

NEW APPLICATION



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BEFORE THE ARIZONA CORPORATIC

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COMMISSIONERS

Arizona Corporation Commission

BOB STUMP - CHAIRMAN
GARY PIERCE
BOB BURNS
BRENDA BURNS
SUSAN BITTER SMITH

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AZ CORP COMMISSION
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DOCKET NO. E-01461A-14-0039

IN THE MATTER OF THE APPLICATION OF)
TRICO ELECTRIC COOPERATIVE, INC. FOR)
AUTHORIZATION TO BORROW UP TO)
\$20,000,000 FROM THE NATIONAL RURAL)
UTILITIES COOPERATIVE FINANCE)
CORPORATION ("CFC") AND CoBANK, ACB)
("CoBANK"))

APPLICATION

Pursuant to A.R.S. §§40-301 *et seq.*, Trico Electric Cooperative, Inc. ("Trico"), hereby requests Arizona Corporation Commission ("Commission") authorization to borrow up to \$20,000,000 from the National Rural Utilities Cooperative Finance Corporation ("CFC") and CoBank, ACB ("CoBank") in the form of a \$10,000,000 revolving line of credit ("RLOC") agreement from each CoBank and CFC, each with a ten-year term.. The requested financing authority for the RLOC would provide Trico with the same authority for interim financing of capital improvements as previously granted by the Commission in Decision No. 66779 (February 13, 2004), which is expiring this year.

In support of this Application, Trico states:

1. Trico is a public service corporation providing electric distribution service in parts of Pima, Pinal and Santa Cruz Counties pursuant to Certificates of Convenience and Necessity issued by the Commission. Its principal place of business is located at 8600 W. Tangerine Road, Marana, Arizona, 85658.

2. In Decision No. 66779 (February 13, 2004), Trico received the authority from the Commission to borrow up to \$25,000,000 by means of a RLOC from CFC. Decision No. 66779 authorized Trico to use the RLOC agreement for ten years, expiring in February 2014. The purpose of the RLOC was to provide Trico with short-term borrowing capacity to finance capital improvements for which the Commission has authorized long-term borrowing. The RLOC would

1 provide interim financing for capital improvements between the time the Commission authorizes
2 the borrowing and RUS agrees to provide the long-term loans and the time Trico actually receives
3 the proceeds from the long-term loans.

4 3. In light of the expiring RLOC arrangements, CFC and CoBank each have agreed to
5 provide a new RLOC to Trico in the amount of \$10,000,000 from each bank (\$20,000,000 total)
6 pursuant to a RLOC Agreement (“Agreement”). As provided in the Agreements, all funds
7 advanced by CFC or CoBank to Trico pursuant to the Agreements shall be used solely for the
8 purpose of financing capital additions to Trico’s electric plant.

9 4. Trico’s current Construction Work Plan (“CWP”) of \$83.98 million (which was
10 approved in 2007 by United States Department of Agriculture Rural Utility Services (“RUS”)
11 included estimates for continued growth in residential line extensions and accompanying system
12 improvement construction projects. The economic recession that occurred from 2008 – 2012, and
13 the 2009 Commission-approved modifications to Trico’s Line Extension Policy (“LEP”) have
14 drastically reduced Trico’s actual CWP spending.

15 5. In Decision No.73933 (June 27, 2013), Trico received approval from the
16 Commission to extend its loan associated with the 2007 CWP (RUS Loan AL8) for one year or
17 until July 1, 2014. In July 2013, Trico received approval from RUS to extend the current AL 8
18 Loan until July 1, 2014. On July 1 2013, the AL8 Loan had approximately \$39.4 million
19 remaining to use for CWP projects. It is unlikely that Trico will spend the remaining amount of
20 AL8 Loan by July 1, 2014. Trico estimates that the AL8 Loan will still have approximately \$30
21 million remaining as of July 1, 2014. Trico recently has sought permission from RUS for a four-
22 year extension on the remaining balance of the AL8 Loan; but it is uncertain when and if such
23 approval will be given.

24 6. The RLOC agreements from CFC and CoBank will make it possible for Trico to
25 obtain short-term funds for capital improvements promptly and avoid unnecessary delays for its
26 consumers. Trico intends to make application to RUS and the Commission for a new CWP loan
27 for the 2013 – 2017 timeframe, but the timing for approval is uncertain. Therefore, Trico needs

1 the option of using the RLOC. At such time as the RUS loans are approved and funded, or other
2 appropriate long term debt financing has been approved and funded, Trico will repay any
3 outstanding balance on either of the RLOCs, which is a requirement under the CFC agreement.
4 The RLOC will be used only for interim financing to fund CWP projects between the time RUS or
5 other lenders, and ultimately the Commission, approve a long-term loan for Trico.

6 7. Exhibit 1 attached provides a summary long term financial forecast table that
7 presents the scenario in which Trico uses the entire RLOC amount in one year. In this financial
8 forecast, Trico borrows the total \$20,000,000 under the two RLOCs in 2015. The forecasted
9 scenario assumes that Trico follows its CWP for the remaining years. This financial forecast also
10 incorporates Trico's current LEP and uses the 2012 Trico load forecast. As shown in this
11 scenario, Trico will be able to absorb the entire loan amount without reducing financial targets
12 below minimum standards. Trico's Equity to Assets ratio declines to 36.9%, however this is still
13 well above the ACC's recommended 30% target. Trico's Debt Service Coverage ratio also
14 declines from the previous year's outcome, but continues to maintain well above the RUS
15 minimum level of 1.25. Although this scenario is not anticipated, it does show the strength in
16 Trico's current financial statements to handle unexpected borrowing needs.

17 8. Exhibit 2 attached provides the RLOC agreements from CoBank and CFC
18 respectively.

19 9. Exhibit 3 attached is the Notice to Customers that Trico will publish. Trico will
20 also provide an affidavit of publication after receiving a docket number from docket control.

21 10. Other than usual and customary fees of counsel for Trico in transactions of the type
22 involved here, no person will receive or be entitled to any commission or other fee for service in
23 connection with the issuance of the debt to be covered by this Application.

24 11. Trico's proposed RLOC program is within its corporate powers, compatible with
25 sound financial practices, and in the best interest of Trico and its Members. Exhibit 4 attached is
26 the Corporate Resolution providing Trico the authority to pursue this financing.
27

ROSHKA DEWULF & PATTEN, PLC
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WHEREFORE, Applicant Trico Electric Cooperative, requests that the Commission grant this Application to:

A. Authorize Trico to borrow up to \$20 million through revolving letter of credit with CFC and CoBank until other long such term long term financing is approved by the Commission and RUS; and

B. Authorize Trico to execute such documents as may be reasonably necessary, or be required by RUS, CFC and CoBANK, in order to carry out the Agreements contemplated by this Application.

RESPECTFULLY SUBMITTED this 7th day of February 2014.

TRICO ELECTRIC COOPERATIVE, INC.

By 

Michael W. Patten
Jason D. Gellman
ROSHKA DEWULF & PATTEN, PLC
One Arizona Center
400 East Van Buren Street, Suite 800
Phoenix, Arizona 85004

Attorneys for Trico Electric Cooperative, Inc.

Original and 13 copies of the foregoing filed this 7th day of February 2014 with:

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

ROSHKA DEWULF & PATTEN, PLC
ONE ARIZONA CENTER
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PHOENIX, ARIZONA 85004
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FACSIMILE 602-256-6800

1 Copy of the foregoing hand-delivered/mailed
2 this 7th day of February 2014 to:

3 Lyn Farmer, Esq.
4 Chief Administrative Law Judge
5 Hearing Division
6 Arizona Corporation Commission
7 1200 West Washington
8 Phoenix, Arizona 85007

9 Janice M. Alward, Esq.
10 Chief Counsel, Legal Division
11 Arizona Corporation Commission
12 1200 West Washington
13 Phoenix, Arizona 85007

14 Steve Olea
15 Director, Utilities Division
16 Arizona Corporation Commission
17 1200 West Washington
18 Phoenix, Arizona 85007

19 By *Jaclyn Howard*

Exhibit-1

Trico Electric Cooperative
 Exhibit One Docket No. E-01461A-13-
 Revolving Line of Credit Sensitivity Case
 Summary Financial Forecast Information

	2013	2014	2015	2016	2017
Equity to Assets Ratio	36.6%	38.5%	36.9%	38.4%	39.7%
Operating Debt Service Ratio*	1.72	2.04	1.93	1.92	1.92
Operating TIER *	2.20	2.13	1.92	1.91	1.93
Total Annual Loans (\$'s in Millions)	\$ 7.8	\$ -	\$ 20.0	\$ 1.3	\$ 1.8
Construction Work Plan (\$'s in Million)	\$ 8.0	\$ 11.1	\$ 34.7	\$ 11.7	\$ 12.2

*Operating Debt Service Ratio and Operating TIER calculates the ratio excluding G&T Capital Credits

Exhibit-2

REVOLVING LINE OF CREDIT AGREEMENT

REVOLVING LINE OF CREDIT AGREEMENT (this "Agreement"), dated as of _____, between TRICO ELECTRIC COOPERATIVE, INC. ("Borrower"), a corporation organized and existing under the laws of the State of Arizona, and NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION ("CFC"), a cooperative association organized and existing under the laws of the District of Columbia.

RECITALS

WHEREAS, the Borrower has applied to CFC for a line of credit for the purposes set forth in Schedule 1 hereto, and CFC is willing to extend such a line of credit to the Borrower on the terms and conditions stated herein.

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).

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

"Average DSC Ratio" shall mean the average of the Borrower's two highest annual DSC Ratios during the most recent three calendar years.

"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 as defined 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.

"Debt Service Coverage ("DSC") Ratio" shall mean the ratio determined as follows: for any calendar year add (i) Operating Margins, (ii) Non-Operating Margins--Interest, (iii) Interest Expense, (iv) Depreciation and Amortization Expense, and (v) cash received in respect of generation and transmission and other capital credits, and divide the sum so obtained by the sum of all payments of Principal and Interest Expense required to be made during such calendar year; provided, however, that in the event that any amount of Long-Term Debt has been refinanced during such year, the payments of Principal and Interest Expense required to be made during such year on account of such refinanced amount of Long-Term Debt shall be based (in lieu of actual payments required to be made on such refinanced amount of Long-Term Debt) upon the larger of (i) an annualization of the payments required to be made with respect to the refinancing

debt during the portion of such year such refinancing debt is outstanding or (ii) the payment of Principal and Interest Expense required to be made during the following year on account of such refinancing debt.

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

"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.

"GAAP" shall mean generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board.

"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.

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

"Line of Credit" shall mean the line of credit extended by CFC to the 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 and all other documents or instruments executed, delivered or executed and delivered by the Borrower and evidencing, governing, securing or otherwise pertaining to the Line of Credit.

"Maturity Date" shall mean the date set forth in Schedule 1 hereto.

"Obligations" shall mean any and all liabilities, obligations or indebtedness owing by the 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.

"Person" shall mean natural persons, 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.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

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

A. Good Standing. The Borrower is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization, 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.

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

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

C. No Conflicting Agreements. The execution and delivery of the Loan Documents and performance by the 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 agency of government, any award of any arbitrator, the articles of incorporation or bylaws of the Borrower, or any indenture, contract, agreement, mortgage, deed of trust or other instrument to which the Borrower is a party or by which it or any of its property is bound; or (ii) be in conflict with, result in a breach of or constitute (with due notice and/or lapse of time) a default under, any such award, indenture, contract, agreement, mortgage, deed of trust or other instrument, or result in the creation or imposition of any Lien upon any of the property or assets of the Borrower.

The Borrower is not in default in any material respect under any agreement or instrument to which it is a party or by which it is bound and 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. The Borrower has filed or caused to be filed all federal, state and local tax returns which are required to be filed and has paid or caused to be paid all federal, state and local taxes, assessments, and governmental charges and levies thereon, including interest and penalties to the extent that such taxes, assessments, and governmental charges and levies have become due, except for such taxes, assessments, and governmental charges and levies which the Borrower is contesting in good faith by appropriate proceedings for which adequate reserves have been set aside.

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

F. Litigation. There are no outstanding judgments, suits, claims, actions or proceedings pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower or any of its 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 the Borrower. The Borrower is not, to the 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 the Borrower.

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

H. Required Approvals. No license, consent or approval of any Governmental Authority is required to enable the Borrower to enter into this Agreement, or to perform any of its Obligations provided for herein, 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.

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

J. Disclosure. To the Borrower's knowledge, information and belief, neither this Agreement nor any document, certificate or financial statement furnished to CFC by or on behalf of the 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.

ARTICLE III

CREDIT TERMS

Section 3.01 Advances. CFC agrees to advance funds to the Borrower pursuant to the terms and conditions hereof, provided, however, that the principal amount at any time outstanding under this Agreement shall not exceed the CFC Commitment. The Borrower may borrow, repay

and reborrow funds at any time or from time up to, but not including, the Maturity Date, at which time all principal amounts outstanding, and accrued, but unpaid interest thereon, shall be due and payable in full.

Section 3.02 Payment and Interest Rate. The Line of Credit shall be payable and bear interest as follows:

A. Interest Rate and Payment. The 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 amounts advanced hereunder with interest on the Maturity Date, if not sooner paid. Interest 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 the Borrower of any change to the billing cycle or due dates for the payment of interest. CFC shall invoice the 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 the 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. 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.

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

Section 3.03 Reserved.

Section 3.04 Limitation on Advances. While an Advance is outstanding, CFC reserves the right to limit further Advances if the sum of (a) all Advances outstanding, (b) the amount of any further Advance requested, and (c) the total amount of Borrower's other unsecured outstanding debt, would exceed the CFC Commitment. CFC may in its sole discretion decline to make any Advance during any period when the Borrower is in default hereunder.

Section 3.05 Mandatory Prepayment. If there is a change in the Borrower's corporate structure (including without limitation by merger, consolidation, conversion or acquisition), then upon the effective date of such change, (a) the Borrower shall no longer have the ability to request, and CFC shall have no obligation to make, Advances hereunder and (b) the Borrower shall prepay the outstanding principal balance of all Obligations, 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 the 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.

Notwithstanding the foregoing, 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 patrons for their use as ultimate consumers and is organized as a

cooperative, nonprofit corporation, public utility district, municipality, or other public governmental body, Borrower shall retain the ability to request, and CFC shall retain the obligation to make, Advances hereunder and no prepayment shall be required under this Section 3.05.

Section 3.06 Termination and Cancellation of Existing Agreement. Borrower agrees that its existing line of credit No. AZ020-R-5100 with CFC and any agreement(s) relating thereto shall be terminated and any outstanding principal, interest and other amounts outstanding thereunder shall be transferred to the line of credit established pursuant to this Agreement and deemed an Advance hereunder.

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 days thereafter, then beginning on the thirty-first day after the payment is due and for so long as such default continues, Advances shall bear interest at the Default Rate.

ARTICLE IV

CONDITIONS OF LENDING

Section 4.01 Conditions Precedent to Closing. The obligation of CFC to make Advances 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) Documents. (a) the executed Loan Documents, (b) certified copies of all such organizational documents and proceedings of the Borrower authorizing the transactions hereby contemplated as CFC shall require, (c) an opinion of counsel for the Borrower addressing such legal matters as CFC shall reasonably require, and (d) all other such documents as CFC may reasonably request.

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

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

Section 4.02 Conditions to Advances. The obligation of CFC to make each Advance hereunder is additionally subject to satisfaction of the following conditions:

A. Requisitions. The Borrower will requisition each Advance by submitting its 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 the Borrower to submit such additional information as it may reasonably require prior to funding the Advance request.

B. Representations and Warranties; Default. The representations and warranties contained in Article II shall be true on the date of the making of each Advance hereunder with the same effect as though such representations and warranties had been made on such date; 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 Advance on the books of the Borrower; there shall have occurred no material adverse change in the business or condition, financial or otherwise, of the Borrower; and nothing shall have occurred which in the opinion of CFC materially and adversely affects the Borrower's ability to perform its obligations hereunder.

C. Special Conditions of Advances. CFC shall be fully satisfied that the Borrower has complied with all special conditions to advance identified in Schedule 1 hereto.

ARTICLE V COVENANTS

Section 5.01 The Borrower covenants and agrees with CFC that until payment in full of the Line of Credit and performance of all obligations of the Borrower hereunder:

- A. Financial Ratios; Design of Rates.** The Borrower shall achieve an Average DSC Ratio of not less than 1.35. The Borrower shall not decrease its rates for electric service if it has failed to achieve a DSC Ratio of 1.35 for the calendar year prior to such reduction subject only to an order from a Governmental Authority properly exercising jurisdiction over the Borrower.
- B. Use of Proceeds.** The Borrower shall use the proceeds of this Line of Credit solely for the purposes identified on Schedule 1 hereto.
- C. Notice.** The Borrower shall promptly notify CFC in writing of:
- (i) any material adverse change in the business, operations, prospects, assets, liabilities or financial condition of the Borrower or its subsidiaries;
 - (ii) the institution or threat of any litigation or administrative proceeding of any nature involving the Borrower or any subsidiary which could materially affect the business, operations, prospects, assets, liabilities or financial condition of the Borrower or any subsidiary;
 - (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.

D. Default Notices. Upon receipt of any notices with respect to a default by the Borrower or any subsidiary 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, the Borrower shall, and shall cause each subsidiary to, deliver copies of such notice to CFC.

E. Financial Books; Financial Reports; Right of Inspection. The 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 the Borrower, in accordance with GAAP. The Borrower will cause to be prepared and furnished to CFC within one hundred twenty (120) days of the end of each of the 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 the Borrower or in anyway pertaining to its property or business.

F. Compliance With Laws. The 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. Taxes. The Borrower shall pay, or cause to be paid all taxes, assessments or governmental charges lawfully levied or imposed on or against it and its properties prior to the time they become delinquent, except 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.

H. Special Covenants. The Borrower will comply with any special covenants identified in Schedule 1 hereto.

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

C. Other Covenants.

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

(ii) **Thirty Day Grace Period.** Failure of the 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 the Borrower by CFC.

D. Legal Existence, Permits and Licenses. The 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 the 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. The 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. The 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 the Borrower 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) days; or an order for relief shall be entered against the Borrower under the federal bankruptcy laws or applicable state law as now or hereafter in effect.

H. Insolvency. The Borrower 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 the Borrower, or failure by the Borrower 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) days.

J. Material Adverse Change. Any material adverse change in the business or condition, financial or otherwise, of the Borrower or any subsidiary.

K. Monetary Judgment. The Borrower shall suffer any money judgment not covered by insurance, writ or warrant of attachment or similar process involving an amount in excess of \$100,000 and shall not discharge, vacate, bond or stay the same within a period of sixty (60) days.

L. Nonmonetary Judgment. One or more nonmonetary judgments or orders (including, without limitation, injunctions, writs or warrants of attachment, garnishment, execution, distraint, replevin or similar process) shall be rendered against the Borrower that, either individually or in the aggregate, could reasonably be expected to have a material adverse effect upon the business, operations, prospects, assets, liabilities or financial condition of the Borrower.

ARTICLE VII

REMEDIES

Section 7.01 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 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) Declare all unpaid principal outstanding on the Line of Credit, 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;
- (c) Exercise rights of setoff or recoupment and apply any and all amounts held, or hereafter held, by CFC or owed to the Borrower or for the credit or account of the Borrower against any and all of the Obligations of the Borrower now or hereafter existing hereunder or under the Line of Credit, 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. The Borrower waives all rights of setoff, deduction, recoupment or counterclaim;
- (d) Pursue all rights and remedies available to CFC, including, but not limited to, a suit for specific performance, injunctive relief or damages;
- (e) 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 shall occur after the date of this Agreement, then CFC's commitment to make Advances hereunder shall automatically terminate and the unpaid principal outstanding hereunder, 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 Loan Documents in the manner, upon the conditions, and with the effect provided in the 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.

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

ARTICLE VIII

MISCELLANEOUS

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

The 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 8.02 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 or in preparation for such enforcement, (b) to restructure any of the Obligations, (c) to review, approve or grant any consents or waivers hereunder, (d) to prepare, negotiate, execute, deliver, review, amend or modify this Agreement, and (e) to prepare, negotiate, execute, deliver, review, amend or modify any other agreements,

documents and instruments deemed necessary or appropriate by CFC in connection with any of the foregoing.

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

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

Section 8.04. Non-Business Day Payments. If any payment to be made by the Borrower hereunder shall become due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall be included in computing any interest in respect of such payment.

Section 8.05 Filing Fees. To the extent permitted by law, the Borrower agrees to pay all expenses of CFC (including the reasonable fees and expenses of its counsel) in connection with the filing, registration, recordation or perfection of any 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. The Borrower agrees to save harmless and indemnify CFC from and against any liability resulting from the failure to pay any required documentary stamps, recordation and transfer taxes, recording costs, or any other expenses incurred by CFC in connection with this Agreement. The provisions of this subsection shall survive the execution and delivery of this Agreement and the payment of all other amounts due hereunder.

Section 8.06 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 8.07 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 the Borrower therefrom shall in any event be effective unless the same shall be in writing by the party granting such modification, waiver or consent, and then such modification, waiver or consent shall be effective only in the specific instance and for the purpose for which given.

SECTION 8.08 GOVERNING LAW; SUBMISSION TO JURISDICTION; WAIVER OF JURY TRIAL.

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

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

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

SECTION 8.09 INDEMNIFICATION. THE BORROWER HEREBY INDEMNIFIES AND AGREES TO HOLD HARMLESS, AND DEFEND CFC AND ITS MEMBERS, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, ATTORNEYS AND REPRESENTATIVES (EACH AN "INDEMNITEE") FOR, FROM, AND AGAINST ALL CLAIMS, DAMAGES, LOSSES, LIABILITIES, COSTS, AND EXPENSES (INCLUDING, WITHOUT LIMITATION, COSTS AND EXPENSES OF LITIGATION AND REASONABLE ATTORNEYS' FEES) ARISING FROM ANY CLAIM OR DEMAND IN RESPECT OF THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS OR THE TRANSACTIONS DESCRIBED IN THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS AND ARISING AT ANY TIME, WHETHER BEFORE OR AFTER PAYMENT AND PERFORMANCE OF ALL OBLIGATIONS UNDER THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS IN FULL, EXCEPTING ANY SUCH MATTERS ARISING SOLELY FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF CFC OR ANY INDEMNITEE. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN SECTION 8.11 HEREOF, THE OBLIGATIONS IMPOSED UPON THE BORROWER BY THIS SECTION SHALL SURVIVE THE REPAYMENT OF THE LINE OF CREDIT AND THE TERMINATION OF THIS AGREEMENT.

Section 8.10 Complete Agreement. This Agreement, together with any 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 8.11 Survival; Successors and Assigns. All covenants, agreements, representations and warranties of the Borrower which are contained in this Agreement shall survive the execution and delivery to CFC of the Loan Documents and the making of the Advances 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 the Borrower which are contained in this Agreement shall inure to the benefit of

the successors and assigns of CFC. The Borrower shall not have the right to assign its rights or obligations under this Agreement.

Section 8.12 Use of Terms. The use of the singular herein shall also refer to the plural, and vice versa.

Section 8.13 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 8.14 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 governmental agency or court of competent jurisdiction, 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 8.15 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 8.16 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 8.17 Schedule 1. Schedule 1 attached hereto is 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.

TRICO ELECTRIC COOPERATIVE, INC.

(SEAL)

By: _____

Title: _____

Attest: _____
Secretary

NATIONAL RURAL UTILITIES COOPERATIVE
FINANCE CORPORATION

(SEAL)

By: _____
Assistant Secretary-Treasurer

Attest: _____
Assistant Secretary-Treasurer

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

Loan Number: AZ020-R-5102

SCHEDULE 1

1. The purpose of this Line of Credit is to finance Eligible Property Additions, (as such term is defined in 7 C.F.R., Part 1718, Subpart B, "Mortgage for Distribution Borrowers", as the same may be amended, superseded or restated from time to time) set forth in the Borrower's application for the RUS Financing.
2. The aggregate CFC Commitment shall mean \$10,000,000.00.
3. Maturity Date shall mean the date one hundred twenty (120) months from the Effective Date.
4. The date of the Borrower's balance sheet referred to in Section 2.01.G is December 31, 2010-2012.
5. The Governmental Authority referred to in Section 2.01.H is: Arizona Corporation Commission.
6. The special conditions of closing referred to in Section 4.01.D are as follows: None
7. The special conditions of advance referred to in Section 4.02.C are as follows: None
8. The special covenants referred to in Section 5.01.H are as follows:
 - (a) Advances hereunder shall be used solely for purposes provided for under the terms and conditions of the Application as it may be designated or re-designated prior to closing;
 - (b) Notwithstanding anything to the contrary contained in the provisions of Sections 3.02(A) of this Agreement, within thirty (30) days of such time as the RUS Financing becomes available to the Borrower, Borrower shall use the proceeds of said RUS Financing to repay in full, with interest as provided for herein, all amounts advanced hereunder and upon such repayment this Agreement shall terminate and be of no further force nor effect except to the extent provided for in Section 8.11 of this Agreement;
 - (c) In the event that the RUS Financing is not approved or is revoked or cancelled prior to being funded, Borrower will seek a lien accommodation from RUS to permit amounts outstanding hereunder to be secured under the Restated Mortgage and Security Agreement dated as of August 2, 2004 by and among the Borrower, CFC and RUS, as it may have been or shall be supplemented, amended, consolidated or restated from time to time, or will secure any outstanding amount by other means acceptable to CFC, within ninety (90) days of receiving notification from RUS of such cancellation, revocation or non-approval; and
9. The address for notices to the Borrower referred to in Section 8.01 is P.O. Box 930, Marana, AZ 85653-0930, Attention: President/CEO, Fax: (520) 744-2329.

**PROMISSORY NOTE AND
REVOLVING TERM LOAN SUPPLEMENT**

THIS PROMISSORY NOTE AND SUPPLEMENT (this "Promissory Note and Supplement") to the Master Loan Agreement dated as of August 23, 2012 (the "MLA") is entered into as of MONTH DAY, 2014 between **TRICO ELECTRIC COOPERATIVE, INC., Marana, Arizona**, an Arizona corporation (the "Company") and **CoBANK, ACB**, a federally chartered instrumentality of the United States ("CoBank").

SECTION 1. The Revolving Term Loan Commitment. On the terms and conditions set forth in the MLA and this Promissory Note and Supplement, CoBank agrees to make loans to the Company during the period set forth below in an aggregate principal amount not to exceed \$10,000,000.00 at any one time outstanding (the "Commitment"). Within the limits of the Commitment, the Company may borrow, repay and re-borrow.

SECTION 2. Purpose. The purpose of the Commitment is to finance long-term capital expenditures.

SECTION 3. Term. The term of the Commitment shall be from the date hereof, up to and including MONTH DAY, 2024, or such later date as CoBank may, in its sole discretion, authorize in writing.

SECTION 4. Availability. Notwithstanding Section 2 of the MLA, the loan will be made and disbursed pursuant to closing procedures to be agreed upon by the parties.

SECTION 5. Interest. The Company agrees to pay interest on the unpaid balance of the loan(s) in accordance with one or more of the following interest rate options, as selected by the Company:

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

(B) Quoted Rate Option. At a fixed rate per annum to be quoted by CoBank in its sole discretion in each instance. Under this option, rates may be fixed on such balances and for such periods, as may be agreeable to CoBank in its sole discretion in each instance, provided that: (1) the minimum fixed period shall be 30 days; (2) amounts may be fixed in increments of \$100,000.00 or multiples thereof; and (3) the maximum number of fixes in place at any one time shall be five.

The Company shall select the applicable rate option at the time it requests a loan hereunder and may, subject to the limitations set forth above, elect to convert balances bearing interest at the variable rate

option to one of the fixed rate options. Upon the expiration of any fixed rate period, interest shall automatically accrue at the variable rate option unless the amount fixed is repaid or fixed for an additional period in accordance with the terms hereof. Notwithstanding the foregoing, rates may not be fixed for periods expiring after the maturity date of the loans and rates may not be fixed in such a manner as to cause the Company to have to break any fixed rate balance in order to pay any installment of principal. All elections provided for herein shall be made telephonically or in writing and must be received by 12:00 Noon Company's local time. Interest shall be calculated on the actual number of days each loan is outstanding on the basis of a year consisting of 360 days and shall be payable monthly in arrears by the 20th day of the following month or on such other day in such month as CoBank shall require in a written notice to the Company.

SECTION 6. Fees. INTENTIONALLY OMITTED.

SECTION 7. Promissory Note. The Company promises to repay the unpaid principal balance of the loans on MONTH DAY, 2024, or such later date as CoBank may, in its sole discretion, authorize in writing. If any installment due date is not a Business Day, then such installment shall be due and payable on the next Business Day. In addition to the above, the Company promises to pay interest on the unpaid principal balance of the loans at the times and in accordance with the provisions set forth above.

SECTION 8. Security. Notwithstanding the provisions of the Security, Guarantee(s) and Title Insurance Section of the MLA to the contrary, except for CoBank's statutory first lien on all equity that the Company may now own or hereafter acquire or be allocated in CoBank, the Company's obligations hereunder shall be unsecured.

IN WITNESS WHEREOF, the parties have caused this Promissory Note and Supplement to the MLA to be executed by their duly authorized officers as of the date shown above.

CoBANK, ACB

TRICO ELECTRIC COOPERATIVE, INC.

By: _____

By: _____

Title: _____

Title: _____

Exhibit-3

PUBLIC NOTICE OF TRICO ELECTRIC COOPERATIVE, INC.
APPLICATION FOR AUTHORIZATION TO BORROW UP TO
\$20,000,000 FROM THE NATIONAL RURAL UTILITIES
COOPERATIVE FINANCE CORPORATION (“CFC”) AND
CoBANK, ACB (“CoBANK”)
DOCKET NO E-01461A-14-XXXX

Trico Electric Cooperative, Inc. (“Trico”) on [DATE] filed an application with the Arizona Corporation Commission for authorization to borrow up to \$20,000,000 from the National Rural Utilities Cooperative Finance Corporation (“CFC”) and CoBANK, ACB (“CoBANK”) – specifically \$10,000,000 from each entity and in the form of a revolving line of credit. The purpose of the requested financing authority is to provide Trico with the same authority for interim financing of capital improvements as previously granted by the Commission in Decision No. 66779 (February 13, 2004), which is expiring this year. Copies of the Application are available at the Commission’s offices at 1200 West Washington, Phoenix, Arizona, 85007 for public inspection during regular business hours, and on the Internet via the Commission’s website (www.azcc.gov) using the e-Docket function. A copy of the application is also available at Trico’s offices at 8600 West Tangerine Road, Marana, Arizona.

Any person or entity entitled by law to intervene and having a direct and substantial interest in the matter will be permitted to intervene. If you wish to intervene, you must file an original and 13 copies of a written motion to intervene with the Commission and send a copy of the motion to Trico or its counsel and to all parties of record. Contact information for Trico and the other parties may be found on the Commission’s e-Docket website, referencing Docket No. E-01461A-14-XXXX. Your motion to intervene must, at a minimum, contain the following:

1. Your name, address, and telephone number, and the name, address, and telephone number of any party upon whom service of documents is to be made, if not yourself;
2. A short statement of your interest in the proceeding (e.g., a customer of any of the Arizona Utilities, a customer-member of Trico, etc.); and
3. A statement certifying that you have mailed a copy of the motion to intervene to Trico or its counsel and to all parties of record in the case.

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, All parties must comply with Arizona Supreme Court Rules 31 and 38 and A.R.S. § 40-243 with respect to the practice of law. For information about requesting intervention, visit the Commission’s website at <http://www.azcc.gov/divisions/utilities/forms/interven.pdf>. The granting of intervention, among other things, entitles a party to a request a hearing. If a hearing is ordered, an intervenor is permitted to present sworn evidence at hearing and cross-examine other witnesses. Failure to intervene, however, will not preclude any interested person or entity from providing public comment on the application.

Written public comments may also be submitted by mailing a letter referencing Docket No. W-02304A-14-XXXX to the Arizona Corporation Commission, Consumer Services Section, 1200 West Washington, Phoenix, AZ 85007, or by e-mail. For a form to use and instructions on how to e-mail comments to the Commission, go to <http://www.azcc.gov/Divisions/Utilities/forms/PublicCommentForm1.pdf>. If you require assistance, you may contact the Consumer Services Section at (602) 542-4251, or toll free at 1-800-222-7000.

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting the ADA Coordinator, Shaylin Bernal, E-mail Sbernal@azcc.gov, voice phone number (602) 542-3931. Requests should be made as early as possible to allow time to arrange the accommodation.

Exhibit-4

TRICO ELECTRIC COOPERATIVE, INC.

Marana, Arizona

RESOLUTION

The following Resolution was adopted unanimously at the regular meeting of the Board of Directors of Trico Electric Cooperative, Inc., held in Marana, Arizona on Monday, January 27, 2014.

***WHEREAS**, the Cooperative has in place a \$25 million bridge loan credit facility (the "Bridge Loan") for the purpose of funding projects under its 4-year Construction Work Plan filed with the USDA Rural Utilities Service ("RUS) prior to the receipt of RUS financing for such projects; and*

***WHEREAS**, the Bridge Loan facility will expire in February, 2014, and it is in the best interest of the Cooperative to maintain a similar facility for the purpose of funding Construction Work Plan projects in advance of receipt of permanent financing for such projects; and*

***WHEREAS**, Management has negotiated the terms of a Revolving Line of Credit ("RLOC") with CoBank, ACB ("CoBank") and National Rural Utilities Cooperative Finance Corporation ("CFC") in the amount of \$20 million (\$10 million each from CoBank and CFC), and*

***WHEREAS**, the Finance/Audit Committee of the Board of Directors has considered the RLOC and has recommended the Cooperative file with the Arizona Corporation Commission ("ACC") a Financing Application for approval of the RLOC, subject to full Board of Directors approval of the terms and conditions of the RLOC following the negotiation of final documentation and approval by the ACC.*

NOW, THEREFORE, BE IT

***RESOLVED**, that the Cooperative file with the ACC a Financing Application for approval of the RLOC on the terms presented to this meeting, subject to approval by the Board of the RLOC following the negotiation by Management of the final terms and conditions and approval of the RLOC by the ACC; and be it further*

***RESOLVED**, that subject to the terms hereof, the CEO/General Manager or his designees be, and each of them is authorized in the name and on behalf of the Cooperative, to execute and deliver a Financing Application to the ACC for the RLOC, with appropriate documents to support such Financing Application, and to take such actions as may be necessary or appropriate in order to carry out the purposes and intent of these resolutions.*