6,460.28	149,387.52
53	2/28/26	8,583.71		2,035.40	6,548.31	142,839.21
54	5/28/26	8,583.71		1,946.18	6,637.53	136,201.68
55	8/28/26	8,583.71		1,855.75	6,727.96	129,473.72
56	11/28/26	8,583.71		1,764.08	6,819.63	122,654.09
57	2/28/27	8,583.71		1,671.16	6,912.55	115,741.54
58	5/28/27	8,583.71		1,576.98	7,006.73	108,734.81
59	8/28/27	8,583.71		1,481.51	7,102.20	101,632.61
60	11/28/27	8,583.71		1,384.74	7,198.97	94,433.64
61	2/28/28	8,583.71		1,286.66	7,297.05	87,136.59
62	5/28/28	8,583.71		1,187.24	7,396.47	79,740.12
63	8/28/28	8,583.71		1,086.46	7,497.25	72,242.87
64	11/28/28	8,583.71		984.31	7,599.40	64,643.47
65	2/28/29	8,583.71		880.77	7,702.94	56,940.53
66	5/28/29	8,583.71		775.81	7,807.90	49,132.63
67	8/28/29	8,583.71		669.43	7,914.28	41,218.35
68	11/28/29	8,583.71		561.60	8,022.11	33,196.24
69	2/28/30	8,583.71		452.30	8,131.41	25,064.83
70	5/28/30	8,583.71		341.51	8,242.20	16,822.63
71	8/28/30	8,583.71		229.21	8,354.50	8,468.13
72	11/28/30	8,583.51		115.38	8,468.13	0.00

**NRUCFC**  
**DECEMBER 1, 2012 INTEREST RATE TERM REPRICING**

<b>Current Loan Information</b>			
<b>Loan #</b>	KY0589018004	<b>Current Interest Rate**</b>	6.4000%
<b>Current Interest Rate Term</b>	7 years	<b>Remaining Loan Term</b>	18 years
<b>Final Payment Date</b>	11/30/2030	<b>O/S Balance at Repricing</b>	\$ 107,190.04
<b>Default Interest Rate Term*</b>	7 years	<b>CFC Approval Date</b>	12/6/1995

\* If repricing option is not selected by November 30, 2012, the loan will reprice at the default interest rate term.

\*\* Stated interest rate exclusive of interest rate discounts.

<b>Step 1</b>		<b>Select Your Repricing Option</b>	
<input type="checkbox"/>	<b>Fixed Rate</b>	<ul style="list-style-type: none"> <li>– Interest rate selection is made any time during the month of November 2012.</li> <li>– New rate term can be 1 -- 30 years but may not exceed the remaining loan term.</li> <li>– Effective date of the selected rate will be December 1, 2012.</li> </ul>	
		New Interest Rate Term <input style="width: 40px;" type="text"/>	New Interest Rate <input style="width: 40px;" type="text"/>
<input type="checkbox"/>	<b>Variable Rate</b>	<ul style="list-style-type: none"> <li>– Effective date will be December 1, 2012</li> <li>– Interest rate will adjust monthly as the CFC variable rate changes.</li> <li>– Selection of the variable rate will result in the loss of the performance discount.</li> </ul>	

<b>Step 2</b>			<b>Authorize Repricing Selection</b>		
I am authorized to request the repricing selection as indicated above.					
_____	_____	_____	_____	_____	_____
Print Name	Signature	Title			

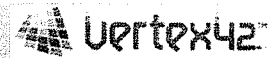
<b>Step 3</b>		<b>Verify Your Fax #</b>	
606-789-5454		If this fax number is incorrect, please enter the correct number in the space below:	

<b>Step 4</b>			<b>Submit Your Request</b>		
Option 1	CFC Extranet	You may submit your request using the CFC Extranet; or			
Option 2	Fax	You may fax your request to Mary Kestner at 703-467-5170. A confirmation will be faxed to you within 5 business days.			

**CFC Confirmation of Receipt**

**Date**

# Loan Amortization Schedule



HELP

8004

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Loan Information	
Loan Amount	107,190.04
Annual Interest Rate	5.45%
Term of Loan in Years	18
First Payment Date	2/28/2013
Payment Frequency	Quarterly
Compound Period	Quarterly
Payment Type	End of Period

Summary	
Rate (per period)	1.363%
Number of Payments	72
Total Payments	168,901.67
Total Interest	61,711.63
Est. Interest Savings	(0.20)

**Quarterly Payment 2,345.85**

## Amortization Schedule

Rounding On

No.	Due Date	Payment	Additional Payment	Interest	Principal	Balance
						107,190.04
1	2/28/13	2,345.85		1,460.46	885.39	106,304.65
2	5/28/13	2,345.85		1,448.40	897.45	105,407.20
3	8/28/13	2,345.85		1,436.17	909.68	104,497.52
4	11/28/13	2,345.85		1,423.78	922.07	103,575.45
5	2/28/14	2,345.85		1,411.22	934.63	102,640.82
6	5/28/14	2,345.85		1,398.48	947.37	101,693.45
7	8/28/14	2,345.85		1,385.57	960.28	100,733.17
8	11/28/14	2,345.85		1,372.49	973.36	99,759.81
9	2/28/15	2,345.85		1,359.23	986.62	98,773.19
10	5/28/15	2,345.85		1,345.78	1,000.07	97,773.12
11	8/28/15	2,345.85		1,332.16	1,013.69	96,759.43
12	11/28/15	2,345.85		1,318.35	1,027.50	95,731.93
13	2/28/16	2,345.85		1,304.35	1,041.50	94,690.43
14	5/28/16	2,345.85		1,290.16	1,055.69	93,634.74
15	8/28/16	2,345.85		1,275.77	1,070.08	92,564.66
16	11/28/16	2,345.85		1,261.19	1,084.66	91,480.00
17	2/28/17	2,345.85		1,246.42	1,099.43	90,380.57
18	5/28/17	2,345.85		1,231.44	1,114.41	89,266.16
19	8/28/17	2,345.85		1,216.25	1,129.60	88,136.56
20	11/28/17	2,345.85		1,200.86	1,144.99	86,991.57
21	2/28/18	2,345.85		1,185.26	1,160.59	85,830.98
22	5/28/18	2,345.85		1,169.45	1,176.40	84,654.58
23	8/28/18	2,345.85		1,153.42	1,192.43	83,462.15
24	11/28/18	2,345.85		1,137.17	1,208.68	82,253.47
25	2/28/19	2,345.85		1,120.70	1,225.15	81,028.32
26	5/28/19	2,345.85		1,104.01	1,241.84	79,786.48
27	8/28/19	2,345.85		1,087.09	1,258.76	78,527.72
28	11/28/19	2,345.85		1,069.94	1,275.91	77,251.81
29	2/28/20	2,345.85		1,052.56	1,293.29	75,958.52
30	5/28/20	2,345.85		1,034.93	1,310.92	74,647.60
31	8/28/20	2,345.85		1,017.07	1,328.78	73,318.82
32	11/28/20	2,345.85		998.97	1,346.88	71,971.94
33	2/28/21	2,345.85		980.62	1,365.23	70,606.71
34	5/28/21	2,345.85		962.02	1,383.83	69,222.88
35	8/28/21	2,345.85		943.16	1,402.69	67,820.19
36	11/28/21	2,345.85		924.05	1,421.80	66,398.39
37	2/28/22	2,345.85		904.68	1,441.17	64,957.22



No.	Due Date	Payment	Additional Payment	Interest	Principal	Balance
38	5/28/22	2,345.85		885.04	1,460.81	63,496.41
39	8/28/22	2,345.85		865.14	1,480.71	62,015.70
40	11/28/22	2,345.85		844.96	1,500.89	60,514.81
41	2/28/23	2,345.85		824.51	1,521.34	58,993.47
42	5/28/23	2,345.85		803.79	1,542.06	57,451.41
43	8/28/23	2,345.85		782.78	1,563.07	55,888.34
44	11/28/23	2,345.85		761.48	1,584.37	54,303.97
45	2/28/24	2,345.85		739.89	1,605.96	52,698.01
46	5/28/24	2,345.85		718.01	1,627.84	51,070.17
47	8/28/24	2,345.85		695.83	1,650.02	49,420.15
48	11/28/24	2,345.85		673.35	1,672.50	47,747.65
49	2/28/25	2,345.85		650.56	1,695.29	46,052.36
50	5/28/25	2,345.85		627.46	1,718.39	44,333.97
51	8/28/25	2,345.85		604.05	1,741.80	42,592.17
52	11/28/25	2,345.85		580.32	1,765.53	40,826.64
53	2/28/26	2,345.85		556.26	1,789.59	39,037.05
54	5/28/26	2,345.85		531.88	1,813.97	37,223.08
55	8/28/26	2,345.85		507.16	1,838.69	35,384.39
56	11/28/26	2,345.85		482.11	1,863.74	33,520.65
57	2/28/27	2,345.85		456.72	1,889.13	31,631.52
58	5/28/27	2,345.85		430.98	1,914.87	29,716.65
59	8/28/27	2,345.85		404.89	1,940.96	27,775.69
60	11/28/27	2,345.85		378.44	1,967.41	25,808.28
61	2/28/28	2,345.85		351.64	1,994.21	23,814.07
62	5/28/28	2,345.85		324.47	2,021.38	21,792.69
63	8/28/28	2,345.85		296.93	2,048.92	19,743.77
64	11/28/28	2,345.85		269.01	2,076.84	17,666.93
65	2/28/29	2,345.85		240.71	2,105.14	15,561.79
66	5/28/29	2,345.85		212.03	2,133.82	13,427.97
67	8/28/29	2,345.85		182.96	2,162.89	11,265.08
68	11/28/29	2,345.85		153.49	2,192.36	9,072.72
69	2/28/30	2,345.85		123.62	2,222.23	6,850.49
70	5/28/30	2,345.85		93.34	2,252.51	4,597.98
71	8/28/30	2,345.85		62.65	2,283.20	2,314.78
72	11/28/30	2,346.32		31.54	2,314.78	0.00