

## THIRD AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT

**THIRD AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT** (this "Agreement") is entered into as of \_\_\_\_\_, 2016, by and among **DESERET GENERATION & TRANSMISSION CO-OPERATIVE ("Borrower" or "Applicant")**, a non-profit corporation organized and existing under the laws of the State of Utah, **BLUE MOUNTAIN ENERGY, INC. ("BME" or "Guarantor")** a corporation organized and existing under the laws of the State of Wyoming, and **NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION ("CFC")**, a cooperative association organized and existing under the laws of the District of Columbia.

### RECITALS

**WHEREAS**, Borrower, BME and CFC are parties to that certain Revolving Credit Agreement dated as of October 16, 1996 with respect to a secured revolving line of credit loan from CFC to Borrower in the original principal amount of \$20,000,000.00 as amended, consolidated and restated from time to time by the following:

Letter amendment dated August 19, 1997;  
Letter amendment dated June 28, 2000;  
Second Amendment to Revolving Credit Agreement dated October 16, 2001;  
Third Amendment to Revolving Credit Agreement dated December 31, 2001;  
Consolidated, Amended and Restated Revolving Credit Agreement dated as of October 16, 2006; and  
Second Consolidated, Amended and Restated Revolving Line of Credit Agreement dated as of October 15, 2011 (collectively referred to herein as the "Original Agreement");

**WHEREAS**, Borrower issued the Secured Promissory Note, dated as of October 15, 2011, in the aggregate principal amount of \$20,000,000.00 to CFC under the Original Agreement (the "Existing Note");

**WHEREAS**, Borrower's obligations under the Original Agreement, as it may be supplemented, amended, consolidated, or restated from time to time and the Existing Note are secured by the Mortgage (as hereinafter defined);

**WHEREAS**, Borrower has requested, and CFC has agreed to, an extension of the term of the Original Agreement; and

**WHEREAS**, the parties hereto have agreed to amend and restate the Original Agreement as set forth herein to reflect that the Existing Note will be amended and restated with the Amended Note (as hereinafter defined);

**WHEREAS**, concurrently with the execution and delivery of this Agreement, Borrower shall execute and deliver the Amended Note, and this Agreement and the Amended Note will be secured by the lien of the Mortgage;

**WHEREAS**, Borrower, CFC, BME, and National Cooperative Services Corporation are parties to an Obligations Restructuring Agreement dated as of October 16, 1996, as modified,

amended or supplemented from time to time (“ORA”), pursuant to which, among other things, BME guaranteed the prompt payment in full when due of all obligations owing to CFC by Borrower under the Restructure Documents (as defined in the ORA), including, but not limited to, Borrower’s obligations to CFC under the Original Agreement.

**WHEREAS**, BME executed and delivered to CFC the Secured Guaranty, dated October 15, 2011 (“Existing Guaranty”), and the Secured Guarantee Note, dated October 15, 2011 (“Existing Guaranty Note”) further guaranteeing Borrower’s obligations to CFC under the Original Agreement.

**WHEREAS**, BME’s obligations under the ORA, the Existing Guaranty and the Existing Guaranty Note are secured by the Guarantor Mortgage (as hereinafter defined);

**WHEREAS**, BME and CFC have agreed to amend and restate the Existing Guaranty (the “Amended Guaranty”) to reflect that the Existing Guaranty Note will be amended and restated with the Amended Guaranty Note (as hereinafter defined);

**WHEREAS**, concurrently with the execution and delivery of the Amended Guaranty, BME shall execute and deliver the Amended Guaranty Note and the Amended Guaranty Note and the Amended Guaranty will be secured by the lien of the Guarantor Mortgage;

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

## **ARTICLE I**

### **DEFINITIONS**

**Section 1.01** For purposes of this Agreement, the following capitalized terms shall have the following meanings (such definitions to be equally applicable to the singular and the plural form thereof). Capitalized terms that are not defined herein shall have the meanings as set forth in the Mortgage.

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

**“Amended Guaranty”** shall mean the amended and restated guaranty referred to in the tenth Whereas clause hereof, as such guaranty may be amended, restated, modified or replaced from time to time.

**“Amended Guaranty Note”** shall mean the secured promissory note, payable to the order of CFC, executed by Guarantor, dated as of even date herewith, pursuant to the Guaranty, as identified on Schedule 1 hereto, amending and restating the Existing Guaranty Note, as such Amended Guaranty Note may be amended, restated, modified, substituted or replaced from time to time.

**“Amended Note”** shall mean the secured promissory note, payable to the order of CFC, executed by Borrower, dated as of even date herewith, pursuant to this Agreement, as identified on Schedule 1 hereto, amending and restating the Existing Note, as such Amended Note may be amended, restated, modified, substituted or replaced from time to time.

**“Anniversary Date”** shall mean the date twelve months from the issuance date of such Letter of Credit and if applicable, the corresponding date in each subsequent twelve (12) month period.

**“Available Commitment Amount”** shall mean, as of the date of determination, the CFC Commitment less (i) the aggregate amount of all outstanding Advances and (ii) the LC Exposure.

**“Beneficiary”** shall mean each beneficiary of a Letter of Credit and shall include any substitute beneficiary or transferee under a transferable Letter of Credit and any successor of a beneficiary by operation of law.

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

**“CFC Commitment”** shall have the meaning ascribed to it in Schedule 1 hereto.

**“CFC Line of Credit Rate”** shall mean the rate published by CFC from time to time, by electronic or other means, for similarly classified lines of credit, but if not published, then the rate determined for such lines of credit by CFC from time to time.

**“Commitment Period”** shall mean the period beginning on the Effective Date and ending on November 30, 2017. Notwithstanding the foregoing, if Borrower is subject to an order from a Governmental Authority limiting the term of the Line of Credit, then the Commitment Period shall end on such earlier date specified in such order, and this Agreement shall not automatically renew unless permitted by such order or unless Borrower obtains additional authority for any renewal period.

**“Credit Extension”** shall have the meaning ascribed to it in Section 4.02 hereof.

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

**“Determination Date”** shall mean, initially, the issuance date of any Letter of Credit and thereafter, if applicable, the most recently occurring Anniversary Date of such Letter of Credit.

**“Effective Date”** shall mean the date designated as such by CFC on the signature page hereof.

**“Event of Default”** shall have the meaning as described in Article VI hereof.

**“Existing Letters of Credit”** shall mean the following letters of credit originally issued by CFC pursuant to the Original Agreement:

Letter of Credit Number	Issue Date	Beneficiary	Face Amount (\$)	Expiration Date
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UT021-I-9033-001 <sup>1</sup>	February 6, 2012	Pacificorp	\$5,000,000.00	October 16, 2016
UT021-R-9033-005 <sup>2</sup>	October 25, 2012	Old Republic Insurance Company	\$3,017,978.00	October 16, 2016
UT021-R-9033-006	November 20, 2012	State of Utah, Utah Division of Oil Gas and Mining	\$441,000.00	November 20, 2017

**“GAAP”** shall mean generally accepted accounting principles in the United States of America as in effect from time to time.

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

**“Guarantor”** shall have the meaning set forth in the preamble.

**“Guarantor Mortgage”** shall have the meaning ascribed to it in Schedule 1 hereto.

**“Guarantor Mortgaged Property”** shall have the meaning ascribed to the term “Mortgaged Property” in the Guarantor Mortgage.

**“Guarantor Mortgage Supplement”** shall have the meaning as described in Schedule 1 hereto.

**“Guarantor Permitted Encumbrances”** shall have the meaning ascribed to the term “Permitted Encumbrances” in the Guarantor Mortgage.

**“Guaranty”** shall mean, collectively, the ORA and the Amended Guaranty.

**“ISP 98”** shall mean International Standby Practices (1998) International Chamber of Commerce Publication No. 590, and any subsequent official revision thereof.

**“LC Disbursement”** shall mean a payment made by CFC pursuant to a Letter of Credit.

**“LC Exposure”** shall mean, at any time, the aggregate amount available to be drawn on all outstanding Letters of Credit at such time plus the aggregate amount of all LC Disbursements that have not yet been repaid by Borrower at such time.

**“Letter of Credit”** shall have the meaning as defined in Section 3.03.A hereof.

**“Lien”** shall mean any statutory or common law consensual or non-consensual mortgage, pledge, security interest, encumbrance, lien, right of set off, claim or charge of any

<sup>1</sup> Include this LC only if it has been amended to extend expiry date past the effective date of this agreement.

<sup>2</sup> Include this LC only if notice of non-renewal has not been sent past the effective date of this agreement.

kind, including, without limitation, any conditional sale or other title retention transaction, any lease transaction in the nature thereof and any secured transaction under the Uniform Commercial Code.

**“Line of Credit”** shall mean the line of credit extended by CFC to Borrower, pursuant to this Agreement, in an aggregate principal amount outstanding at any time not to exceed the CFC Commitment.

**“Loan Documents”** shall mean this Agreement, the Note, the Mortgage, the Mortgage Supplement and all other documents or instruments executed, delivered or executed and delivered by Borrower and evidencing, securing, governing or otherwise pertaining to the Line of Credit.

**“Mortgage”** shall have the meaning as described in Schedule 1 hereto.

**“Mortgage Supplement”** shall have the meaning as described in Schedule 1 hereto.

**“Mortgaged Property”** shall have the meaning ascribed to it in the Mortgage.

**“Note”** shall mean the Existing Note, as amended and restated by the Amended Note, and as may be further amended, restated, modified, substituted or replaced from time to time.

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

**“Permitted Encumbrances”** shall have the meaning ascribed to it in the Mortgage.

**“Person”** shall mean natural persons, sole proprietorships, cooperatives, corporations, limited liability companies, limited partnerships, general partnerships, limited liability partnerships, joint ventures, associations, companies, trusts or other organizations, irrespective of whether they are legal entities, and Governmental Authorities.

**“Restructured Obligations”** shall have the meaning set forth in Section 2.01.C below.

**“Subsidiary”** as to any Person, shall mean a corporation, partnership, limited partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise qualified, all references to a “Subsidiary” or to “Subsidiaries” in this Agreement shall refer to a Subsidiary or Subsidiaries of Borrower.

**“UCP”** shall mean the Uniform Customs and Practice for Documentary Credits (2007 Version), International Chamber of Commerce Publication No. 600, and any subsequent official revision thereof.

## ARTICLE II

### REPRESENTATIONS AND WARRANTIES

**Section 2.01** Borrower represents and warrants to CFC that as of the date of this Agreement:

**A. Good Standing.** Borrower is duly organized, validly existing and in good standing under the laws of the state of Utah and is duly qualified to do business and is in good standing in those states in which it is required to be qualified to conduct its business. Borrower is a member in good standing of CFC

**B. Authority; Validity.** Borrower has or had the power and authority to (i) enter into this Agreement, the Note and the Mortgage, (ii) to make the borrowing hereunder and (iii) to execute and deliver all documents and instruments required hereunder and to incur and perform the obligations provided for herein, in the Note and in the Mortgage all of which have been duly authorized by all necessary and proper action. No consent or approval of any Person, including, as applicable and without limitation, members of Borrower, which has not been obtained is required as a condition to the validity or enforceability hereof or thereof.

Each of this Agreement, the Note and the Mortgage is, and when fully executed and delivered will be, legal, valid and binding upon Borrower and enforceable against Borrower in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity.

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

Borrower is not in default in any material respect under any material agreement or instrument to which it is a party or by which it is bound, except for those material defaults previously disclosed to CFC under certain instrument(s) and/or agreement(s) with respect to which CFC has agreed in writing, previous to the date hereof, to forebear from exercising remedies (the "Restructured Obligations"), and (except with respect to the Restructured Obligations) no event or condition exists which constitutes a default, or with the giving of notice or lapse of time, or both, would constitute a default under any such agreement or instrument.

**D. Taxes.** Borrower and each of its Subsidiaries has filed or caused to be filed all federal, state and local tax returns which are required to be filed and has paid or caused to be paid all federal, state and local taxes, assessments, and Governmental Authority charges and levies thereon, including interest and penalties to the extent that such taxes, assessments, and Governmental Authority charges and levies have become due, except for such taxes, assessments, and Governmental Authority charges and levies which Borrower or any

Subsidiary, as applicable, is contesting in good faith by appropriate proceedings for which adequate reserves have been set aside.

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

**F. Litigation.** There are no outstanding judgments, suits, claims, actions or proceedings pending or, to the knowledge of Borrower, threatened against or affecting Borrower, its Subsidiaries or any of their respective properties which, if adversely determined, either individually or collectively, would have a material adverse effect upon the business, operations, prospects, assets, liabilities or financial condition of Borrower and its Subsidiaries, taken as a whole. Borrower and its Subsidiaries are not, to Borrower's knowledge, in default or violation with respect to any judgment, order, writ, injunction, decree, rule or regulation of any Governmental Authority which would have a material adverse effect upon the business, operations, prospects, assets, liabilities or financial condition of Borrower and its Subsidiaries, taken as a whole.

**G. Financial Statements.** The balance sheet of Borrower as at the date identified in Schedule 1 hereto, the statement of operations of Borrower for the period ending on said date, and the interim financial statements of Borrower, all heretofore furnished to CFC, are complete and correct. Said balance sheet fairly presents the financial condition of Borrower as at said date and said statement of operations fairly reflects its operations for the period ending on said date. There has been no material adverse change in the financial condition or operations of Borrower from the financial condition and operations set forth in said financial statements except changes disclosed in writing to CFC prior to the date hereof.

**H. Borrower's Legal Status.** Schedule 1 hereto accurately sets forth: (i) Borrower's exact legal name, (ii) Borrower's organizational type and jurisdiction of organization, (iii) Borrower's organizational identification number or accurate statement that Borrower has none, and (iv) Borrower's place of business or, if more than one, its chief executive office as well as Borrower's mailing address if different.

**I. Required Approvals.** No license, consent or approval of any Governmental Authority is required to enable Borrower to enter into this Agreement, the Note and the Mortgage or to perform any of its Obligations provided for in such documents, including without limitation (and if applicable), that of any state public utilities commission, any state public service commission, and the Federal Energy Regulatory Commission, except as disclosed in Schedule 1 hereto, all of which Borrower has obtained prior to the date hereof.

**J. Compliance With Laws.** Borrower is in compliance in all material respects with all applicable requirements of law and all applicable rules and regulations of each Governmental Authority.

**K. Disclosure.** To Borrower's knowledge, information and belief, neither this Agreement nor any document, certificate or financial statement furnished to CFC by or on behalf of Borrower in connection herewith (all such documents, certificates and financial statements, taken as a whole) contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements contained herein and therein not

misleading.

**L. No Other Liens.** As to property which is presently included in the description of Mortgaged Property, Borrower has not, without the prior written approval of CFC, executed or authenticated any security agreement or mortgage, or filed or authorized any financing statement to be filed with respect to assets owned by it, other than security agreements, mortgages and financing statements in favor of CFC, except as disclosed in writing to CFC prior to the date hereof or relating to Permitted Encumbrances.

### ARTICLE III

#### CREDIT TERMS

**Section 3.01 Credit Extensions.** Subject to the terms and conditions hereof, CFC agrees to make Advances on the Line of Credit and issue Letters of Credit from time to time, until the Business Day prior to the end of the Commitment Period

**Section 3.02 CFC Commitment; Revolving Credit.** Borrower may borrow, repay and reborrow funds at any time or from time to time, *provided, however,* that (a) the aggregate amount of all outstanding Advances on the Line of Credit, plus (b) the LC Exposure, shall not exceed the CFC Commitment.

#### **Section 3.03 Letters of Credit.**

##### **A. Issuance.**

Applicant may request, and CFC shall issue, letters of credit subject to the limitation in the following paragraph. Such letters of credit shall be issued to such Beneficiaries as may be requested by Applicant from time to time under the terms and conditions of this Agreement. Each such letter of credit shall be substantially in the form attached as Exhibit A hereto or in such other form as shall be mutually agreeable to CFC and Applicant (Each such letter of credit, as amended from time to time, referred to herein as a "Letter of Credit").

Notwithstanding anything to the contrary herein, CFC shall have no obligation to issue or otherwise to amend a Letter of Credit to increase the amount thereof if the amount of such issuance or the amount of such increase would exceed the Available Commitment Amount.

##### **B. Reinstatement.**

**(i)** The face amount of any expired, returned, cancelled, or otherwise terminated Letter of Credit, less the amount of any unpaid LC Disbursement, shall be available, under the terms of this Agreement, for issuance of additional Letters of Credit.

**(ii)** The amount of any LC Disbursement repaid pursuant to Section 3.03.K shall be available, under the terms of this Agreement, for issuance of additional Letters of Credit.

##### **C. Letter of Credit Expiration Date; Issuance Period:**

Each Letter of Credit issued hereunder shall expire on the date indicated thereon, but in no event shall such date be later than the last day of the Commitment Period.



Provided that no default hereunder by Applicant has occurred and is continuing, CFC's obligation to issue any Letter of Credit under this Agreement shall remain in effect until the Business Day prior to the end of the Commitment Period.

**D. CFC Letter of Credit Designation:** The first Letter of Credit (other than the Existing Letters of Credit) issued hereunder shall bear CFC designation UT021-I-9033-[007]<sup>3</sup>. Each subsequent Letter of Credit issued hereunder shall be numbered consecutively thereafter.

**E. Irrevocable Instruction.** Applicant hereby irrevocably and unconditionally instructs CFC to honor presentations made in accordance with the terms set forth in a Letter of Credit. It is expressly agreed that CFC may honor such presentations without requiring any documentation or information other than expressly stated in a Letter of Credit, and without regard to any contrary instructions Applicant may hereafter give to CFC.

**F. Independence.** Applicant acknowledges that the rights and obligations of CFC, including, but not limited to, honoring a presentation, under a Letter of Credit are independent of the existence, performance or nonperformance of any contract or arrangement underlying a Letter of Credit, including contracts or arrangements between CFC and Applicant (including this Agreement) and contracts or arrangements between Applicant and any Beneficiary or any disputes or controversies between Applicant and any Beneficiary, or any other person, notwithstanding that CFC may have assisted Applicant in the preparation of the wording of a Letter of Credit or documents required to be presented thereunder or that CFC may be aware of the underlying transaction or obligation or be familiar with any of the parties thereto.

**G. Nature of Applicant's Obligations; Limitations on Liability.** Applicant's obligations to CFC under this Agreement are absolute, unconditional and irrevocable, and shall be paid and performed in accordance with the terms hereof irrespective of any act, omission, event or condition, including, without limitation (a) the use which may be made of the funds drawn under a Letter of Credit or for the acts or omissions of the Beneficiary or any other person, (b) any lack of validity or enforceability of a Letter of Credit, or any term or provision therein, (c) the validity, accuracy, sufficiency or genuineness of drafts, required statements or documents, even if such drafts, statements or documents should in fact prove to be in any or all respects invalid, inaccurate, insufficient, fraudulent or forged, or (d) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of Applicant's obligations hereunder.

CFC shall not have any liability or responsibility by reason of or in connection with the issuance or transfer of a Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of CFC; provided that the foregoing shall not be construed to excuse CFC from liability to Applicant to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by Applicant to the extent permitted by applicable law) suffered by Applicant that are caused by CFC's gross negligence or willful misconduct when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof.

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<sup>3</sup> To be finalized immediately before closing

Additionally, and without limiting any other provision of this Agreement, the parties expressly agree that CFC:

- (i) may rely upon any oral, telephonic, facsimile, electronic, written or other communication believed in good faith to have been authorized by Applicant, whether or not given or signed by an authorized person;
- (ii) shall not be responsible for errors, omissions, interruptions or delays in transmission or delivery of any message, advice or document in connection with a Letter of Credit by mail, telephone, facsimile or otherwise
- (iii) shall not be responsible for inquiring into, establishing, verifying or confirming the identity or authority of any signer or the form, accuracy, genuineness, falsification or legal effect of any presentation or payment instruction under a Letter of Credit if such presentation or instructions appears on its face to be in compliance with a Letter of Credit, even if the purported signer is a person whose signature is known to CFC;
- (iv) may honor any presentation under a Letter of Credit (a) which appears on its face to substantially or reasonably comply with the terms and conditions of such Letter of Credit, whether or not it appears on its face to strictly, exactly or literally comply, (b) which is or appears on its face to have been signed or presented by any purported successor of the Beneficiary or any other party in whose name such Letter of Credit requires or authorizes that any draft or other document be signed, presented or issued, or (c) which is, or appears on its face to have been, signed or presented by the Beneficiary after a change of name of the Beneficiary;
- (v) may dishonor any presentation that does not strictly comply with the terms and conditions of a Letter of Credit or is forged, fraudulent or otherwise not entitled to honor;
- (vi) may, if an otherwise complying presentation claims an amount in excess of the amount available under a Letter of Credit, honor such presentation in an amount available under such Letter of Credit;
- (vii) may make any payment under or in connection with a Letter of Credit by any means CFC chooses, including by wire transfer or by check;
- (viii) shall not be responsible for any acts or omissions by, or the solvency of, the Beneficiary; and
- (ix) shall have no obligation to delay or refuse to honor a presentation Applicant or any other party seeks to delay or enjoin until so ordered by a court of competent jurisdiction.

**H. Legal Representatives.** Applicant agrees that CFC shall have no liability to Applicant or to any other person for, and Applicant's repayment and other obligations hereunder shall not be affected by, honoring presentations made in accordance with the terms set forth in a Letter of Credit which may be presented by the administrator, trustee in bankruptcy, debtor-in-

possession, assignee for the benefit of creditors, liquidator, receiver or other legal representative of the Beneficiary.

**I. Applicant Responsibility.** Applicant is responsible for approving the text of any Letter of Credit as issued by CFC and received by Beneficiary, and CFC shall not be responsible or liable to Applicant for any terms and conditions thereof that are ineffective, ambiguous, inconsistent or impossible to satisfy. Applicant's responsibility for the final text of any Letter of Credit shall not be affected by any assistance CFC may provide such as drafting or recommending text or by CFC's use or refusal to use text submitted by Applicant. Applicant acknowledges that CFC does not represent or warrant that a Letter of Credit will satisfy Applicant's requirements or intentions, and that Applicant is responsible for the suitability of a Letter of Credit for Applicant's purposes, including, but not limited to, whether the text of a Letter of Credit approved by Applicant is acceptable to Beneficiary.

Applicant shall examine the copy of each Letter of Credit, and any other documents sent by CFC in connection with such Letter of Credit, and shall notify CFC of any non-compliance with Applicant's instructions, and of any discrepancy in any document or other irregularity, within 3 Business Days after Applicant receives or should have received any of such documents (the "Required Time"); provided, however, if the end of the Required Time falls on non-Business Day, the deadline shall be extended to the end of the next Business Day. Applicant's failure to give timely and specific notice during the Required Time of objection shall automatically waive Applicant's objection, authorize or ratify CFC's action or inaction, and preclude Applicant from raising the objection as a defense or claim against CFC.

**J. Extensions and Modifications.** This Agreement shall be binding upon Applicant with respect to any replacement, extension, amendment or modification of any Letter of Credit or waiver of discrepancies authorized by Applicant. Except as may be provided in a Letter of Credit, provided for herein or otherwise specifically agreed to in writing by CFC in its sole discretion, CFC shall have no duty to (a) extend the expiration date of any Letter of Credit, (b) issue a replacement letter of credit on or before the expiration date of a Letter of Credit or the end of such term, (c) issue or refrain from issuing notice of its election not to renew or extend any Letter of Credit, (d) issue or refrain from issuing any notice, if a Letter of Credit permits it to do so, of its election to terminate or cancel such Letter of Credit prior to its stated expiration date, (e) issue or refrain from issuing any notice of its election to refuse to reinstate the amount of any drawing under a Letter of Credit or (f) otherwise amend or modify any Letter of Credit.

**K. Automatic Advances; Repayment.** Upon a LC Disbursement, Applicant hereby authorizes and instructs CFC to make an Advance on the Line of Credit in an amount equal to such LC Disbursement, which shall be deemed a reimbursement of such LC Disbursement. Applicant agrees that this authorization is irrevocable until such time as Applicant's obligations under this Agreement have been paid in full. Applicant further agrees that CFC shall not incur any liability to Applicant as a result of such action, except in cases of gross negligence or willful misconduct by CFC. In the event that for any reason, a LC Disbursement is not repaid with the proceeds of an Advance on the Line of Credit as described herein, Applicant shall repay such LC Disbursement no later than one year from the date of such LC Disbursement.

**L. Existing Letters of Credit.** Applicant and CFC hereby acknowledge that on and as of the Effective Date, each of the Existing Letters of Credit irrevocably shall be deemed to be a Letter of Credit issued under this Agreement and all the provisions of this Agreement shall apply to each of the Existing Letters of Credit as being a Letter of Credit issued under this

Agreement, without novation of any of the obligations of Applicant to CFC in respect of said Existing Letters of Credit.

**Section 3.04 Limitation on Advances and Letters of Credit.** CFC reserves the right to limit Advances or Letters of Credit if the sum of (a) all Advances outstanding, (b) the LC Exposure (c) the amount of any further Advance requested, (d) the amount of any further Letter of Credit requested and (e) the total amount of Borrower's other unsecured outstanding debt, would exceed the CFC Commitment.

**Section 3.05 Payment and Interest Rate.** The Line of Credit shall be payable and bear interest as follows:

**A. Promise to Pay; Maturity; Interest Rate.** Borrower unconditionally promises and agrees to pay, as and when due, interest on all amounts advanced hereunder from the date of each Advance and to repay all principal amounts advanced hereunder and accrued, but unpaid interest thereon on the last day of the Commitment Period.

All amounts shall be payable at CFC's main office at 20701 Cooperative Way, Dulles, VA 20166 or at such other location as designated by CFC from time to time. The interest rate on all Advances will be equal to the CFC Line of Credit Rate in effect from time to time. Interest will be computed on the basis of a 365 day year for the actual number of days that any Advance is outstanding. The effective date of an interest rate adjustment will be determined from time to time by CFC, and shall remain in effect until any subsequent change in the interest rate occurs. No provision of this Agreement shall require the payment, or permit the collection, of interest in excess of the highest rate permitted by applicable law.

**B. Interest Payments.** Interest on Advances shall be due and payable in accordance with CFC's regular billing cycles as may be in effect from time to time. As of the date hereof, interest shall be due and payable on the last day of each of March, June, September and December. CFC shall provide reasonable prior written notice to Borrower of any change to the billing cycle or due dates for the payment of interest. CFC shall invoice Borrower at least five days prior to the due date of any interest payment, provided, however, that CFC's failure to timely send an invoice with respect to any interest payment shall not constitute a waiver by CFC or be deemed to relieve Borrower of its obligation to make such payment as provided for herein or to repay all amounts advanced hereunder in full with accrued interest as provided for herein.

**C. Application of Payments.** Each payment shall be applied first to any fees, costs, expenses or charges other than interest or principal then due on Borrower's indebtedness to CFC, second to interest accrued, and the balance to principal.

**Section 3.06 Fees.**

**(i) Issuance Fee.** For each Letter of Credit issued hereunder, Applicant shall pay to CFC a nonrefundable fee for issuing such Letter of Credit ("Issuance Fee") that shall be due and payable on the issuance date of such Letter of Credit and also annually in the event such Letter of Credit is outstanding for more than one year. Applicant shall pay the Issuance Fee to CFC promptly upon receipt of an invoice from CFC relating thereto.

The Issuance Fee for any Letter of Credit shall be in the amount set forth on Schedule 1 hereto, subject to adjustment upon the issuance of any amendment to such Letter of Credit adjusting

the amount thereof. The Issuance Fee for any Letter of Credit shall be prorated, if such Letter of Credit, as it may be amended to adjust the expiry date thereof, has an expiry date other than the day prior to an Anniversary Date.

**(ii) Other Fees.** In addition to the above fees, Applicant shall pay, as and when due, such additional fees as may be charged from time to time by CFC for issuing amendments to or transferring any Letter of Credit issued hereunder, and any fees that may be imposed by a confirming bank or other financial institution in the event that a Letter of Credit issued hereunder is confirmed by such other bank or financial institution.

**Section 3.07 Default Rate.** If Borrower defaults on its obligation to make a payment due hereunder by the applicable date payment is due, and such default continues for thirty (30) days thereafter, then beginning on the thirty-first (31<sup>st</sup>) day after the payment is due and for so long as such default continues, Advances shall bear interest at the Default Rate.

**Section 3.08 Mandatory Prepayment.** If there is a change in Borrower's corporate structure (including without limitation by merger, consolidation, conversion or acquisition), then upon the effective date of such change (the "Change Date"), (a) except for Advances made to repay a Draw on a Letter of Credit pursuant to Section 3.03.K, Borrower shall no longer have the ability to request, and CFC shall have no obligation to make, Advances hereunder, (b) Borrower shall no longer have the ability to request, and CFC shall have no obligation to issue, a Letter of Credit hereunder, and (c) Borrower shall prepay the outstanding principal balance of all Obligations (excluding Obligations represented by undrawn amounts under outstanding Letters of Credit), together with any accrued but unpaid interest thereon, any unpaid costs or expenses provided for herein, and a prepayment premium as set forth in any agreement between Borrower and CFC with respect to any such Obligation or, if not specified therein, as prescribed by CFC pursuant to its policies of general application in effect from time to time.

Any Letter of Credit outstanding on the Change Date shall remain outstanding and subject to the terms and conditions hereof until its stated expiry date unless cancelled or returned by the Beneficiary thereof prior to such expiry date. Any Draw on such Letter of Credit shall be reimbursed by an automatic Advance made pursuant to Section 3.03.K. Borrower shall repay the outstanding principal balance of such automatic Advance, together with any accrued but unpaid interest thereon and any unpaid costs or expenses provided for herein within five (5) Business Days of CFC's payment of the Draw.

Upon the prepayment of all amounts outstanding hereunder, and the termination and/or expiration of all Letters of Credit outstanding hereunder pursuant to this Section 3.08, this Agreement shall automatically terminate without further action by either Borrower or CFC.

Notwithstanding anything to the contrary in this Section 3.08, if after giving effect to such change in Borrower's corporate structure, Borrower, or its successor in interest, is engaged in the furnishing of electric utility services to its members and is organized as a cooperative, nonprofit corporation, public utility district, municipality, or other public governmental body, Borrower shall retain the ability to request Advances and the issuance of Letters of Credit, CFC shall retain the obligation to make Advances and issue Letters of Credit, and no prepayment shall be required under this Section 3.08.

**Section 3.09 Amendment; No Novation.** For the avoidance of doubt, the Amended Note is made and entered into by Borrower as an amendment and restatement of the Existing

Note. The debt outstanding under the Amended Note shall not be affected by the cancellation of the Existing Note.

## ARTICLE IV

### CONDITIONS OF LENDING

**Section 4.01 Conditions Precedent to Closing.** The obligation of CFC to make Advances or to issue Letters of Credit hereunder shall not become effective until the date on which the following conditions precedent have been satisfied:

**A. Legal Matters.** All legal matters incident to the consummation of the transactions hereby contemplated shall be satisfactory to counsel for CFC.

**B. Representations and Warranties.** The representations and warranties contained in Article II shall be true on the date hereof.

**C. Closing Deliverables.** CFC shall have been furnished with the following, in form and substance satisfactory to CFC:

**(i) Borrower Documents.** (a) the executed Loan Documents, (b) certified copies of all such organizational documents and proceedings of Borrower authorizing the transactions hereby contemplated as CFC shall require, (c) an opinion of counsel for Borrower addressing such legal matters as CFC shall reasonably require, and (d) all other such documents as CFC may reasonably request.

**(ii) Guarantor Documents.** (a) the executed Amended Guaranty, Amended Guaranty Note and Guarantor Mortgage Supplement, (b) certified copies of all such organizational documents and proceedings of Guarantor authorizing the transactions hereby contemplated as CFC shall require, (c) an opinion of counsel for Guarantor addressing such legal matters as CFC shall reasonably require, and (d) all other such documents as CFC may reasonably request.

**(iii) Government Approvals.** True and correct copies of all certificates, authorizations, consents, permits and licenses from Governmental Authorities necessary for (a) the execution or delivery of the Loan Documents or performance by Borrower of the obligations hereunder or thereunder and (b) the execution or delivery by Guarantor of the Guaranty or performance by Guarantor of the obligations hereunder or thereunder.

**D. Fees.** Borrower shall have paid all fees hereunder as and when due.

**E. Mortgage Recordation.**

**(i) Borrower Mortgage.** The Mortgage (including the Mortgage Supplement<sup>4</sup> and any amendments, supplements or restatements as CFC may require from time to time) shall have been duly filed, recorded or indexed in all jurisdictions necessary (and in any other jurisdiction that CFC shall have reasonably requested) to provide CFC a Lien, subject to Permitted Encumbrances, on all of Borrower's real property, all in accordance with all applicable laws, rules and regulations, and Borrower shall have paid all applicable taxes, recording and filing fees and caused satisfactory evidence thereof to be furnished to CFC.

**(ii) Guarantor Mortgage.** The Guarantor Mortgage (including the Guarantor Mortgage Supplement<sup>5</sup> and any amendments, supplements or restatements as CFC may require from time to time) shall have been duly filed, recorded or indexed in all jurisdictions necessary (and in any other jurisdiction that CFC shall have reasonably requested) to provide CFC a Lien, subject to Guarantor Permitted Encumbrances, on all of Guarantor's real property, all in accordance with all applicable laws, rules and regulations, and Guarantor or Borrower shall have paid all applicable taxes, recording and filing fees and caused satisfactory evidence thereof to be furnished to CFC.

#### **F. UCC Filings.**

**(i) Borrower UCC.** Uniform Commercial Code financing statements (and any continuation statements and other amendments thereto that CFC shall require from time to time) shall have been duly filed, recorded or indexed in all jurisdictions necessary (and in any other jurisdiction that CFC shall have reasonably requested) to provide CFC a perfected security interest, subject to Permitted Encumbrances, in the Mortgaged Property which may be perfected by the filing of a financing statement, all in accordance with all applicable laws, rules and regulations, and Borrower shall have paid all applicable taxes, recording and filing fees and caused satisfactory evidence thereof to be furnished to CFC.

**(ii) Guarantor UCC.** Uniform Commercial Code financing statements (and any continuation statements and other amendments thereto that CFC shall require from time to time) shall have been duly filed, recorded or indexed in all jurisdictions necessary (and in any other jurisdiction that CFC shall have reasonably requested) to provide CFC a perfected security interest, subject to Guarantor Permitted Encumbrances, in the Guarantor Mortgaged Property which may be perfected by the filing of a financing statement, all in accordance with all applicable laws, rules and regulations, and Guarantor or Borrower shall have paid all applicable taxes, recording and filing fees and caused satisfactory evidence thereof to be furnished to CFC.

**G. Special Conditions of Closing.** CFC shall be fully satisfied that Borrower has complied with all special conditions of closing identified in Schedule 1 hereto.

**Section 4.02 Each Credit Event.** The obligation of CFC to make any Advance and to issue, amend, renew or extend any Letter of Credit (each of the foregoing, a "Credit Extension") is additionally subject to satisfaction of the following conditions:

#### **A. Representations and Warranties.**

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<sup>4</sup> Dave: Is filing the mortgage before closing possible? If not, we can agree to filing post-closing with filing evidence to be delivered within 60 days.

<sup>5</sup> Same

(i) The representations and warranties contained in Article II shall be true on the date of each Credit Extension with the same effect as though such representations and warranties had been made on such date;

(ii) No Event of Default and no event which, with the lapse of time or the notice and lapse of time would become such an Event of Default, shall have occurred and be continuing or will have occurred after giving effect to each Credit Extension on the books of Borrower;

(iii) There shall have occurred no material adverse change in the business or condition, financial or otherwise, of Borrower or Guarantor; and nothing shall have occurred which in the opinion of CFC materially and adversely affects Borrower's ability to perform its obligations hereunder or Guarantor's ability to perform its obligations under the Guaranty.

**B. Requisitions.**

(i) Except for Advances made pursuant to Section 3.03.K, Borrower will requisition each Advance by submitting its written requisition to CFC in form and substance satisfactory to CFC no later than 12:00 noon local time at CFC's offices in Dulles, Virginia on the Business Day prior to the Business Day Borrower seeks to have funds advanced. CFC may require Borrower to submit such additional information as it may reasonably require prior to funding the Advance request.

(ii) Applicant will request the issuance of each Letter of Credit by submitting its written requisition to CFC in the form attached as Exhibit B hereto. Applicant will request the issuance of any amendment to a Letter of Credit by submitting its written requisition to CFC in the form attached as Exhibit C hereto. Each such request shall be made at least two Business Days prior to the requested date of issuance or amendment.

**C. Fees.** Borrower shall have paid all fees hereunder as and when due.

**D. Additional Payments.** Borrower shall not have specified that any Additional Payments (as defined in the ORA) be credited against any Minimum Payment (as defined in the ORA) obligations pursuant to Section 2.06(d) of the ORA prior to or on the date of such Credit Extension.

**E. Special Conditions of Credit Extensions.** CFC shall be fully satisfied that Borrower has complied with all special conditions to credit extensions identified in Schedule 1 hereto.



## ARTICLE V

### COVENANTS

**Section 5.01 Affirmative Covenants.** Borrower covenants and agrees with CFC that until payment in full of the Line of Credit and the Note and performance of all obligations of Borrower hereunder:

**A. Use of Proceeds.** Borrower shall use the proceeds of this Line of Credit solely for the purposes identified on Schedule 1 hereto.

**B. Notice.** Borrower shall promptly notify CFC in writing of:

- (i) any material adverse change in the business, operations, prospects, assets, liabilities or financial condition of Borrower, any Subsidiary or Guarantor;
- (ii) the institution or threat of any litigation or administrative proceeding of any nature involving Borrower, any Subsidiary or Guarantor which could materially affect the business, operations, prospects, assets, liabilities or financial condition of Borrower, any Subsidiary or Guarantor;
- (iii) the occurrence of an Event of Default hereunder, or any event that, with the giving of notice or lapse of time, or both, would constitute an Event of Default.

**C. Default Notices.** Upon receipt of any notices with respect to a default by Borrower, any Subsidiary or Guarantor under the terms of any evidence of any indebtedness with parties other than CFC or of any loan agreement, mortgage or other agreement relating thereto, Borrower shall, and shall cause Guarantor and each Subsidiary to, deliver copies of such notice to CFC.

**D. Annual Certificates.** Within one hundred twenty (120) days after the close of each calendar year, commencing with the year in which the initial Advance hereunder shall have been made, Borrower will deliver to CFC a written statement, in form and substance satisfactory to CFC, signed by Borrower's General Manager or Chief Executive Officer, stating that during such year, and that to the best of said person's knowledge, Borrower has fulfilled all of its obligations under this Agreement, the ORA, and the Mortgage throughout such year or, if there has been a default in the fulfillment of any such obligations, specifying each such default known to said person and the nature and status thereof.

**E. Financial Books; Financial Reports; Right of Inspection.** Borrower will at all times keep, and safely preserve, proper books, records and accounts in which full and true entries will be made of all of the dealings, business and affairs of Borrower, in accordance with GAAP.

Borrower will cause to be prepared and furnished to CFC within one hundred twenty (120) days of the end of each of Borrower's fiscal years during the term hereof, a full and complete consolidated and consolidating report of its financial condition and of its operations as of the end of such fiscal year, audited and certified by independent certified public accountants

nationally recognized or otherwise satisfactory to CFC and accompanied by a report of such audit in form and substance satisfactory to CFC, including without limitation a consolidated and consolidating balance sheet and the related consolidated and consolidating statements of income and cash flow.

CFC, through its representatives, shall at all times during reasonable business hours and upon prior notice have access to, and the right to inspect and make copies of, any or all books, records and accounts, and any or all invoices, contracts, leases, payrolls, canceled checks, statements and other documents and papers of every kind belonging to or in the possession of Borrower or in any way pertaining to its property or business.

**F. Compliance With Laws.** Borrower and each Subsidiary shall remain in compliance, in all material respects, with all applicable requirements of law and applicable rules and regulations of each Governmental Authority.

**G. Notice of Additional Secured Debt.** Borrower will notify CFC promptly in writing if it incurs any additional secured indebtedness other than indebtedness to CFC or indebtedness otherwise provided for in the Mortgage.

**H. Taxes.** Borrower shall pay, or cause to be paid all taxes, assessments or Governmental Authority charges lawfully levied or imposed on or against it and its properties prior to the time they become delinquent, except for any taxes, assessments or charges that are being contested in good faith and with respect to which adequate reserves as determined in good faith by Borrower have been established and are being maintained.

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

**J. Special Covenants.** Borrower will comply with any special covenants identified in Schedule 1 hereto.

**Section 5.02 Negative Covenants.** Borrower covenants and agrees with CFC that until payment in full of the Line of Credit and the Note and performance of all obligations of Borrower hereunder, Borrower will not, directly or indirectly, without CFC's prior written consent:

**A. Limitations on Mergers.** Consolidate with, merge, or sell all or substantially all of its business or assets, or enter into an agreement for such consolidation, merger or sale, to another entity or person unless such action is either approved, as is evidenced by the prior written consent of CFC, or the purchaser, successor or resulting corporation is or becomes a member in good standing of CFC and assumes the due and punctual payment of all amounts due hereunder and the due and punctual performance of the covenants contained in the ORA, the Mortgage and this Agreement.

**B. Organizational Change.** Change its type of organization or other legal structure, except as permitted by Section 5.02.A hereof, in which case Borrower shall provide at least thirty (30) days prior written notice to CFC together with all documentation reflecting such change as CFC may reasonably require.

**C. Notice of Change in Borrower Information.** Change its (i) state of incorporation, (ii) legal name, (iii) mailing address, or (iv) organizational identification number, if it has one, unless Borrower provides written notice to CFC at least thirty (30) days prior to the effective date of any such change together with all documentation reflecting any such change as CFC may reasonably require.

## ARTICLE VI

### EVENTS OF DEFAULT

**Section 6.01** The following shall be “Events of Default” under this Agreement:

**A. Representations and Warranties.** Any representation or warranty made by Borrower herein, or in any of the other Loan Documents, or in any certificate or financial statement furnished to CFC hereunder or under any of the other Loan Documents shall prove to be false or misleading in any material respect.

**B. Payment.** Borrower shall fail to pay (whether upon stated maturity, by acceleration, or otherwise) any principal, unpaid LC Disbursement, interest, premium (if any) or other amount payable under the Line of Credit or any of the other Loan Documents within five (5) Business Days after the due date thereof.

**C. Other Covenants.**

**(i) No Grace Period.** Failure of Borrower to observe or perform any covenant or agreement contained in Sections 5.01.A, 5.01.C, 5.01.D, 5.01.E, 5.01.J or 5.02, of this Agreement.

**(ii) Thirty Day Grace Period.** Failure of Borrower to observe or perform any other covenant or agreement contained in this Agreement or any of the other Loan Documents, which shall remain unremedied for thirty (30) calendar days after written notice thereof shall have been given to Borrower by CFC.

**D. Legal Existence, Permits and Licenses.** Borrower shall forfeit or otherwise be deprived of (i) its authority to conduct business in the jurisdiction in which it is organized or in any other jurisdiction where such authority is required in order for Borrower to conduct its business in such jurisdiction or (ii) permits, easements, consents or licenses required to carry on any material portion of its business.

**E. Other CFC Obligations.** Borrower shall be in breach or default of any Obligation, which breach or default continues uncured beyond the expiration of any applicable grace period.

**F. Other Obligations.** Borrower shall (i) fail to make any payment of any principal, premium or any other amount due or interest on any indebtedness with parties other than CFC

which shall remain unpaid beyond the expiration of any applicable grace period, or (ii) be in breach or default with respect to any other term of any evidence of any other indebtedness with parties other than CFC or of any loan agreement, mortgage or other agreement relating thereto which breach or default continues uncured beyond the expiration of any applicable grace period, if the effect of such failure, default or breach is to cause the holder or holders of that indebtedness to cause that indebtedness to become or be declared due prior to its stated maturity (upon the giving or receiving of notice, lapse of time, both or otherwise).

**G. Involuntary Bankruptcy.** An involuntary case or other proceeding shall be commenced against Borrower or Guarantor seeking liquidation, reorganization or other relief with respect to it or its debts under bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property and such involuntary case or other proceeding shall continue without dismissal or stay for a period of sixty (60) consecutive days; or an order for relief shall be entered against Borrower under the federal bankruptcy laws or applicable state law as now or hereafter in effect.

**H. Insolvency.** Borrower or Guarantor shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall admit in writing its inability to, or be generally unable to, pay its debts as they become due, or shall take any action to authorize any of the foregoing.

**I. Dissolution or Liquidation.** Other than as provided in subsection H. above, the dissolution or liquidation of Borrower or Guarantor, or failure by Borrower or Guarantor promptly to forestall or remove any execution, garnishment or attachment of such consequence as will impair its ability to continue its business or fulfill its obligations and such execution, garnishment or attachment shall not be vacated within sixty (60) consecutive days. The term "dissolution or liquidation of Borrower", as used in this subsection, shall not be construed to include the cessation of the corporate existence of Borrower resulting either from a merger or consolidation of Borrower into or with another corporation following a transfer of all or substantially all its assets as an entirety, under the conditions set forth in Section 5.02.A.

**J. Material Adverse Change.** Any material adverse change in the business or condition, financial or otherwise, of Borrower and Guarantor taken as a whole, or any Subsidiary.

**K. Judgments.** Borrower shall suffer a final, nonappealable judgment not covered by insurance, writ or warrant of attachment or similar process, and shall not discharge, vacate, bond or stay the same within a period of sixty (60) consecutive days, that could reasonably be expected to have a material adverse effect upon the business, operations, prospects, assets, liabilities or financial condition of Borrower and Guarantor, taken as a whole.

**L. Guarantor Default.** Default by Guarantor of its obligations under the Guaranty, or the Guarantor Mortgage.

**K. Additional Payments.** Borrower shall have specified that any Additional Payments (as defined in the ORA) be credited against any Minimum Payment (as defined in the ORA) obligations pursuant to Section 2.06(d) of the ORA.

## ARTICLE VII

### REMEDIES

**Section 7.01 General Remedies.** If any Event of Default shall occur after the date of this Agreement and shall not have been remedied within the applicable grace period therefor, then in every such event (other than an event with respect to Borrower described in Section 6.01.G, 6.01.H or 6.01.I) and at any time during the continuance of such event, CFC may:

- (a) Cease making Advances hereunder;
- (b) Terminate the Line of Credit;
- (c) Cease issuing Letters of Credit hereunder;
- (d) Declare all unpaid principal outstanding on the Line of Credit and the Note, all accrued and unpaid interest thereon, and all other Obligations to be immediately due and payable and the same shall thereupon become immediately due and payable without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived;
- (e) Exercise rights of setoff or recoupment and apply any and all amounts held, or hereafter held, by CFC or owed to Borrower or for the credit or account of Borrower against any and all of the Obligations of Borrower now or hereafter existing hereunder or under the Line of Credit and the Note, including, but not limited to, patronage capital allocations and retirements, money due to Borrower from equity certificates purchased from CFC, and any membership or other fees that would otherwise be returned to Borrower. The rights of CFC under this Section are in addition to any other rights and remedies (including other rights of setoff or recoupment) which CFC may have. Borrower waives all rights of setoff, deduction, recoupment or counterclaim;
- (f) Pursue all rights and remedies available to CFC that are contemplated by the Mortgage and the other Loan Documents in the manner, upon the conditions, and with the effect provided in the Mortgage and the other Loan Documents, including, but not limited to, a suit for judicial foreclosure, specific performance, injunctive relief or damages; and/or
- (g) Pursue any other rights and remedies available to CFC at law or in equity.

If any Event of Default described in Section 6.01.G, 6.01.H or 6.01.I with respect to Borrower shall occur after the date of this Agreement, then CFC's commitment to make Advances and issue Letters of Credit hereunder shall automatically terminate and the unpaid principal outstanding hereunder and under the Note, all accrued and unpaid interest thereon, and all other Obligations shall thereupon become immediately due and payable without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived. In addition, CFC may

pursue all rights and remedies available to CFC that are contemplated by the Mortgage and the other Loan Documents in the manner, upon the conditions, and with the effect provided in the Mortgage and the other Loan Documents, including, but not limited to, a suit for specific performance, injunctive relief or damages and any other rights and remedies available to CFC at law or in equity.

**Section 7.02 No Waiver.** Nothing herein shall limit the right of CFC to pursue all rights and remedies available to a creditor following the occurrence of an Event of Default. Each right, power and remedy of CFC shall be cumulative and concurrent, and recourse to one or more rights or remedies shall not constitute a waiver of any other right, power or remedy.

## ARTICLE VIII

### MISCELLANEOUS

**Section 8.01 Amendment and Restatement.** The parties hereto understand and agree that all of the terms, conditions and provisions of this Agreement shall supersede all of the terms, conditions and provisions of the Original Agreement and that the rights and obligations of each shall be governed by this Agreement rather than the Original Agreement from the date all conditions hereof have been fulfilled.

**Section 8.02 Notices.** All notices, requests and other communications provided for herein including, without limitation, any modifications of, or waivers, requests or consents under, this Agreement shall be given or made in writing (including, without limitation, by facsimile) and delivered to the intended recipient at the "Address for Notices" specified below; or, as to any party, at such other address as shall be designated by such party in a notice to each other party. All such communications shall be deemed to have been duly given (a) when personally delivered including, without limitation, by overnight mail or courier service, (b) in the case of notice by United States mail, certified or registered, postage prepaid, return receipt requested, upon receipt thereof, or (c) in the case of notice by facsimile, upon transmission thereof, provided such transmission is promptly confirmed by either of the methods set forth in clauses (a) or (b) above in each case given or addressed as provided for herein. The Address for Notices of each of the respective parties is as follows:

Borrower:

The address set forth in  
Schedule 1 hereto

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

**Section 8.03 Expenses.** Borrower shall reimburse CFC for any reasonable costs and out-of-pocket expenses paid or incurred by CFC (including, without limitation, reasonable fees and expenses of outside attorneys, paralegals and consultants) for all actions CFC takes, (a) to enforce the payment of any Obligation, to effect collection of any Mortgaged Property, or in preparation for such enforcement or collection, (b) to institute, maintain, preserve, enforce and

foreclose on CFC's security interest in or Lien on any of the Mortgaged Property, whether through judicial proceedings or otherwise, (c) to restructure any of the Obligations, (d) to review, approve or grant any consents or waivers hereunder, (e) to prepare, negotiate, execute, deliver, review, amend or modify this Agreement, and (f) to prepare, negotiate, execute, deliver, review, amend or modify any other agreements, documents and instruments deemed necessary or appropriate by CFC in connection with any of the foregoing.

The amount of all such expenses identified in this Section 8.03 shall be secured by the Mortgage and shall be payable upon demand, and if not paid, shall accrue interest at the then prevailing CFC Line of Credit Rate plus two hundred (200) basis points.

**Section 8.04 Late Payments.** If payment of any amount due hereunder or under the Note is not received at CFC's office in Dulles, Virginia or such other location as CFC may designate to Borrower, within five (5) Business Days after the applicable due date thereof, Borrower will pay to CFC, in addition to all other amounts due under the terms of the Loan Documents, any late payment charge as may be fixed by CFC from time to time pursuant to its policies of general application as in effect from time to time.

**Section 8.05 Non-Business Day Payments.** If any payment to be made by Borrower hereunder shall become due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall be included in computing any interest in respect of such payment.

**Section 8.06 Filing Fees.** To the extent permitted by law, Borrower agrees to pay all expenses of CFC (including the reasonable fees and expenses of its counsel) in connection with the filing, registration, recordation or perfection of the Mortgage and any other security instruments as may be required by CFC in connection with this Agreement, including, without limitation, all documentary stamps, recordation and transfer taxes and other costs and taxes incident to execution, filing, registration, recordation or perfection of any document or instrument in connection herewith. Borrower agrees to save harmless and indemnify CFC from and against any liability resulting from the failure to pay any required documentary stamps, recordation and transfer taxes, recording costs, or any other expenses incurred by CFC in connection with this Agreement. The provisions of this Section 8.06 shall survive the execution and delivery of this Agreement and the payment of all other amounts due under the Loan Documents.

**Section 8.07 CFC Accounts.** Borrower agrees that the records of, and all computations by, CFC (in whatever media they are recorded or maintained) as to the amount of principal, interest and fees due on the Line of Credit shall be conclusive in the absence of manifest error.

**Section 8.08 Waiver; Modification.** No failure on the part of CFC to exercise, and no delay in exercising, any right or power hereunder or under the other Loan Documents shall operate as a waiver thereof, nor shall any single or partial exercise by CFC of any right hereunder, or any abandonment or discontinuance of steps to enforce such right or power, preclude any other or further exercise thereof or the exercise of any other right or power. No modification or waiver of any provision of this Agreement or the other Loan Documents and no consent to any departure by Borrower therefrom shall in any event be effective unless the same shall be in writing by the party granting such modification, waiver or consent, and then such modification, waiver or consent shall be effective only in the specific instance and for the

purpose for which given.

**SECTION 8.09 GOVERNING LAW; SUBMISSION TO JURISDICTION; WAIVER OF JURY TRIAL.**

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

THE UCP OR ISP 98 AS APPLICABLE TO EACH LETTER OF CREDIT GOVERNS THIS AGREEMENT AND IS INCORPORATED HEREIN. SUBJECT TO THE OTHER PROVISIONS OF THIS AGREEMENT, THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE SUBSTANTIVE LAWS OF THE COMMONWEALTH OF VIRGINIA, WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES, EXCEPT TO THE EXTENT THAT SUCH LAW IS INCONSISTENT WITH THE UCP OR ISP 98, AS APPLICABLE. IN THE EVENT ANY PROVISION OF THE UCP OR ISP 98, AS APPLICABLE, IS OR IS CONSTRUED TO VARY FROM OR BE IN CONFLICT WITH ANY PROVISION OF ANY APPLICABLE LAW OF THE COMMONWEALTH OF VIRGINIA OR THE FEDERAL LAW OF THE UNITED STATES, TO THE EXTENT PERMITTED BY LAW, THE UCP OR THE ISP 98, AS APPLICABLE, SHALL GOVERN OR BE READ TO EXPLAIN THE APPLICABLE LAW. UNLESS APPLICANT SPECIFIES OTHERWISE IN ITS APPLICATION FOR A LETTER OF CREDIT, APPLICANT AGREES THAT CFC MAY ISSUE SUCH LETTER OF CREDIT SUBJECT TO THE UCP OR ISP 98 OR, AT CFC'S OPTION, SUCH LATER REVISION OF EITHER THEREOF AS IS IN EFFECT AT THE TIME OF ISSUANCE OF SUCH LETTER OF CREDIT. CFC'S PRIVILEGES, RIGHTS AND REMEDIES UNDER THE UCP, ISP 98 OR SUCH LATER REVISION SHALL BE IN ADDITION TO, AND NOT IN LIMITATION OF, ITS PRIVILEGES, RIGHTS, AND REMEDIES EXPRESSLY PROVIDED FOR HEREIN. THE UCP AND ISP 98 SHALL SERVE, IN THE ABSENCE OF PROOF TO THE CONTRARY, AS EVIDENCE OF STANDARD PRACTICE WITH RESPECT TO THE SUBJECT MATTER THEREOF.

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

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

**SECTION 8.10 INDEMNIFICATION.** BORROWER HEREBY INDEMNIFIES AND AGREES TO HOLD HARMLESS, AND DEFEND CFC AND ITS MEMBERS, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, ATTORNEYS AND REPRESENTATIVES (EACH AN "INDEMNITEE") FOR, FROM, AND AGAINST ALL CLAIMS, DAMAGES, LOSSES,



LIABILITIES, COSTS, AND EXPENSES (INCLUDING, WITHOUT LIMITATION, COSTS AND EXPENSES OF LITIGATION AND REASONABLE ATTORNEYS' FEES) ARISING FROM

(a) ANY CLAIM OR DEMAND IN RESPECT OF THIS AGREEMENT, ANY LETTER OF CREDIT OR THE OTHER LOAN DOCUMENTS, THE MORTGAGED PROPERTY OR THE TRANSACTIONS DESCRIBED IN THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS AND ARISING AT ANY TIME, WHETHER BEFORE OR AFTER PAYMENT AND PERFORMANCE OF ALL OBLIGATIONS UNDER THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS IN FULL, (b) ANY PAYMENT OR ACTION TAKEN IN CONNECTION WITH ANY LETTER OF CREDIT, INCLUDING, WITHOUT LIMITATION, ANY ACTION OR PROCEEDING SEEKING TO (i) RESTRAIN ANY DRAWING UNDER A LETTER OF CREDIT, (ii) COMPEL OR RESTRAIN PAYMENT OR ANY OTHER ACTION UNDER A LETTER OF CREDIT OR THIS AGREEMENT OR (iii) OBTAIN DAMAGES FOR WRONGFUL DISHONOR OR HONOR OF A LETTER OF CREDIT; OR (c) THE ENFORCEMENT OF THIS AGREEMENT OR ANY RIGHTS OR REMEDIES UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY LETTER OF CREDIT; EXCEPT, IN EACH CASE, TO THE EXTENT SUCH MATTERS ARISE SOLELY FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF CFC OR ANY INDEMNITEE. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN SECTION 8.12 HEREOF, THE OBLIGATIONS IMPOSED UPON BORROWER BY THIS SECTION SHALL SURVIVE THE REPAYMENT OF THE LINE OF CREDIT, THE NOTE AND ALL LC DISBURSEMENTS, THE TERMINATION OF THIS AGREEMENT OR THE RELEASE OF THE LIEN OF THE MORTGAGE.

**Section 8.11 Complete Agreement.** This Agreement, together with the schedules and exhibits hereto and the other Loan Documents, and the other agreements and matters referred to herein or by their terms referring hereto, is intended by the parties as a final expression of their agreement and is intended as a complete statement of the terms and conditions of their agreement. In the event of any conflict in the terms and provisions of this Agreement and any other Loan Documents, the terms and provisions of this Agreement shall control.

**Section 8.12 Survival; Successors and Assigns.** All covenants, agreements, representations and warranties of Borrower which are contained in this Agreement shall survive the execution and delivery to CFC of the Loan Documents and the making of Advances and issuance of Letters of Credit hereunder and shall continue in full force and effect until all of the obligations under the Loan Documents have been paid in full. All covenants, agreements, representations and warranties of Borrower which are contained in this Agreement shall inure to the benefit of the successors and assigns of CFC. Borrower shall not have the right to assign its rights or obligations under this Agreement.

**Section 8.13 Use of Terms.** The use of the singular herein shall also refer to the plural, and vice versa.

**Section 8.14 Headings.** The headings and sub-headings contained in this Agreement are intended to be used for convenience only and do not constitute part of this Agreement.

**Section 8.15 Severability.** If any term, provision or condition, or any part thereof, of this Agreement or the other Loan Documents shall for any reason be found or held invalid or unenforceable by any court of competent jurisdiction or other Governmental Authority, such invalidity or unenforceability shall not affect the remainder of such term, provision or condition

nor any other term, provision or condition, and this Agreement and the other Loan Documents shall survive and be construed as if such invalid or unenforceable term, provision or condition had not been contained therein.

**Section 8.16 Binding Effect.** This Agreement shall become effective when it shall have been executed by both Borrower and CFC and thereafter shall be binding upon and inure to the benefit of Borrower and CFC and their respective successors and assigns.

**Section 8.17 Counterparts.** This Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same document. Signature pages may be detached from the counterparts and attached to a single copy of this Agreement to physically form one document.

**Section 8.18 Termination of Agreement.** Notwithstanding anything to the contrary herein, this Agreement shall remain in full effect so long as (a) all Letters of Credit have not expired or been cancelled or otherwise terminated or (b) any LC Disbursement has not been repaid. Provisions of this Agreement relating to payment of fees, costs and expenses, indemnities, governing law, waivers of jurisdiction and waiver of trial by jury shall survive the termination of this Agreement.

**Section 8.19 Security.** This Line of Credit and the obligations of Borrower hereunder are secured under the Mortgage.

**Section 8.20 Schedules.** Schedule 1 and Exhibits A, B and C are attached hereto and are an integral part of this Agreement.

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

DESERET GENERATION & TRANSMISSION  
CO-OPERATIVE

(SEAL)

By: \_\_\_\_\_

Title: \_\_\_\_\_

Attest: \_\_\_\_\_

Title: \_\_\_\_\_

BLUE MOUNTAIN ENERGY, INC.

(SEAL)

By: \_\_\_\_\_

Title: \_\_\_\_\_

Attest: \_\_\_\_\_

Title: \_\_\_\_\_

NATIONAL RURAL UTILITIES COOPERATIVE  
FINANCE CORPORATION

(SEAL)

By: \_\_\_\_\_

Assistant Secretary-Treasurer

Attest: \_\_\_\_\_

Assistant Secretary-Treasurer

**Loan Number: UT021-I-9033**

**Effective Date: \_\_\_\_\_ (to be filled in by CFC)**

## SCHEDULE 1

1. The purpose of the Line of Credit is to provide funds for Borrower's general corporate use, consistent with Borrower's articles of incorporation, bylaws and applicable federal, state and local laws and regulations and for the issuance of Letters of Credit.
2. The CFC Commitment shall mean \$20,000,000.00, provided, however, that if Borrower is subject to an order from a Governmental Authority limiting the amount of indebtedness that Borrower may incur under this Agreement, then the aggregate CFC Commitment shall mean the lesser amount specified in such order unless Borrower obtains additional authority to increase said amount.
3. The Guarantor Mortgage shall mean the Amended and Restated Mortgage by and between Guarantor, as Mortgagor, CFC, as Mortgagee and Borrower, dated December 16, 2005, as it may have been or may be supplemented, amended, consolidated, or restated from time to time, including by the Guarantor Mortgage Supplement.
4. The Guarantor Mortgage Supplement shall mean the Second Supplement to Amended and Restated Mortgage by and between Guarantor, as Mortgagor, CFC, as Mortgagee and Borrower, dated as of even date herewith, as it may have been or may be supplemented, amended, consolidated, or restated from time to time.
5. The Mortgage shall mean the Amended and Restated Mortgage by and between Borrower, as Mortgagor and CFC, as Mortgagee dated December 16, 2005, as it may have been or may be supplemented, amended, consolidated, or restated from time to time, including by the Mortgage Supplement.
6. The Mortgage Supplement shall mean the Second Supplement to Amended and Restated Mortgage by and between Borrower, as Mortgagor and CFC, as Mortgagee, dated as of even date herewith, as it may have been or may be supplemented, amended, consolidated, or restated from time to time.
7. The Amended Guaranty Note referred to in Section 1.01 is as follows:

<b>AMENDED GUARANTY NOTE</b>		
<b>Amended Note</b>	<b>Note Date</b>	<b>Maturity Date</b>
Amended and Restated Secured Guaranty Note	Even Date Herewith	November 30, 2017

8. The Amended Note referred to in Section 1.01 is as follows:

<b>AMENDED NOTE</b>			
<b>Amended Note</b>	<b>Amount</b>	<b>Note Date</b>	<b>Maturity Date</b>
Amended and Restated Secured Promissory Note (UT021-I-9033)	\$20,000,000.00	Even Date Herewith	November 30, 2017

9. The date of Borrower's balance sheet referred to in Section 2.01.G is December 31, 2015.
10. The Governmental Authority referred to in Section 2.01.H is: Utah Public Utilities Commission
11. Borrower's exact legal name is: Deseret Generation & Transmission Co-Operative
12. Borrower's organizational type is: Not-for profit corporation
13. Borrower is organized under the laws of the state of: Utah
14. Borrower's organizational identification number is: 697952-0140
15. The place of business or, if more than one, the chief executive office of Borrower referred to in Section 2.01.I is 10714 South Jordan Gateway, Suite 300, South Jordan, Utah 84095.
16. The Issuance Fee for a Letter of Credit referred to in Section 3.06 is one hundred twenty five basis points (125/100 of 1%) of the aggregate amount of such Letter of Credit.
17. The special conditions of closing referred to in Section 4.01.G are as follows: None
18. The special conditions of credit extensions referred to in Section 4.02.E are as follows: None
19. The special covenants referred to in Section 5.01.J are as follows: None
20. The address for notices to Borrower referred to in Section 8.01 is: 10714 South Jordan Gateway, Suite 300, South Jordan, Utah 84095, Fax 801-619-6599

**EXHIBIT A  
FORM OF LETTER OF CREDIT**

*This is an exhibit for discussion purposes only. It does not represent a liability of CFC at this time. Any letter of credit issued will be printed on CFC's letterhead.*

**IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER \_\_\_\_\_**

**Date:**

**Amount:** \_\_\_\_\_ **Dollars (\$ \_\_\_\_\_)**

**Expiration Date:**

**Beneficiary Name and Address:**

**Name of Applicant:**

**Issuer:       National Rural Utilities Cooperative Finance Corporation  
                  20701 Cooperative Way  
                  Dulles, Virginia 20166                    **Attention: LC Desk****

To the above-named Beneficiary:

At the request and for the account of the above-named Applicant, we hereby issue our Irrevocable Standby Letter of Credit No. \_\_\_\_\_ (the "Letter of Credit") in your favor up to the aggregate amount stated above.

We undertake to pay at sight the amount of each complying written demand presented at our office located at 20701 Cooperative Way, Dulles, VA 20166, attention LC Desk (or at any other office which may be designated by us by written notice delivered to you at your address stated above) on or before our close of business on the Expiration Date.

Each demand must be in the form of Annex 1 hereto appropriately completed, and notarized, and must be accompanied by this original Letter of Credit and all amendments thereto.

Partial and multiple drawings are permitted. Each such drawing that is paid by us shall reduce the amount available under this Letter of Credit. Payments under this Letter of Credit in an amount less than the maximum amount available hereunder shall be recorded by us on the reverse side hereof and this Letter of Credit shall then be returned to you.

This credit is subject to International Standby Practices (1998) I.C.C. Publication No. 590 ("ISP 98"). As to matters not governed by the ISP, this letter of credit is governed and construed in accordance with the laws of the Commonwealth of Virginia, including Article 5 of the Uniform Commercial Code as adopted thereby.

Communications with respect to this letter of credit shall be in writing and shall be addressed to us at the address referred to in the second paragraph above, and shall specifically refer to this Letter of Credit No. \_\_\_\_\_.

**NATIONAL RURAL UTILITIES  
COOPERATIVE FINANCE CORPORATION**

**By: \_\_\_\_\_  
          Assistant Secretary-Treasurer**

**ANNEX 1**  
**TO LETTER OF CREDIT NO. \_\_\_\_\_**

**[Beneficiary’s Letterhead]**

National Rural Utilities Cooperative Finance Corporation  
20701 Cooperative Way  
Dulles, Virginia 20166

[DATE]

Attention: LC Desk

Re: Irrevocable Standby Letter of Credit No. \_\_\_\_\_, dated \_\_\_\_\_, issued by National Rural Utilities Cooperative Finance Corporation (“Letter of Credit”)

The undersigned **BENEFICIARY NAME**, (“Beneficiary”) demands at sight payment of \$\_\_\_\_\_ U.S. Dollars under the above Letter of Credit.

**NOTE:**

**The highlighted portion can be deleted if no certification is needed or can be added to or otherwise revised to reflect whatever certification Applicant and/or Beneficiary want to use.**

The undersigned, an authorized officer of Beneficiary, hereby certifies on behalf of Beneficiary with reference to the Letter of Credit, that:

The amount claimed under this Letter of Credit is due and payable because payment is due to Beneficiary from **APPLICANT NAME**.

Honour of Beneficiary’s complying demand may be effected by payment at sight by wire transfer to:

In witness whereof, Beneficiary makes this demand and has caused this certificate to be duly executed and delivered by its duly authorized officer as of the date and year written below.

**BENEFICIARY NAME**

By its undersigned authorized officer

[appropriate original signature]

[Typed/Printed Name]

[Title]

[Date Signed]

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

**PERSONALLY APPEARED BEFORE ME**, the undersigned notary public in and for the county and state aforesaid, the within named \_\_\_\_\_, who stated that he/she is the [TITLE] of [BENEFICIARY], and who acknowledged that he/she signed the above and foregoing instrument on the date shown below his/her title above, for the purposes therein stated, after having been first duly authorized so to act.

**GIVEN UNDER MY HAND AND OFFICIAL SEAL**, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
**NOTARY PUBLIC**

(Print Name) \_\_\_\_\_

**My Commission Expires:** \_\_\_\_\_



**EXHIBIT B**  
**FORM OF LETTER OF CREDIT REQUEST**

National Rural Utilities Cooperative Finance Corporation  
20701 Cooperative Way  
Dulles, VA 20166  
Attn: \_\_\_\_\_

Re: National Rural Utilities Cooperative Finance Corporation (“CFC”)  
Revolving Line of Credit No. UT021-I-9033

Deseret Generation & Transmission Co-operative hereby requests CFC to issue a letter of credit under the above-referenced facility with the following terms:

Letter of Credit Amount:

Beneficiary Name and Address:

Letter of Credit Effective Date:

Expiry Date:

Conditions of Draw: (check one)      \_\_\_      Standard Form  
   \_\_\_      Other: (include description of requested terms)

Acting on behalf of Applicant, I hereby certify that as of the date below: (1) I am duly authorized to make this certification and to request a Letter of Credit on the terms specified herein; (2) the representations and warranties contained in the Revolving Line of Credit Agreement identified herein are true as of the date hereof with the same effect as though such representations and warranties had been made on such date; and (3) no Event of Default and no event which, with the lapse of time or the notice and lapse of time would become such an Event of Default, has occurred and is continuing.

Please issue the letter of credit directly to the beneficiary, with a copy to the undersigned.

Very truly yours,

DESERET GENERATION & TRANSMISSION CO-OPERATIVE

By: \_\_\_\_\_ Date: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT C  
LETTER OF CREDIT AMENDMENT REQUEST**

National Rural Utilities Cooperative Finance Corporation  
20701 Cooperative Way  
Dulles, VA 20166  
Attn: \_\_\_\_\_

Re: National Rural Utilities Cooperative Finance Corporation ("CFC")  
Letter of Credit No. UT021-I-9033-\_\_\_\_\_

Deseret Generation & Transmission Co-operative hereby requests CFC to amend the letter of credit referenced above to:

(please mark appropriate choice and provide relevant information for the choice)

\_\_\_ Increase the Letter of Credit Amount to \$\_\_\_\_\_

\_\_\_ Decrease the Letter of Credit Amount to \$\_\_\_\_\_

\_\_\_ Extend the Expiry Date to \_\_\_\_\_

\_\_\_ Other (provide description of request below):

Acting on behalf of Applicant, I hereby certify that as of the date below: (1) I am duly authorized to make this certification and to request a Letter of Credit amendment on the terms specified herein; (2) the representations and warranties contained in the Revolving Line of Credit Agreement under which the Letter of Credit referenced herein was issued are true as of the date hereof with the same effect as though such representations and warranties had been made on such date; and (3) no Event of Default and no event which, with the lapse of time or the notice and lapse of time would become such an Event of Default, has occurred and is continuing.

Please issue the amendment directly to the beneficiary, with a copy to the undersigned.

Very truly yours,

DESERET GENERATION & TRANSMISSION CO-OPERATIVE

By: \_\_\_\_\_

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_